When crises became economic: an analysis of Italian journals and literature in the 19th century

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Wealth and poverty

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INTRODUCTION

“One of the greatest inconveniences of a commercial system are the incidents and the crises it is subject to from time to time”
(Giuseppe Pecchio)²

A preliminary survey of Italian literature of the nineteenth century discloses only a vague perception of the momentous change from a traditional society largely based on agriculture to a society centered in cities and divided in new classes. How much the latter depended on the economic cycle was a question posed and answered only in economic journals and academic writings at the end of the century, not in literature at large. The life of the common man was still much more influenced by famine than economic turmoil.

The perception of modernity was confined to a general reappraisal of agricultural life, in positive or negative; to the perception of a growing bureaucratization of life, in the last part of the century particularly in relation with the setting up of the national state; and to the depiction of changes in the structure of society, although limited to the few urban spaces influenced by a slow process of industrialization.

Crises found their definition abroad. Gerolamo Boccardo³ derived the general structure of the voice on Crises of his Dictionary of political economy from French antecedents⁴. He defined them: “more or less deep perturbations of the social interests”⁵ that, however severe, were brief by definition. Crisis maintained the significance of the original medical terminology: a seizure always followed by healing that would never be fatal.

It is worthwhile to cite the subdivision of crises that Boccardo proposed to his readers, because this taxonomy would recur in many subsequent authors until the last decades of the nineteenth century.

Boccardo classified crises in three main categories: crises that afflicted agriculture, disturbing the production of necessity goods; industrial crises, arising in manufactories, causing disorders in their production and in the related interests; commercial crises, perturbing the trading market through turmoil in the currencies, in credit or in the means of communications⁶.

² Giuseppe Pecchio, L’anno mille ottocento ventisei dell’ Inghilterra, Lugano, Dai Tipi di G. Vannelli e Comp., 1827, p.129.
⁶ Ibid.
In 1864, almost a decade after the first edition of Boccardo’s *Dictionary*, Francesco Ferrara edited the fourth volume of the second series of the *Biblioteca dell’Economista*. The volume dealt with the history of trade and included works by Gilbert, Scherer and Stirling. Ferrara introduced it with a lengthy essay on economic crises. Definition and taxonomy perfectly corresponded to Boccardo’s. Ferrara, through his pictorial and metaphoric language, vividly described economic crises as distresses of nations’ economic life, quite similar to a physiologic disease: an epidemic menacing the orderly functioning of the economic body. The crisis had three main forms of appearance: insufficient production, excessive production and scarcity of money. As Boccardo, Ferrara too stressed how the subdivision followed from the sectors involved: agriculture, manufacture and trade. A taxonomy of crises derived from the symptoms of the economic seizure. In reality, though, a crisis could involve more than one sector at a time. The three typologies could all follow from the same cause, as might be war, and arise at the same time, or one could cause the other in a seemingly circular path of economic growth and decay.

As late as in 1878, Salvatore Cognetti de Martiis proposed a change in terminology and taxonomy. In his essay on *Shapes and Laws of Economic Perturbations*, published on the *Giornale degli Economisti*, Cognetti ignored the term crisis and wrote instead of perturbations. He also introduced the concept of cycles as defined by Clément Juglar. On the base of longtime empirical observations, he even ventured to identify a precise law regarding the cyclical nature of economies: “to a period of general depression and lethargy unerringly follows a period of progressive and general activity that, achieved at a certain moment a culminating and critical point weakens and diminishes lethargy unerringly follows a period of progressive and general activity that, achieved at a certain moment a culminating and critical point weakens and diminishes at once, becoming a more or less extended depression.” Economic perturbations were phenomena of disequilibrium that took place in the boundaries of these cycles. Depending on the market involved, the one for labor, goods, money or credit,

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Cognetti would name the crises industrial, commercial and monetary or financial. Thanks to an accurate historical analysis, he finally identified other three laws concerning crises: they tended to diffuse from one market to the other; they arose when the discount rate reached a level between 7% and 10%; they helped to purify the market.

“The perturbations of the economic currents – established Cognetti – are phenomena, like any other of the cosmic order, natural and in their irregularity regular. They have their reason of existence and their laws and so it is possible to construe a scientific theory on them” 18. Crises depended mainly on man’s vices of reasoning: “speculation excites him, competition inflames him, and prospective wealth exalts him. His brain functions are upset” 19. Frenzy and panic were the consequences of such disordered human sentiments. As for a solution, Cognetti had none, if not the diffusion of a conscience of a common solidarity in all participants to a market: social capital in today’s terms.

With few exceptions, crises were not popular among Italian economists, not even at the end of the century. In the Essay on Italian Economic Bibliography for the years 1870-1890, compiled by Angelo Bertolini, crises were included in the general segment on trade, national and international 20. The section listed 110 titles of which only nine actually referred to economic crises. Two of them tried to explain the trading problems of Italian wine and spirits 21 others referred to the crisis of Italy’s economy in the late ’80s 22, one particularly in relation with the institutional framework of the stock exchange 23. Only Max Wirth was quoted as addressing the problem of crises from a more theoretical point of view 24.

Many more interesting researches, it seems, might so be done on Italian economic thought of the nineteenth century, than an analysis of the concept of crisis. Shun by literature, barely tolerated by intellectuals and economists, crises were much more researched in countries like England and France, where their repetitive and destructive recurrence sparked the most remarkable theoretical advancements.

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18 Salvatore Cognetti de Martiis, Forme e leggi delle perturbazioni economiche, Padova, Tipografia alla Minerva, 1878, p.22.
19 Salvatore Cognetti de Martiis, Forme e leggi delle perturbazioni economiche, Padova, Tipografia alla Minerva, 1878, p.23.
23 Carlo Bonis, Del riordinamento delle borse, Torino, Tarizzo e figlio, 1889.
24 Max Wirth, L’équilibre économique et les causes de la stagnation actuelle des affaires, Roma, Botta, 1886.
and many literary recollections and representations. A closer scrutiny of the main periodicals of the nineteenth century, until Italy’s unification, though, with the aid of the taxonomy proposed by Boccardo and Ferrara, allows a more precise appraisal of how and if, in Italy, economic crises were perceived by intellectuals and even common men. With the passing of time, not only did the term crisis recur ever more often, but it also acquired a clear economic coloring. Bearing witness of the regression of political and moral content in favor of an almost pure economic significance makes such a study on crises a worthwhile research object.

In Italy, the most recurrent form of crisis for the whole century remained famine and as such was widely discussed and represented in literature as in journals (paragraph 1). The idea of overproduction crises, instead, almost unknown as a contemporary reality, came to coincide in the imagination of Italians with the idea of England itself, a nation rich and powerful as any, but plagued by a diffused misery, unknown in such measure on the Continent (paragraph 2). Some conclusions will be drawn from this study, hinting at how the repeated financial and economic crises at the end of the century spread among intellectuals and in popular periodicals the idea of economic determinism (paragraph 3). After a century of struggles for political independence and unification, Italians learnt that they still had to pay for it.

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25 How important journals have been for the development of economic thought in Italy during the 19th century is underlined by: Piero Barucci, *Gli “Annali Universali di Statistica”. Contributo alla storia dello sviluppo del pensiero economico italiano nella prima metà dell’Ottocento*, Tesi di Laurea, Università degli Studi di Firenze, 1958-1959, p. VI.
PROVIDENCE OR SCIENCE: SCARCITY CRISSES IN JOURNALS AND LITERATURE

“...prolonging life by the scanty food obtained, as it were, by chance, in such a disparity between the supply and the demand”

(Alessandro Manzoni)26

In 1864 Francesco Ferrara, in his survey on the economic literature about crises, described the insufficient production of one or more goods as the oldest historical appearance of economic crises27. A trifling occurrence in case of wares unnecessary to survival, but of biblical magnitude in the case of primal needs. “Caused by meteorological occurrences, the infancy of agriculture, errors and infamous passions of rulers” famine and starvation, noted Ferrara, had afflicted the roman world, recurring during the Middle Ages every ten years at least. Although, Ferrara further observed, famines had become rarer during the nineteenth century, they still had severely afflicted Europe with regularity. In 1847, in particular, the recurrence of a food shortage, plaguing most of Europe, sparked in Italy manifold debates about related economic policies and theories.

The Annali universali di statistica economia pubblica, geografia, storia, viaggi e commercio28, published a long series of articles, beginning in 1846, to register all phases of the famine29. Flooding and bad harvest had rapidly caused a shortage of grain and other agricultural products, increasing their prices. What mattered most to the editors of the journal, adhering to the Italian school of public economy30, was the

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response of Italian and European states to the ensuing crisis. The articles listed all provisions, enacted by the majority of governments, to ease the import of grain from taxes and levies, while prohibiting the export of the local agricultural production. A policy that, was candidly noted, contemporarily adopted by all states, could not generate any positive effect. Russia, in fact, was to be the savior of Europe in the end, by consenting the export of its precious grains.

Famine became so, in Italy, the primary occasion to call for liberal policies. It was not the first time, not in Italy, not in Europe. In 1764-65, a severe food shortage had determined the Grand Duke Pietro Leopoldo to adopt liberal trade policies in Tuscany, while Richard Cobden openly admitted that the Irish potato crop failure had brought about the occasion to repeal England’s Corn Laws. Not incidentally, during the food crisis of 1847, Cobden was actively campaigning in favor of free trade, obtaining enthusiastic support all over Italy. The *Annali universali* were full of reports of all stop-overs of Cobden’s travel in Italian states. In his discourses, Cobden did not fail to address repeatedly the problem of shortage. “The occurrence of this year’s famine – was he reported to have said in Trieste – proves that trade cannot be better protected than through free trade. Exactly when the crisis of crops was heavily felt all over Europe the mobile scales and all other provisions were removed so that, through a new equilibrium, alimentary goods could run freely were necessity was felt and replenish the locations where need was critical”.

The overwhelming success of Cobden’s tour, though, relied more on political motives than on his prospected solution for the problem of food scarcity. The *Annali universali* precisely listed all politicians and economists who participated to the numerous banquets in honor of the English liberalist, holding speeches in favor of free trade. In Genoa, where Cobden arrived from Spain, the celebrations were presided by Massimo d’Azeglio; in Florence by Vincenzo, father of Ubaldino, Peruzzi, in Venice, the banquet, organized, among others, by Daniele Manin, Leone Pincherle and Agostino Sagredo, was chaired by Nicolò Priuli; in

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34 *Banchetto dato a Cobden a Trieste*, “Annali universali di statistica economia pubblica, geografia, storia, viaggi e commercio”, Vol. 13, 37, 1847, p.89.
Neaples Cobden was presented to the local Academy of Sciences by Pasquale Stanislao Mancini; in Turin the feast was directed by Filiberto Avogadro di Collobiano; and in Milan the reception at the *Società di Incoraggiamento di Arti e Mestieri* was opened by a speech of Cesare Giulini della Porta. A list that embraces many patriots that would be heavily involved in the revolutionary and reforming movements in all Italian states in 1848 and further became primary political figures after Unification.

The most influential among the enthusiasts for Cobden’s free trade movement was indubitably Camillo Benso, Count Cavour, leading mind of Italy’s Unification process and first prime minister of the Kingdom of Italy to be. It is worth to mention and quote at length a passage of the discourse he held in Turin on the occasion of the formal dinner in honor of Richard Cobden:

“Oui, monsieur, nous croyons pouvoir nous affirmer avec certitude; l’Italie qui a vu éclore dans son sein la science économique, ce pays ou Genovesi et Verri ont écrit, ou Scialoja professe, ne sera pas de derniers à mettre pleinement d’accord les principes scientifiques avec les préceptes de la pratique. La liberté du commerce doit avoir pour l’Italie des conséquences dont il est impossible d’exagérer l’importance; si elle est utile dans un grand pays qui possède un vaste marché, elle est indispensable au développement de l’industrie et du commerce d’un contrée divisée par des nombreuses lignes de douanes où les produits du sol et du travail rencontrent à chaque pas des obstacles fiscaux qui les repoussent, et qu’ils ne peuvent surmonter. Mais cette liberté doit aussi, ainsi que vous et notre savant professeur d’économie politique l’avez si bien fait remarquer, avoir pour notre pays des résultats d’un ordre plus élevé. C’est pourquoi nous sommes convaincus qu’en travaillant à abaisser les barrières qui nous divisent, qu’en travaillant à étendre nos relations commerciales extérieures, nous travaillons au progrès intellectuel et moral de l’Italie aussi bien qu’à la prospérité matérielle. Tel sont, Monsieur, nos esperances et nos vœux.”

A speech, this of Cavour, that perfectly underlines how the call for free trade had become in Italy, through the pressure of starvation, an economic equivalent to the request for independence and national unity at political level. When censure and military control impeded to speak openly about a united Italy, adherence to liberal economic thought allowed mobilizing public opinion and organizing reunions around the question of freedom, scientific only in appearance. The wish for the economic unity of Italy, the quotation of a glorious tradition of Italian economic thought, the coincidence between economic liberalism and moral and intellectual progress, underlined by Cavour, were all part of the of the ideology of Risorgimento: the hopes and wishes of Italians at the eve of 1848. History, certainly, was full of examples, as Francesco Ferrara observed in 1864, of food crises followed by meritorious and beneficial consequences in terms of institutional change. Such the cases of the Baronial crisis in England in 1258 and of the regime of the

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When crises became economic: an analysis of Italian journals and literature in the 19th century

Pseudo-Demetrius I, Tsar of Russia between 1605 and 1606, so the revolution of 1789 and the repeal of the Corn Laws\(^\text{36}\). Why not Italy in 1848?

Alessandro Manzoni, founding father of modern Italian language and referring literate of the Risorgimento, shared the view of Cobden’s circles, to which many of his relatives and friends adhered. In September 1848 he anonymously published an article on the journal *La Concordia* titled *Political independence and economic liberalism*\(^\text{37}\) in which he professed affinity with the views of liberal economists like Jean-Baptiste Say, Adam Smith, Frederic Bastiat and Richard Cobden\(^\text{38}\). His preference for free trade, though, was not occasional, nor politically justified, but derived from an in-depth study of these same authors\(^\text{39}\). Manzoni, being a grandson of Cesare Beccaria\(^\text{40}\), possessed a thorough knowledge of the most important works of political economy of his time and left long notes on his many volumes on this topic\(^\text{41}\).

In his annotations, Manzoni defended with clarity the principle of free trade, exactly describing how protective measures favored internal producers at the expense of consumers\(^\text{42}\). He also addressed the problem of famine and protectionism. In so doing, he recalled the same image evoked by Cobden, that of a necessary and desirable flow of grain from abundant countries to famished ones in consequence of the adoption of liberal policies. “Les récoltes – he wrote, commenting Say’s *Cours complete d’Économie politique pratique* - sont inégales de deux manières : elles sont inégales dans le même pays d’une année à l’autre; elles le sont aussi dans la même année d’un pays à l’autre. L’abondance, ni la disette, ne sont jamais générales dans tout le monde, elles le sont même difficilement dans un pays un peu étendu. C’est sur cette

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\(^{38}\) It should be underlined that Manzoni, although convinced of many aspects of the liberal theory, did not subscribe all of it and expressed, for example, many doubts about some passages of the works of Jean Baptiset Say. Again, he absolutely refused any moral implication of the utility principle. See: Alessandro Manzoni, *Del Sistema che fonda la morale sull’utilità*, Torino, Paravia, 1924.


The question of famine and free trade also imbibed Manzoni’s major literary work, the historical novel *The Betrothed*[^44]. Food scarcity made its first appearance in the twelfth chapter, describing the arrival of the leading male character, Renzo, in the city of Milan. Manzoni recounted the historical food crisis of 1628, a tale that still fitted perfectly the famines plaguing Italy in his time, so often as in 1836, 1847, 1854 and 1856. Scarcity was the result of hostile meteorological conditions, “the adverse character of the season” but was also caused “partly by the agency of man”, as in the case of wars, exorbitant military expenses and excessive taxation[^45]. First symptom of the malady was the dreaded rise in bread prices: “scarcity quickly made itself felt, and with scarcity its melancholy, but profitable, as well as inevitable, effect, a rise in prices”[^46]. Statistics available about grain prices in Italy in the nineteenth century, confirm that in all major crises, up to the 1870’s, Manzoni’s picture maintained its verisimilitude[^47].

What followed was seemingly a collateral effect of all crises: “But when the price of food reaches a certain point, there always arises (at least, hitherto it has always arisen; and if it is so still, after all that has been written by so many learned men, what must it have been in those days!)—there always arises an opinion among the many that it is not the effect of scarcity”[^48]. People were willing to believe all sort of conspiracy explanations for the change in prices and claim justice toward imaginary speculators and fraudulent bakers[^49]. Much too often they found an eager and sympathetic ear in politicians bent on populist measures. “As, however, all human precautions, how vigorous soever, can neither diminish the necessity of food, nor produce crops out of season; and as these individual precautions offered no very inviting terms to other countries where there might be a superabundance, the evil continued and increased. The multitude

[^46]: Ibid.
[^47]: Ministero di Agricoltura, Industria e Commercio, *Movimento dei prezzi di alcuni generi alimentari dal 1862 al 1885*, Roma, Tipografia Eredi Botti, 1886, p.XVI.
[^48]: Ibid.
[^49]: “Corn monopolists, either real or imaginary, large landholders, the bakers who purchased corn, all, in short, who had either little or much, or were thought to have any, were charged with being the causes of the scarcity and dearness of provisions; they were the objects of universal complaint, and of the hatred of the multitude of every rank. The populace could tell with certainty where there were magazines and granaries full and overflowing with corn, and even requiring to be propped up; they indicated most extravagant numbers of sacks; they talked with certainty of the immense quantities of grain secretly despatched to other places, where, probably, it was asserted with equal assurance and equal excitement, that the corn grown there was transported to Milan. They implored from the magistrates those precautions which always appear, or, at least, have always hitherto appeared, so equitable, so simple, so capable of drawing forth the corn which they affirm to be secreted, walled up, or buried, and of restoring to them abundance” (Alessandro Manzoni, *The Betrothed*, New York, Appleton & Company, 1898, p.176).
attributed such an effect to the scarcity and feebleness of the remedies, and loudly solicited some more spirited and decisive measures.”

The most terrible consequences of scarcity, riots, violence, pillage and even revolutions, arose, in Manzoni’s view, from this spiraling interaction between the ingenuity of a starving population and the stupidity of governing bodies, trying to find a solution in protective measures and price controls. Milan, as Renzo entered it, was so described swept by a wave of plundering, with bake-houses ruined and then set to fire as by-standers cried: “Hurrah for plenty! Death to those who would starve us! Away with the famine! Perish the Court of Provision! Perish the junta! Hurrah for plenty! Hurrah for bread!”

“To say the truth,” Manzoni noted, ironically - the destruction of sieves and kneadingtroughs, the pillaging of bake-houses, and the routing of bakers, are not the most expeditious means of providing a supply of bread; but this is one of those metaphysical subtleties which never enter the mind of the multitude.”

While Manzoni followed the plot of his novel, by relating the misadventures of Renzo and Lucia, the food shortage shrank in the background. The author, though, came back to Milan and famine in chapter XXVIII of The Betrothed, pages that contain a pure historical analysis: none of the characters of the novel appears in it. As an historian, Manzoni took inspiration from Sismondi and La Mennais and their idea of a novel historiography rooted in romanticism. He looked for precise causal relations that could forge explicative theories. His method of historical analysis was innovative, a rupture toward those historians who merely produced “descriptions of long periods of time, looking for the mutations they induced in the interests, in the miserable policies of a few”. What Manzoni intended to do, instead, was to retrieve the history of an entire society, “taking as a base of analysis the habits of the population, the public administration and the effects of laws on the people for which they were designed”. He looked for “facts near in time and similar in nature, so that they can be compared with theories that comprise them all”. The resulting theories should have been extensive, “without going into that indetermination and generality that covers the historian from particular criticisms, because it makes almost impossible to find errors, but leaves the reader in uncertainty about having learned a true and important observation or just an ingenious hypothesis”.

Chapter XXVIII is a perfect example of Manzoni’s historiographical method. The narration begins where the twelfth chapter had ended: “The multitude had tried to procure abundance by pillage and incendiarism; the
legal arm would have maintained it with the galleys and the scourge”. Manzoni immediately underlined the primary cause of “these strange measures”: “each was an inevitable consequence of the antecedent one; and all of the first, which fixed a price upon bread so different to that which would have resulted from the real state of things. Such a provision ever has, and ever must have, appeared to the multitude as consistent with justice, as simple and easy of execution: hence, it is quite natural that, in the deprivations and grievances of a famine, they should desire it, implore it, and, if they can, enforce it” 56.

Aside from the unavoidable natural causes of bad harvest, Manzoni, again, credited bad policies with worsening the famine of 1629. By altering the “real” price, as resulting from free market intercourse, the government of Milan had abided to the false idea of justice of the starving population, impeding what damage limitation would have been possible through international commerce or the use of public funds. “Scarcity itself, -he continued - was operating without a check, and exerting its full force. It was not even checked by the introduction of a sufficient supply of corn from without, to which remedy were opposed the insufficiency of public and private means, the poverty of the surrounding countries, the prevailing famine, the tediousness and restrictions of commerce, and the laws themselves, tending to the production and violent maintenance of moderate prices” 57.

Manzoni found exactly the same chain of causation operating in France at the eve of Revolution 58, but the reasoning held also for many measures taken by European governments between 1846 and 1847 and described by the The Annali universali di statistica. In all cases, the ignorance of the population had prevailed on lawmakers. No advancement of culture, it followed, could help when confronted with insufficient education of the population at large. A clear call for the spreading of liberal economic thought as was done in wake of Cobden’s travel in Italy and was openly advocated by Cavour.

What economic moral, then, to The Betrothed?

Manzoni described in painful detail the starving to death of Milan’s population 59 but not as a mere chronicle. Manzoni himself cleared the purpose of this historical account, by introducing the History of the

58 “We may be permitted to remark here in passing a singular coincidence. In a country and at a period by no means remote, a period the most clamorous and most renowned of modern history, in similar circumstances, similar provisions obtained (the same, we might almost say, in substance, with the sole difference of proportions, and in nearly the same succession); they obtained, in spite of the march of intellect and the knowledge which had spread over Europe, and in that country, perhaps, more than in any other; and this, principally, because the great mass of the people, whom this knowledge had not yet reached, could, in the long run, make their judgment prevail, and, as it was there said, compel the hands of those who made the laws.” Alessandro Manzoni, The Betrothed, New York, Appleton & Company, 1898, p.410.
59 “At every step, the shops closed; manufactories for the most part deserted; the streets presenting an indescribable spectacle, an incessant train of miseries, a perpetual abode of sorrows. Professed beggars of long standing, now become the smallest number, mingled and lost in a new swarm, and sometimes reduced to contend for alms with those from whom, in former days, they had been accustomed to receive them. Apprentices and clerks dismissed by
When crises became economic: an analysis of Italian journals and literature in the 19th century

infamous column, a spin-off of the first edition of The Betrothed. This historical work recollected the trials held during the plague of 1630 against people accused of spreading the contagion, processes devoid of any rational charge and practiced with the extensive recourse to torture. Introducing it, Manzoni explained: “By proposing to patient readers to fix their gaze again upon well-known horrors, we believe that it will bear a new and not trifling fruit, if the disdain and refusal that always arise from such a lecture will be aimed also and mainly against those passions that cannot be banned, as false systems, nor abolished, as bad institutions, but can be made less powerful and tragic, in recognizing their effects and refusing them”60.

Manzoni’s description of Milan’s famine of 1628-1629 had the same rationale. First and easiest scope was erasing erroneous systems of beliefs. Famine and the subsequent plague blatantly revealed how the culture of the seventeenth century had underpinned the spreading of injustice, suffering and prejudice. The description of the library of Don Ferrante in chapter XXVII of The Betrothed clearly marks Manzoni’s despise for the frivolity and stupidity of the interests of the time. The enormous amount of books owned by Ferrante, a treasure of 300 volumes, mostly regarded astrology, antique philosophy, naturalia, magic and witchcraft, in few cases politics and history, but most of all chivalry61. In the end, this Weltanschauung would cost Don Ferrante his life. Convinced through Aristotelian reasoning that no malady could spread from one body to another, Don Ferrante would die in pain, amidst his useless books62.

It took Italy more than a century, noted Manzoni in an essay on the decadence and renewal of Italian letters, to emerge from this state of ignorance. The effort of many men had been needed to reject old ideas and create the new language that would serve to generate an entire new culture63. Part of this renewal, particularly concerning famine, was the spread of liberal economics.

The second change, invoked by Manzoni to lessen the dreadful effects of famine, was institutional change. Liberal economic culture needed liberal institutions. Italy’s unification was a first desirable step in that

shopkeepers and merchants, who, when their daily profits diminished, or entirely failed, were living sparingly on their savings, or on their capital; shopkeepers and merchants themselves, to whom the cessation of business had brought failure and ruin; workmen in every trade and manufacture, the commonest as well as the most refined, the most necessary as well as those more subservient to luxury, wandering from door to door, and from street to street, leaning against the corners, stretched upon the pavement, along the houses and churches, begging piteously, or hesitating between want and a still unsubdued shame, emaciated, weak, and trembling, from long fasting, and the cold that pierced through their tattered and scanty garments, which still, however, in many instances, retained traces of having been once in a better condition; as their present idleness and despondency ill disguised indications of former habits of industry and courage. Mingled in the deplorable throng, and forming no small part of it, were servants dismissed by their masters, who either had sunk from mediocrity into poverty, or otherwise, from wealthy and noble citizens, had become unable, in such a year, to maintain their accustomed pomp of retinue. And for each one, so to say, of these different needy objects, was a number of others, accustomed, in part, to live by their gains; children, women, and aged relatives, grouped around their old supporters, or dispersed in search of relief elsewhere”. Alessandro Manzoni, The Betrothed, New York, Appleton & Company, 1898, p.412.

60 Alessandro Manzoni, Storia e filosofia con saggi di opera inedita, Torino, Paravia, 1927, pp. 22-23.
direction. Passions, though, the third transformation needed, were another matter entirely. The aim of literature and historical narrative was particularly fecund here. In the diffusion of social disdain toward individual actions that were hurtful for society, Manzoni pointed out the most important fruit of his art. On this particular topic, he was completely at odds with the liberal tradition of economic thought: utilitarianism could not constitute or substitute morals. The wealth, welfare or utility of a nation would not automatically proceed from the utilitarian action of every man. Manzoni professed, so, the belief that no change in institutions or laws could be effective if not combined with a change in the moral attitudes of the population at large. Liberal economics, with its policies and institutions, had to be accompanied by Christian faith for the new Italian society to hold.

In *The Betrothed* the adventure of Renzo can so be read as a *Bildungsroman*, particularly in economic terms. The starting point is that of an Italian countryside where agriculture, joined by home working in sectors as linen and silk, could guarantee a certain measure of wealth, even in times of scarcity. In the words of Manzoni: “Work became more scarce from day to day, but the continual emigration of the workmen, attracted to the neighboring states by promises, privileges, and large wages, left sufficient occupation for those who remained in the country. Renzo possessed, besides, a plot of land, which he cultivated, working in it himself when he was disengaged from his silk-making, so that in his station he might be called a rich man”64.

Bad institutions, though, represented by absolutist rule, corruption and extended injustice, plunged Renzo in the inferno of a city where famine and the ensuing plague brought the fragile social order to collapse. Renzo, with a great deal of help from Manzoni’s Providence65, had so to learn how to successfully deal with mass dynamics, fraud, bureaucracy and injustice. This educational and moralization process forged a man who, at the end of the novel, could successfully buy-off the heir of a silk-mill owner, “a dissolute young fellow”, who “wanted the money down upon the spot” so that “he might instantly expend it with unproductive prodigality”66. Renzo so came to manage a silk-mill near Bergamo, having well in mind all lessons learned from his misadventures in Milan. Manzoni described him continuously repeating such teachings to himself and to his wife: “he always finished by enumerating the great things he had learnt from them, for the better government of himself in future. "I've learnt," he would say, "not to meddle in disturbances: I've learnt not to make speeches in the street: I've learnt not to drink more than I want: I've

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learnt not to hold the knocker of a door in my hand, when crazy-headed people are about: and I've learnt not to buckle a little bell to my foot, before thinking of the consequences. And a hundred other things”.

Read as a Bildungsroman, Manzoni’s The Betrothed contains a profound reflection on the changes implied by the passage from an ancien régime to a modern society. It did not suffice to claim and proclaim freedom, in economy or politics, to generate a free man. Neither did a man obtain liberty by following masses, as the ones resulting from the migration flows out of the countryside to the biggest Italian cities. Class conscience was as detrimental to liberty as had been absolutistic rule. Moral conscience, the knowledge of a trade, attachment to the family and most of all faith in God’s Providence, could grant Renzo the freedom that he could not obtain from institutions or revolutions. Such men, as Renzo had become one, could successfully manage manufactures and trade and constitute pillars of a new society.

What about crises, then, what about plague and famine? When they were the result of misgovernment, they were easily avoidable, with the adoption, for example, of fee trade policies. When they were the consequence of inevitable events, instead, although being inescapable, they could still be, in Manzoni, providential. This the lesson learned by the leading female character, Lucia, from her accidents: “when they come, whether by our own fault or not, confidence in God alleviates them, and makes them conducive to a better life”.

An invisible hand, Manzoni’s Providence, capable of even greater feats than Adam Smith’s.

Not everyone in Italy, though, would subscribe Manzoni’s providential view of crises and the opposite positivistic view should at least be mentioned. Could the new Italian culture, born out of Enlightenment accept without question the unavoidability of meteorological accidents and mysterious diseases? Often using the same statistical methods of political economy and professing a new scientific approach to agriculture, food shortage crises found their representation in many journals, sharing the same folios with the mentioned articles on free trade or other questions of economic theory. One page dedicated to prices, the next one to chemical compositions and farming experiments.

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68 Ibid.
Object of study were the destructive diseases that beleaguered, in the middle of the century, Italy’s most precious agricultural productions: silk and wine. Francesco Ferrara reported with exactitude the extension of the agrarian crisis of 1856 in which: “the grain production in the South of Italy diminished in measure of 8 million hectoliters, vines were heavily damaged by crittogama, silk worms were attacked by an epidemic and the cotton harvest in the United States was significantly reduced.” A war seemed to escalate between nature’s disastrous involvement in human’s affairs and positivistic science. First results arrived in the 1870’s, when Italy’s silk production almost reached again pre-crisis levels. At the same time, though, famine returned on stage, hand in hand with recurring epidemics of cholera. In their wake, many of Italy’s agricultural and cultural journals published studies in which men and plant diseases were treated in the same experimental way. “The primary cause of the oidio plaguing the vine – was written, for example, on the Annali d’agricoltura - is still controversial as is the one of cholera-morbus. It is disputed if the latter is epidemic or contagious, of the former if it is external or congenital to the plant.” Alarmed studies would even test the possibility for plant diseases to infect men.

Not even climate would escape a thorough scientific study. Confronted with the umpteenth famine, in 1856 the Annali d’Agricoltura printed a provocative article titled: “Is it possible to forecast the weather?”

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75 Si può egli ragionevolmente predire che tempo farà?, “Annali d’agricoltura in continuazione del giornale agrario lombardo-veneto”, Vol. 6, 7 – 12, 1856, pp.111-116.
Although admitting that he would have answered the same question negatively just a short time before, the author related all the extraordinary advancements in communications recently achieved, so extraordinary that it was conceivable to alert locations about the arrival of storms and hurricanes in time to avoid the worst damages to crops. The invention of the telegraph, along with the precise and scientific measurement and surveillance of weather conditions undertaken in most parts of the world, could so reduce to a minimum the influence of climatic disasters on the agricultural produce.

Culture, as in Manzoni’s wish, had undoubtedly changed in the course of the nineteenth century. Liberal economics claimed the existence of a natural order following natural laws that, without the interference of men, could reduce crises to trifling local and short-lived events; all the while scientists opposed an entire stack of new chemical weapons, mechanical devices and medicines to famines and epidemics. Institutions would soon change too: Italy was to be united and the newly elected Parliament would be full of economists and scientists. Agriculture, though, remained, in most of the Peninsula, backward and unproductive. Innovations were only slowly adopted, capital scarce. Famine was avoided through massive emigration, while the remaining population was subject to endemic diseases caused by malnutrition like pellagra. What went wrong?

Manzoni would have had a ready answer. Passions could damage the order of a society and its economy. In united Italy, the recurrence of war, the unjust distribution of the weight of taxation, megalomaniac investments in railways and financial speculations could all be interpreted as the result of wrong decisions on part of public administrators, while the population was still prey of ignorance. Morals had been lost in the positivist euphoria. Still, God had His own way, through Providence, to enter the scene, even the economic one. Free trade, better growing and conservation methods were, so, in the eyes of Manzoni, only palliatives and short-term solutions for a population that in the end would outgrow every melioration of agriculture. Manzoni could not fail to ironically comment Say’s belief that famines would become less frequent in the future: “Et puisque la population rattrape toujours, dans un certain laps de temps, les subsistances, cette augmentation sera illusoire dans le second avenir. Non: l’avenir n’est à personne, Sire: l’avenir est à Dieu! a dit un de vos poètes.” En attendant, cette amélioration dont vous parlez expressément vous l’avez eue (au moins en ce qui regarde la délivrance des forbans, car le reste est encore dans cet avenir qui est à Dieu) par le moyen de quelqu’un, de qui vous ne l’attendiez probablement pas. Pauvre superbe des rois! Pauvre superbe des auteurs! Pauvre superbe des chiffonniers!”

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76 An accurate disanima of the agricultural sector in Italy in the last quarter of the nineteenth century is: Mario Romani, Storia economica d’Italia nel secolo XIX (1815-1882), Bologna, Il Mulino, 1982, pp.308-344.
77 The quoted poem is “Les Chants du crépuscule. Napoleon II” by Victor Hugo.
78 Alessandro Manzoni, Opere inedite o rare, Milan, Fratelli Rechidei, 1885, p.220.
AN AGRICULTURAL IDYLL OPPOSED TO AN INDUSTRIAL NIGHTMARE: CRISSES OF OVERPRODUCTION IN JOURNALS AND LITERATURE

“At every step, the shops closed; manufactories for the most part deserted; the streets presenting an indescribable spectacle, an incessant train of miseries, a perpetual abode of sorrows” (Alessandro Manzoni)79

Notwithstanding that food shortage crises still caused havoc in Italy, Francesco Ferrara detected their loss of relevance in respect to overproduction crises already in the first half of the nineteenth century. He connected this change directly to the diffusion of manufactories. Overproduction had been of no interest “when and where industry had been in its infancy, production done at home and trade limited”. Lately, observed Ferrara, overproduction crises had become more general, sometimes even “dreadful and clamorous”, so for the first time in Great Britain following the peace of 1815. “This phenomenon of congestion (English authors call it glut) impressed some economist on the Continent so much, that a school was formed, under the direction of Sismondi, that chose as theme of its reproaches industrialism, the excess of industrial activity”. Economists as Malthus, Torrens, Say and Ricardo, all participated in the following heated debates. The question, though, had been mostly theoretical in the eyes of many, mainly an English problem, until the catastrophe of 1848 in France “when, amidst a general scarcity, all was abundant for a complete absence of trade”. “From then on - concluded Ferrara – the industrial world has learned to fear feast much more than famine”. Common wisdom had become that overproduction crises were “an unavoidable fatality, imposing a pause to industry from time to time, a pause needed for the odious necessity to devour, amidst bankruptcies and the ruin of the most splendid fortunes, all that an imprudent activity will have produced in excess”80.

A thorough analysis of Italian journals in the first half of the nineteenth century confirms the impressions of Ferrara. Many periodicals reported manifold discussions on industrialism. The problem, however, was strictly connected to England and to the image Italian intellectuals had of that country. The dreaded crises were not something that could really concern Italy. On the contrary, the alarmed reports on mass unemployment, bankruptcies and stock market crashes were often interpreted as a proof that an economic development based on agriculture and productions like silk, wine and oil, would prove much more stable, not only in economic terms but also socially, than English industrialization. Only in the second half of the century, could the universal expositions of London and Paris shake such certainties.

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First traces of the debate on industrialism appeared in 1819 on the pages of *Il Conciliatore*[^81], a short lived scientific and literary periodical, founded in Milan by a group of liberals sympathizing with romanticism[^82]. Pietro Borsieri, writing the programmatic points of the journal, included among them the diffusion of the new principles of the economic science and of practical knowledge such as agricultural good practices, new machines and whatever else might serve to augment the wealth of a society. Albeit this generic program, *Il Conciliatore* soon established itself as the periodical of the opposition to the Austrian Regime and with regard to political economic as a critical voice against liberals.

Giovanni Arrivabene, for example, reviewing[^83] *On the Economy of the Human Race*, by Adeodato Ressi, openly spoke out his faith in the possibility to improve society through institutional changes and education. A society that evolved could not be subject to natural economic laws and abide to a theory claiming that nonintervention would be the best policy across time and space. “But the doctrine of perfectibility – he wrote - had another kind of adversary, much more dangerous. They are some Optimists who, believing everything good, consider futile the attempt to purge society from the vices that afflict it; they even attempt to prove that immoralities and social disorders are useful and necessary, because they are the pillars of the present social and economic order”[^84]. What use could enlightened intellectuals, bent on reforming society and educating the population, make of a theory that considered economic interaction comparable to the eternal and equilibrate movement of planets?

The purpose of meliorating a society continuously changing was a key point of the editorial line of *Il Conciliatore*[^85], a point inspired mainly by the writings of Melchiorre Gioja, who believed in a process of industrialization guided by the government, as in France under the Empire[^86]. The economic positions of *Il Conciliatore*, though, were influenced also by romanticism, whose theses on history and literature occupied many of its articles. Jean Charles Léonard Simonde de Sismondi was, in consequence, one of the preferred authors of the journal, as an historian but also as an economist. On one occasion, the two souls of the journal came to a loud clash. Giuseppe Pecchio, reviewing the essay of Melchiorre Gioja on *National


Monika Poettinger

Manufactures and Excise Duties, remarked the repeated and meticulous criticisms toward Sismondi thusly: "we hope that the confutations were aimed at discovering the truth more then at the arrogant intent of devaluing a name that must be particularly dear to Italy". Sismondi, one of the pillars of Italian Risorgimento, was an icon not to be touched.

There was no real incompatibility, however, between Gioja’s approach and romantic historiography. In his essay, Melchiorre Gioja later admitted, he had defended the protectionist policy of Austrians with more acquiescence to the government than real belief and had deserved the critics from the editors of the journal. Otherwise Il Conciliatore subscribed many a stance by Gioja. In particular those concerning the acceptability of a certain measure of protection in order to stimulate the adoption of innovations in industry. So the case of France as described by Chaptal in De l’Industrie Françoise and reviewed by Giuseppe Pecchio; so, contended the same Pecchio, in Italy during the Napoleonic domination.

It was again Pecchio to review Sismondi’s Nouveaux principes d’économie politique ou de la richesse dans ses rapports avec la population of in three articles published in 1819. He particularly appreciated Sismondi’s definition of political economy: the research, competence of the government, of the means through which the maximum number of people could participate to the maximum of physical welfare. “A definition – wrote Pecchio – so compliant to the interest of human race that could only be conceived by the historian of The Italian Republics of the Middle Ages, an historian who didn’t simply value the glory of arms, the growth and decay of governments’ power and the capacity to prevail upon any circumstance, but always judged events for their effect on the welfare of populations”. The need for state intervention followed then from the necessity to guarantee a share in a nation’s welfare to every men. A line of reasoning that was not new in Italy, where Melchiorre Gioja, underlined Pecchio, had already formulated it

88 Proof can be that at the eve of the revolutions of 1848, writings of the two authors were published together in Paris to incite the Risorgimental spirit: Melchiorre Gioja, Jean-Charles-Léonard Simonde Sismondi, Opinioni di Melchiorre Gioja e Sismondo Sismondi sulle cose italiane, Paris, Lib. Maire-Nyon, 1846.
92 On the diffusion of this definition of economics, particularly in Tuscany, see: Gabriella Gioli, La “più grande felicità per il maggior numero” all’Accademia dei Georgofili (1830-1850), in Riccardo Faucci (ed.), Gli Italiani e Bentham. Dalla “felicità pubblica” all’economia del benessere, Milano, Franco Angeli, 1982, vol. I, pp. 89-103
before Sismondi. The two authors had autonomously reached the same conclusions and there was no noticeable distance between their respective positions.

Regarding the problem of industrialism, Pecchio stressed particularly how Sismondi envisaged cases when protective measures and the introduction of machines in the production process had not been harmful, but had helped to revive a slouch economy. Pecchio reiterated what he had already exposed in his article on the industrial progress of Italy: in the case of Lombardy the mechanization of cotton spinning and wool carding, granted by state incentives and protectionist policies during the few years of the Kingdom of Italy, had procured occupation and better living conditions for many. “The significant imbalance – concluded Pecchio - in the trade account of Lombardy toward foreign countries in almost all manufacturing goods makes us believe that the introduction of machines and the extension of industry would be useful to our population and our wealth”\textsuperscript{94}. Different the case of England, though, were unemployment, excessive working hours and wages under subsistence had caused unrest and revolts against the use of machines. The same economic phenomenon, the introduction of industry, could have completely different outcomes in relation to the social and institutional setting where it flourished. Whenever the distribution of income was unjust, industrialization would have as a consequence deleterious economic crises and social upheavals.

The best solution, so, for Pecchio as for many other Italian authors, might have been to follow the agricultural vocation of Italy, maintaining the rural structure of society, even if enhanced by the use of agricultural machines\textsuperscript{95} and to encourage the expansion of local manufactories. A development strategy particularly dear to Tuscany’s intelligentsia. So, for example, Luigi Serristori\textsuperscript{96}, noblemen politician and economist in the Grand Duchy of Tuscany, reported on \textit{Il Conciliatore} the utopian and pedagogical experiment of Hofwyl and the definition of agriculture given by Philipp Emanuel von Fellenberg\textsuperscript{97}: “This art was born with humanity and has for every man the same scope in every region and every climate. In consequence, agriculture is necessary, permanent and extensive. The application of labor to agricultural reproduction bears the most durable and moral sentiments”\textsuperscript{98}.

\textsuperscript{94} Giuseppe Pecchio, \textit{Nouveaux principes d'économie politique ou de la richesse dans ses rapports avec la population, par J. C. L. Simonde De Sismondi \textit{ART} 3}, “Il Conciliatore”, vol 3, 90, 1819, p.58.
\textsuperscript{95} Luigi Serristori, \textit{Applicazioni che potrebbero farsi delle macchine a vapore, singolarmente in Toscana}, “Il Conciliatore”, vol. 2, 91, 1819, pp.71-75.
\textsuperscript{97} The exemplary estate of Hofwyl, near Bern, was devised by Fellenberg to create a new rural society through education and moralization. His social experiment found ample echo in Italy, with many articles published on \textit{Giornale Agrario Toscano}, \textit{Giornale Della Societè D'Incoraggiamento Delle Scienze e Delle Arti}, \textit{Atti della I. E. R. Accademia economico-agraria dei georgofili in Firenze}, \textit{Giornale d'Agricoltura}, \textit{Annali universali di tecnologia, di agricoltura, di economia rurale e domestica, di arti e di mestieri}.
\textsuperscript{98} Luigi Serristori, \textit{Sopra gli stabilimenti del sig. Fellemberg a Hofwyl \textit{ART} I}, “Il Conciliatore”, vol. 2, 45, 1819, p.145
The articles dedicated to economic matters in *Il Conciliatore* can easily be recognized as an inspiration for *The Betrothed*. In its final lines Manzoni depicted a happy family, blessed by a numerous upspring, living in a rural surrounding enriched by silk manufactures as much as by fertile fields. The society supporting the family relied on moral sentiments much more than personal interest or, God beware, class interests. The position of Manzoni is a further proof that as much as the novelty of mechanical and chemical advancements could arouse enthusiasm and interest in Italy’s intellectuals, there always remained a strong dose of skepticism toward the ungoverned industrialization process as represented by English cities.

Against the social problems caused by the passage from an *ancien regime* society to an industrialized one, Manzoni invoked the invisible hand of God, His Providence, Gioja, instead, the visible hand of the State. Two opposite solutions, and Manzoni’s harsh criticisms to Gioja testimony it, that rested, however, on the same ideal representation of the present and future conditions of the two countries, Italy and England. This value judgment, frozen in the images of a rural Italy with no misery or social conflict, blessed by fertility and diffused manufactures, and a richer and industrialized England, characterized by unequal distribution of wealth99 and extreme poverty of the working class, became in time part of the national identity of the newborn Italian state, showing an impressive cultural resilience.

After the closing down of *Il Conciliatore* in 1819, due to the censure of the Austrian government, the canonization of England’s negative image continued on many other journals. In particular, the *Antologia*100, periodical printed in Florence between 1821 and 1832, published a series of letters on the situation in England after the crisis of 1816 that contained the same alarming and distressing description of the effects of industrialization underlined by Sismondi and reported by Pecchio on *Il Conciliatore*. Not per chance, the letters had assumedly been written by a mysterious S. James in 1819 to answer the fears that Italian capital invested in England would be swallowed by an impending revolution101.

The real problem of England, in the perception of the author of the letters, had been the centuries long concentration of wealth in the hands of a minority of monopolists of land and capital. The unequal distribution of wealth and income had generated an enormous mass of proletarians, people left without the means of survival and with no bond whatsoever toward the existing social order. S. James even

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When crises became economic: an analysis of Italian journals and literature in the 19th century

ventured into a detailed statistical representation of the said distribution. One ninth of the population possessed all sources of production and thusly supported another ninth of England’s people, as clerks, servants, suppliers and shopkeepers. The remaining seven ninths, though, had to find their employment in agriculture (4 millions) or in manufacture (3 millions)\(^{102}\). The overproduction problem followed the fact that the huge amount of people working in the manufacturing sector needed a potential number of consumers, in the estimate of S. James, of 56 million of foreigners, added to the nine millions provided by the internal market. Of those foreigners, England had lost its monopoly power over one fourth in consequence of Waterloo, condemning at least 600.000 artisans to destitution. No help was possible for such unemployed artisans, in contrast to peasants in Italy or France, who always had the opportunity of retrieving their subsistence from agriculture, in case of failure of their homework activity as spinners or weavers\(^{103}\).

After having further described England’s finances and political situation\(^{104}\), S. James returned to the question of unemployment in the tenth and eleventh missives, suggesting available economic policies. To contain social upheaval, the English government could offer to the destitute artisans a “magical” solution, in form of faith in a potential future employment, or a more real possibility of occupation in public works as the cultivation of fallow land, the drying of swamps, digging of canals and paving of roads\(^{105}\). A more advisable measure, though, would have been, in the opinion of the author, to restore the general community of interest that had been lost to England’s society. To recreate the harmony of interests between manufacturers and workers, these last should have been given the property of small units of land near their home, to grow by themselves the food for their families’ subsistence. In agriculture, instead, the mass of small tenants that had been expelled from extensive land estates should have received back their employment, to diminish the mass of 600.000 indigent proletarians. Thusly reintroduced into the social pact, “we will see them, - claimed S. James -like the peasants of Val d’Arno, bless their landlord, to whom they shall give a share of the gifts that the Lord wants to be shared among all men”\(^{106}\).

The conclusion of this letter\(^{107}\) raises many doubts on the English identity of the author, on whom nothing more is known, beside the name. S. James. Probably part of Tuscany’s moderate landlords, he indubitably represented their ideals and interests. More than his real identity, though, it is interesting how his letters

\(^{102}\) S. James, Lettera II, “Antologia”, Vol I, 1, 1821, pp.74-78.


\(^{107}\) The “Antologia” published two more letters of S. James, that do not contain any more reference to participation practices but only political suggestions: S. James, Lettera XII, “Antologia”, Vol I, 4, 1821, pp. 49-51; S. James, Lettera XIII, “Antologia”, Vol I, 4, 1821, pp. 52-54.
perfectly corresponded to an already rhetoric representation of the social problems arisen in England with industrialization. Other articles on the economic situation of England, published in later years by the Antologia only confirm this depiction. The proposed solution to English economic misfortunes was an objectively utopian one: to transform the greatest commercial and military nation of the West into a wider Tuscany regulated by tenant farming and sharecropping.

As had been for the editorial line of Il Conciliatore, in the Antologia an undisputed admiration for Sismondi’s historical work accompanied the condemnation of the 1816 English crisis. Giovan Pietro Viesseux, the editor, shared a close friendship with Sismondi. The Florentine journal so presented first to its readers the monumental work History of the French, reprinting the introduction in its entirety. “History – wrote Sismondi in it – is the fundament of al social sciences, because it offers us the collection of all experience’s lessons (...). In giving form to society, the legislator must look for all that can contribute to the moral advancement of humankind and to its welfare. Only experience can guide him in this research.” The historicism of part of Italy’s tradition of economic thought derived from the profound influence Sismondi and this kind of romantic historiography had in the first decades of the nineteenth century. An impact that should be measured not only and not primarily by the reception of Sismondi’s theories in their entirety, but by the fact that he contributed to diffuse a language and a system of concepts that delimited and oriented many subsequent reasoning and thought. One example of this was the widespread discussion that involved Italian intellectual circles during the middle of the century on the concept of civilization as the art of government.

In 1824, though, Italy’s reviews and journals were flooded by the debates following Sismondi’s article On the balance between consumption and production published first on the Revue Encyclopédique. The essay

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was translated and reprinted, both in the Antologia\textsuperscript{115} and in the Annali\textsuperscript{116}, as the latest study of the most renown scholar of the History of the Italian Republics\textsuperscript{117}, “generous author that Italy glories itself in considering, due to an ancient ascendency, one of its children”\textsuperscript{118}. Notwithstanding all this deference, the reception of Sismondi as an economist was much more problematic than the diffusion of his theses on romanticisms\textsuperscript{119} and historiographical methodology\textsuperscript{120}. In Florence, the Accademia dei Georgofili discussed at length the question of machines, but Giuseppe Gazzeri in his lecture, held the 7th March of 1824, refuted decidedly the thesis of Sismondi. Given the long-standing Tuscan tradition of free trade, the Accademia dei Georgofili could not subscribe Sismondi’s position\textsuperscript{121}. The Antologia printed the essay of Gazzeri\textsuperscript{122} and another article on Machines\textsuperscript{123}, both attributed without doubt the English economic crisis not to the mechanization process but to protectionism.

In the Annali Sismondi’s article was published in the very first issues, when the influence of Melchiorre Gioja and his interventionist stance were still dominant. In consequence, the only comment attached to the writing of Sismondi was a brief claim that Gioja had expressed the same theses in 1816 in his Nuovo Prospetto delle Scienze Economiche\textsuperscript{124}. In that work Gioja had already “stigmatized as visionaries those writers who, as in possession of some magic wand, made manufactories pop up exactly when needed and attributed to all places in the world that union of knowledge, interests and power that could be found in London, Manchester and Liverpool”\textsuperscript{125}. “From these ideas – concluded the reviewer – evidently follows that between the maximum ignorance and the maximum civilization, between the maximum poverty and the maximum wealth, between the maximum inertia and the maximum activity of nations, it might often

\textsuperscript{115} Della proporzione fra il consumo e il prodotto, discorso del sig. Sismondi, tratta dalla Rivista Enciclopedica, “Antologia”, vol. 15, 44, 1824, pp.49-76.


\textsuperscript{117} On the fame and fortune of this historical work of Sismondi and its importance in the movement of Risorgimento, see: Jean Charles Léonard Simonde de Sismondi, Istoria delle Repubbliche Italiane, di J. C. L. Sismondo de Sismondi, “Giornale agrario lombardo-veneto e continuazione degli annali universali di agricoltura di industria e d’arti economiche”, Vol. 14, 7, 1840, p. 68.

\textsuperscript{118} Della proporzione fra il consumo e il prodotto, discorso del sig. Sismondi, tratta dalla Rivista Enciclopedica, “Antologia”, vol. 15, 44, 1824, p.49.

\textsuperscript{119} Jean-Charles-Léonard Simonde Sismondi, Vera definizione del romanticismo di Sismondo de Sismondi, ove sono svolti i diversi relativi sistemi delle principal nazioni europee, Milano, P. Cavalletti e comp., 1819.


\textsuperscript{123} Macchine, “Antologia”, vol. 16, 46, 1824, pp.78-93.


\textsuperscript{125} Riflessioni sulla bilancia delle consumazioni ec. di M., “Annali universali di viaggi, geografia, storia, economia pubblica e statistica”, Vol. 1, 2/3, 1824, p.236.
happen that industry is in want in respect to demand and the laborer remains unemployed in consequence of changes in fashion, of mechanical innovations, of new trading routes etc. This theory is of the cited Italian author. De Sismondi seems to have used it as a fundament of his article, but reaching different conclusions"126. Suggestive and likely the inference that the review could be a piece of Melchiorre Gioja himself127.

The discussion on Sismondi’s essay had just subsided, when in 1826, the financial panic plaguing the Old as the New World sparked novel debates on industrialism. The Antologia, on the occasion, reviewed the personal observations of Giuseppe Pecchio, who was in England at that time as an exile. Pecchio could not fail to note that “the big commercial crisis of 1826 has made epoch in the history of economic thought, not so much for its immediate effects, but for the scientific discussions it ignited again”, so that “no one who is interested in the evolution of science can omit to cite this date of contemporary history”128. The financial havoc, in fact, had reignited many arguments against free trade and modernization. Aldobrando Paolini, for example, called back to life the half a century old debate on agricultural protection, discussing in front of the assembly of the Georgofili the possible benefits of the introduction of protective measures on the agricultural production of the Maremma Senese129.

Florence’s journal dedicated several articles to the crisis130, but maintained its liberal position even amidst heavy criticisms. So in the case of the review131 of the article on Les Nouveaux Principes d’Économie Politique. Jours qu’ils peuvent jeter sur la crise qu’éprouve aujourd’hui l’Angleterre, written by Sismondi on the Revue encyclopédique132. The commentator, Carlo Bosellini133, attributed Sismondi’s erroneous interpretation of the causes of England’s crisis to his excessive philanthropic interests, while he, himself,
judged the origin of the present malady in the unequal distribution of wealth produced by flawed legislation and institutions. Whenever the social construction was not aimed at the welfare of the population, every adverse casualty, however little, could origin enormous negative consequences. Given this assumption, the rapid solution of the calamity forecasted by Say could not become reality. “Without the said reforms of civil law, the English people could never attain the scope of a stable welfare and social order”\textsuperscript{134}, concluded Bosellini. The model to be copied was obviously the Tuscan one, were the participation of all men to the agricultural wealth of the region, thanks to the tradition of sharecropping, granted the desired stability of the social order. On the same lines, the review of \textit{L’industrie et la morale}\textsuperscript{135} became an excuse to glorify Tuscany, characterized by liberal policies and a participative distribution of wealth, in opposition to the moral improvement invoked by Charles Dunoyer in France through the coercion of the State\textsuperscript{136}.

Melchiorre Gioja took occasion from the novel discussion to personally review the second edition of Sismondi’s \textit{Nouveaux principes}, this time not on the \textit{Annali}, but on the \textit{Biblioteca Italiana}\textsuperscript{137}. The criticism was harsh and dismissive. “Sismondi – he wrote – led astray by his disproportionate sensibility, while examining the causes of the latest crises afflicting England, blamed the principles of modern economy, and from particular circumstances, extraordinary and limited to that isle, deduced general conclusions valid in all nations. He could be compared to a man that having seen a physicists stroked by lightning, would begin to lecture against Franklin’s rod”\textsuperscript{138}.

In 1826, the \textit{Annali}, in search of some explanations of trade disorders and commercial imbalances, even reexamined the positions of Malthus and his criticisms towards Ricardo, but concluded the debate in favor of the latter and free trade\textsuperscript{139}. On the same journal, the English crisis of 1826 was also analyzed, from the point of view of economic theory, by its editor, Giuseppe Sacchi\textsuperscript{140}. Sacchi, moved by “the miserable display


\textsuperscript{135} Charles Dunoyer, \textit{L’industrie et la morale considérées dans leurs rapports avec la liberté}, Paris, A. Sautelet et cie, 1825.


of a population eminent among all others for its agriculture, industry and commerce that, abruptly swept in a dangerous collapse, worries the other nations, preoccupied of similar misfortunes” 141, dedicated two articles to compare the works of Álvaro Flórez Estrada 142, Jan Baptiste Say and Jean Charles Sismondi concerning the English situation. Sacchi heavily criticized the idea expressed by Estrada that the origin of England’s malady was to be found in the scarcity of precious metals, due to their ceased import from the Americas and the excessive capital export of England toward other European countries, stimulated by speculation. Estrada based his reasoning on false data, as easily shown at hand of studies of Gioja and other authors. Sismondi, again, was treated with more respect 143 his analysis of the causes of England’s crisis contained in his Nouveaux Principes was erroneous nevertheless. “It was not production – argued Sacchi – that grew in respect to consumption, but the erroneous distribution of products in relation to consumption that accelerated the crisis” 144. Say, lastly, identified the source of the crisis in the excess of money, a speculation ignited to the extreme by the activities of banks. In the opinion of Sacchi, though, Say as Sismondi, confused cause with consequence, because the speculation he described was only the most recent link of a chain of effects that originated somewhere else completely 145.

The reasoning that Sacchi himself volunteered on the origin of England’s predicament 146, aimed at unifying all the explanations offered by the other authors, by identifying the righteous succession of events and causation effects. Sacchi, so, proceeded to depict the long civilization process of England as bearing a fruit of immense wealth in the form of goods, credit means and precious metals. The manufacturing and trading activity of England had caused an enormous amount of gold and silver to flow into the country, procuring the flourishing of trade, but also the devaluing of specie. In consequence, metals had flown out the country toward speculations abroad, while in England itself they had been substituted by means of credit. The production, though, excessively stimulated and financed by credit, had reached a point where it could not

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143 For Sacci, Sismondi was “a profound thinker used to look at science with passionate eyes”, worthy of gratitude by all men of good faith “for having diffused in the public economy the philanthropic sparks of social charity”. Giuseppe Sacchi, Osservazioni intorno alle opinioni di A. F. Estrada, L. Sismondi e G. B. Say sulla crisi commerciale dell’Inghilterra (Articolo I.”), “Annali universali di statistica economia pubblica, storia e viaggi”, Vol. 11, 31, 1827, p. 54.


When crises became economic: an analysis of Italian journals and literature in the 19th century

find a corresponding demand, not even in foreign countries, and the letters of credit and the debt issues could not be repaid. Here the origin of the crisis with its consequences: on the financial sector, with the loss of faith in credit means, and the run on banks in the desperate attempt to convert them in gold or silver; and on production, with price deflation, bankruptcies and unemployment.

With his articles on the English crisis of 1826, Giuseppe Sacchi, for the first time on Italian journals, attempted an explanatory theory that comprised in a unique casual chain all typologies of crises, shortage of production, shortage of demand and financial imbalances. He did so by underwriting the dictates of romantic historiography: analyzing facts and inducing from them causative relations that explained the evolution of history and allowed useful comparisons of similar situations. A glimpse of the positivism, implying a historical methodology, that would be defined by Pasquale Villari and be widely diffused in Italy in the 1860s. Deduction from high-flown theories would simply not do in explaining events like those of 1826. “We do not profess high doctrines – Sacchi would later admit on his methodology – we are only men of good faith and we want to collect and systematize facts to infer something about the future.” The influence of Sismondi is evident, a further proof that even if the reception of his economic ideas was scarce, the problems he raised as an historian continued to inform the research and publishing activities of Italy’s intellectuals.

This was particularly true for the Annali Universali di Statistica under the guidance of Giandomenico Romagnosi, from 1826 up to his death in 1835. Even if liberalism was from then on defended with much more rigor than in the first issues, influenced by Gioja, the Annali continued to share many themes and the same Problemstellung with the older Conciliatore. In a programmatic article, Giuseppe Sacchi would so affirm that: “the eminent scope of the science of the social order of wealth is to suggest the ways and means through which the property of enjoyable things would be equitably diffused in all classes of people useful to society. Because if there wouldn’t be this equitable diffusion of comforts, the economic

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149 Giuseppe Sacchi, Racconti morali e storici, Milan, Guglielmini and Redaelli, 1840, p.245.


science would only be a bewitching counselor of privileges and monopolies and a disastrous commander of acts of injustice, given that a just persons only sits were every man receives what competes to him”152. Regarding the state of the art of the economic science in Italy he would continue: “Thanks to Providence the economic order of wealth in most of Italy’s states abides to the good and healthy norms of social justice and the Italian economic authors cannot easily contrast in their doctrines the model of equity and good government of their land; from here derive the healthy theories of the equitable diffusion of comforts among all, through the untouched principle of the common liberty; from here the maintained freedom of economic competition internally and externally; from here the constant effort of eradicating all obstacles and impediments to the progressive evolution of wealth; (...) from here the instinctive aversion towards all foreign doctrines that give as norm and direction to the civil economy the disordered impulse of personal profit of individuals, profit guided by interests not mitigated nor harmonized to the necessities of others or of common existence or of good government”153. Romagnosi would so call the Italian methodology of research in economics “providential”154. According to it, economics should establish the directing principles of social welfare and prescribe the means through which achieve them: the science of the statesman. The claim of Romagnosi to establish an Italian school of economic thought, based on a distinctive methodology, echoed the lessons of Melchiorre Gioja on the existence of a distinguished Italian tradition of economic thought that predated the much better-known foreign classics, from Smith to Say and Sismondi155.

In the wake of the English crisis, Romagnosi himself published an article on the place that free competition should assume in the general order of wealth156 and a review157 on the history of industrialism written by Charles Dunoyer158. Although he heartily defended free trade, in opposition to Gioja, Romagnosi remained attentive to social problems. In 1829 he so wrote an article on pauperism in England159 in which he refused the Malthusian argument on the growth of population as origin of unemployment and scarcity. He concluded declaring: “The Providence of nature that ordered things with weight, number and measure and

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When crises became economic: an analysis of Italian journals and literature in the 19th century

didn’t prescribe but wished for human civilization, so as to render men more social and helpful, from the heights of Its sapience and decrees laughs at these interested follies, designed for the dominance of a few. Even amidst losses and inconveniences deriving from a badly devised social state, Providence provokes us to pursue that holy equity and charity, invoked by reason and sanctioned by Religion in the most clamorous manner”. All editorial activity of Romagnosi was further dedicated to the holistic effort of reuniting reason and religion in the intent of civilization. His own definition of civilization160 became the object of a series of articles published in 1830’s on the Annali161 and of many other books and essays162.

As seen by the example of the Annali, with the passing of the threshold of the 1830’s, the time of crisis following Restoration had given way to a period of relative stability and economic growth. Journals lacked the verve of the theoretical debates of the 1820’s and became full of reports on technological and agronomical innovations if not of poetry and ancient history. Censure, also, had its hand in this trivialization process, due to ever more stringent norms and controls in most Italian states.

When crises begun to afflict again the European economy, their nature had changed and no one would speak anymore of isolated gluts or simple overproduction. The financial and monetary sides of crises became manifest, obliging to rethink the problem in more systematic terms. In Italy this theoretical jump toward a completely different evaluation of the phenomenon of crises was particularly welcomed, given that the country, before and after Unification, remained a mainly agricultural economy were gluts of manufacturing products, when occurred, touched a minuscule percentage of population. What continued to matter were food shortages caused by meteorological occurrences and, increasingly from Unification onwards, monetary disorders, financial crises and speculative crashes, consequence of a heavy public debt and the increasing financialization of the economy.

The deficiency of a significant industrialization process was also evident in the absence of literature works on the consequences of manufacturing crises: unemployment, laborer’s riots, diffused proletarian poverty

160 On the definition of “incivilimento” in Romagnosi, particularly in economic terms, see: Piero Barucci, Gli “Annali Universali di Statistica”. Contributo alla storia dello sviluppo del pensiero economico italiano nella prima metà dell’Ottocento, Tesi di Laurea, Università degli Studi di Firenze, 1958-1959, pp. 204-209.


in cities and the negative image of machines, in brief what abounded in English and French literature of the nineteenth century. The inheritance, instead, that all debates on industrialism, the introduction of machines and Sismondi’s historicism left to united Italy was its identity as an agrarian state were industrialization would be a desirable but slow process, governed by the public hand in order to maintain the present social order based on participation.

In 1845, Gaetano Torelli, on the pages of an illustrated journal printed in Neaples, the Omnibus Pittresco, described a family of peasants in a lengthy article accompanied by an etching (img. 1). The family is pictured living happily in virtue, despite the fatigue of farming the land. No laziness, no malevolence and no bad habits plagued the ordered living of the family full of chants and loving gestures. A life of work that could be summarized in the activities of just one day, because every day followed the same routine. No changes, no deviations and no crises beleaguered this idyllic life from birth to death.

Twenty years later, in Italy’s first popular illustrated magazine, Il Giornale Illustrato, published in Florence by the renowned editor Barbera between 1864 and 1867, Italy’s economy and society was still represented through works of art related to an idyllic countryside. An example are the two etchings printed in July 1864 after two paintings by Louis Léopold Robert, at the time exposed at the Louvre in Paris. The etchings (img. 2 and 3) show happy and merry parties of peasants coming home from a grape harvest near Neaples and a grain harvest in the Maremma. Everyone is well dressed and happy, no signs of the effects of famine, endemic malnutrition or maladies.

Striking the contrast with one of the few representations of extreme poverty and squalor ever published by Il Giornale Illustrato: the interior of a London Lodging House (img. 4). A brief article, dated August 1865, related a visit to one of this Lodging-houses, home for London’s homeless and jobless. “You must have entered one of these establishments to really know what misery is”, wrote the journalist, “you would think to be in one of hell’s caverns”. “No! - explained he further – Under our warm and charming skies in our districts without industries and working machines, we cannot even imagine such a sight, and what makes it all even more dreadful is to know that so many poor in London are condemned to this existence”.

From the reception of the academic debates between Ricardo and Malthus and between Say and Sismondi at the beginning of the century, to the ideological representation of Italy and England in the first popular journals printed before and after Unification, the problem of industrialism had seeped down from intellectual discourse to common prejudice, from intellectuals to illiterates. While theorists already discussed the cyclicity of crises and the role of financial institutions and monetary markets in igniting them, the populace of Italy was still fed the mythos of a social order that had never really existed, a past

enlightened ideal that was already crumbling under the blows of a culture of class interests, nationalistic identity and extensive state intervention.

Img. 1 Life in the country 

Img. 2 Grape Harvest near Neaples (Louis Léopold Robert)\textsuperscript{166}

Img. 3 Harvest in the Maremma pontina (Louis Léopold Robert)\textsuperscript{167}

A SUDDEN AWAKENING IN THE FIELD OF MIRACLES: FINANCIAL CRISSES AT THE END OF THE CENTURY

“How far off is the Field of miracles?”
“Not two miles. Will you come with us? In half an hour you will be there. You can bury your money at once, and in a few minutes you will collect two thousand, and this evening you will return with your pockets full. Will you come with us?” (Carlo Lorenzini)

“Independently from the scarcity or abundance of wares, – wrote Francesco Ferrara in 1864 - the modern world has also learned to know and fear the crises called monetary or financial, in which the primary fact is the scarcity of money, the difficulty of obtaining it, either as a mean of credit, or as a payment for goods and services” Ferrara was very precise in describing the causes and symptoms of this third typology of economic crisis. In some cases, he underlined, the scarcity of money was predictable, because it evidently followed an outflow of specie due to “grave facts”, as the necessity to buy primary goods abroad in consequence of famine or shortage, to maintain troops engaged in war in a foreign country, to pay for

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huge debts of the Treasury or subsidies for allies, etc. In other cases, though, the cause of such crises could not be easily ascertained and the crisis itself not foreseen. “In these cases – wrote Ferrara – the slow and secret action of trade generates phenomena that, suddenly discovered, reveal or suggest a forthcoming scarcity of money, and so become an alarmed rumor to which the crisis will immediately follow”.

As Ferrara recounted, the first effect of such a crisis would be on the quotation of exchanges: letters abounded while money was scarce and only a few bankers would so give away specie to buy exchange letters on foreign trading places. Merchants would immediately perceive the situation and begin selling their wares at discount prices, they would take every opportunity to raise debts, would go to banks with bills of exchange and promissory notes well before their expiry date, with treasury bonds, shares of industrial companies, new promissory notes and precious wares, all in order to obtain money. Private bankers and public banks would firstly abide to such requests and allow exchanging the offered values with their banknotes and negotiable instruments, but all this paper, once issued, immediately would be turned back to banks to be converted in specie money: the real necessity. The result would be a disequilibrium: the sum of the circulating notes would diminish, that of the coins given out would grow and reserves dwindle, so that banks would begin to refuse credit, raise the discount rate and then deny completely discounting titles.

At this stage of a crisis, Ferrara observed that trade would be constrained to stop operations: no wares were bought while everything was on sale; manufactories slowed down operations; no one bought debentures or titles of debt; every speculation was postponed in the future; the stock market was deserted or became the place where fears were fully manifest. In sum, concluded Ferrara, wherever money was needed would now be paralyzed: manufacturers would be out of work, retailers without consumers, merchants would suffer from lack of credit and great merchant houses could not retrieve their capital, tied up in dead stock, and without fictive capital they could not balance debts and credits. To the first bankruptcy, others would follow. Merchants would collapse first and then banks, joint-stock companies and public banks: panic would spread. Until, after some months or years of dire conditions, “a general liquidation of checks, having cleansed everything decayed from trade, renewing it, would restore confidence, making money reappear and reestablishing the conditions of a normal circulation” 172.

Ferrara recalled numerous of these crises in the past of Europe. Many of them had been contained in limited markets: firstly in England in 1793 and 1825, then in France in 1848 and in 1854. Once, though, in 1839, the crisis, born in New York, devastated the banking system of North America and then all trading places in Europe and the world at large. That had been, in the eyes of Ferrara, the first world economic

crisis ever. That same year Luigi Chitti, Italian exile in Belgium\textsuperscript{173}, published \textit{Des Crises Financières: et de La Reforme du Système Monétaire}\textsuperscript{174}. In 1839, Carlo Cattaneo, disciple of Romagnosi\textsuperscript{175}, reviewed it on \textit{Il Politecnico}\textsuperscript{176}, journal he had founded in 1839 to diffuse technological knowledge and favor economic advancement\textsuperscript{177}. The essay and its review are of interest in that they contained fairly different interpretations of the recent Belgian financial crisis.

After the failing of the Neapolitan Republic in 1799, Luigi Chitti, due to the patriotism of his family, fled to France where he studied law. Reentered in Naples, after the French conquest of 1808, he exercised as a successful lawyer, but also translated to Italian, as first\textsuperscript{178}, Say’s \textit{Principles} in their third edition\textsuperscript{179}. He accurately followed the indications of Madame de Staël in doing so\textsuperscript{180} and added many anonymous notes to the text. As Cattaneo himself admitted in reviewing his work, Chitti knew Say’s theory very well, but “he drew from it the very opposite conclusions”\textsuperscript{181}. Conclusions that Chitti derived, more than from the theoretical lessons of Say, from his practical experiences in the newly independent Belgium, in which he lived from 1830 to 1845\textsuperscript{182}. He was very well known in the financial and economic scene of his hosting country, where he became the first appointed full professor of Social Economics in the public university instituted in 1834. From its foundation in 1835 to 1840, he was also designated secretary of the \textit{Banque foncière}, of which he possessed a relevant quote of shares. From 1841, he was elected governmental

\textsuperscript{175} Piero Barucci, Gli “Annali Universali di Statistica”. Contributo alla storia dello sviluppo del pensiero economico italiano nella prima metà dell’Ottocento, Tesi di Laurea, Università degli Studi di Firenze, 1958-1959, pp.112-118
\textsuperscript{176} Carlo Cattaneo, \textit{Delle crisi finanziarie e della riforma del sistema monetario, di Chitti}, Il Politecnico, Vol. 1, 6, 1839, pp. 541-559.
\textsuperscript{177} On this important periodical see: C.G. Lacaita, R. Gobbo, E.R. Laforgia, M. Priano (eds.), “Il Politecnico” di Carlo Cattaneo. La vicenda editoriale, i collaboratori, gli indici, Milano-Lugano, G. Casagrande, 2005.
\textsuperscript{178} It is very difficult to ascertain if the interest in Say’s work had been sparked by the frequentation of that governor of the Neapolitan Republic who had been tutor to Say himself in France, though, about an eventual sojourn in France where he could have lectured Jean Baptiste Say.
\textsuperscript{179} Jean-Baptiste Say, \textit{Trattato di economia politica o semplice esposizione del modo col quale si formano, si distribuiscono e si consumano le ricchezze; seguito da una epitome de’ principj fondamentali dell’economia politica}, I-III, Napoli, Stamperia del Ministero della Segreteria di Stato, 1817. On this translation see: C. Cointe, Notice historique sur la vie et les ouvrages de J.-B. Say, in Jean-Baptiste Say, \textit{Cours complet d’économie politique pratique : suivi des melanges, correspondance et catéchisme d’économie politique}, Bruxelles, Dumont, 1837, p. VI. A guess about the real identity of Giro could be Prosdocimo Rotondo, lawyer, friend to Francesco Cuoco, who became one of the 25 components of the Direttorio and was hanged after the restoration September 30\textsuperscript{th} 1799. Nothing is known, though, about an eventual sojourn in France where he could have lectured Jean Baptiste Say.
\textsuperscript{181} Carlo Cattaneo, \textit{Delle crisi finanziarie e della riforma del sistema monetario, di Chitti}, Il Politecnico, Vol. 1, 6, 1839, p. 541.
\textsuperscript{182} Louis Chitti, \textit{Quelques mots sur l’avenir de la Belgique}, Bruxelles, De Mat, 1830.
commissioner in the Banque de Flandre with close links to the Government on one side and the Société générale on the other.

When the Banque de Belgique had to suspend its payments, in 1838, Chitti hastily decided to have two of his essays printed in the volume reviewed by Cattaneo, giving up the idea to publish them in a new economic journal that was still in a preparatory phase. He wanted to demonstrate that the crisis of the Belgian bank was not a veritable financial crisis, but instead a shortly lack of trust of the market that had been easily assuaged through the reserves of the Société générale. Belgium had no problem of credit, as proved by its industrial growth and increasing wealth.

The origin of economic crises in general was easily found, in Chitti’s opinion, in the monetary system, not in any real cause. “Toute la question est là”183 he wrote, introducing his book. “Without reforming the metallic monetary system, - continued Chitti – the crises would inevitably repeat themselves, as eclipses, at given times. Furthermore, independently from the necessity to prevent the resurgence of these great social calamities, the reform of the specie money is a consequence of the industrial development and the increasing wealth of nations and we believe to serve the cause of civilization by bringing it to the attention of the public” 184.

Chitti admitted that crises could follow from war, famine, cholera morbus and other catastrophes, but underlined that: “our task is to speak of the crises that are connected with the development of the productive forces of the society”. Such crises were, for a nation, what insolvency was for an individual: the inability to pay for one’s commitments185. Although they could also be called industrial and commercial, they were best defined as financial. Chitti likewise distinguished these crises from the ones described by Say in that they were not constrained to some sectors of the economy and as such incapable of altering the general equilibrium of the economy. Instead: “it is necessary to look for a cause that acts at a more general level, that excites at the same time all the productive forces of the society and brings them to the limits of their power and then obliges them to hastily turn back to their initial position” 186.

In brief, a financial crisis would follow from a buoyant and speculative entrepreneurial activity inside a country that was excessive in respect to its resources. What allowed such disequilibrium was a disproportionate emission of paper money. When paper money was issued to the point that its value became less than that of coined money, altering the prices and the decisions of entrepreneurs, it caused the imbalance between the operations and investments in progress and the means to bring them to

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When crises became economic: an analysis of Italian journals and literature in the 19th century

completion. It also caused the outflow of all specie from a country, constraining it, in the end, to export all possible goods and resources, to obtain back the necessary means of payment.

Chitti forcefully asserted that every loan based on some fictive value or on non-existent products was to be considered a lie and a way to appropriate the value of others. Such loans could only be possible in consequence of the emission of paper money in excess in respect to the quantity of transactions, what he called dimande. “The result of the emission of banknotes is an illicit extension of demand; – explained Chitti – it is the arrival on the market of competitors who do not possess anything and buy with imaginary values; it is the fictive augmentation of prices; it is a foolish creation of enterprises without the necessary funds to maintain them; in sum a frenzied excitement of the forces of production that always ends in a crisis whenever the issue of banknotes surpasses certain limits.”

Consequences were dire. As a bad enchantment, the crisis wiped out many a value by dispersing the means of transaction, by draining the country of the goods it had to export to gain precious specie, by constraining industries to abandon many projects and productions. It would take a long time and many a sacrifice, concluded Chitti, to bring the economy back to reality. There would be, though, a simple solution to the problem of financial crises: to leave the emission of money to the state only, prohibiting to private banks the issue of paper money or titles of debts at a multiple measure in respect to their reserves.

Reviewing the work of Chitti, Carlo Cattaneo observed immediately that the Italian economist, starting from the most solid and cautious monetary theories, arrived to a completely original conclusion. A conclusion Cattaneo would not approve. Chitti adhered to the quantity theory of money so long as means of credit, generated by banks, did not surpass the quantity of specie money possessed and the corresponding capital of the country. Up to this point credit corresponded to a real value and its concession would only improve the economy. When the amount of credit, though, exceeded this limit it became a ghost value and negatively influenced the price system. Producers would compete for rough materials and labor, driving their prices up. Production would be brought to a genuine frenzy. This production, though, did not follow the indications of a real dimande, but of drugged and artificially altered prices, resulting in a glut. When the expectations of entrepreneurs did not find any correspondence in the market the real crisis begun. The excess credit also had a monetary consequence. As seen, it drove specie out of the country, so that, when credits begun to be loose value and were exchanged under parity, the consequent requests for conversion in gold could not be met. As paper money, letters of exchange and credit titles lost their

188 Louis Chitti, Des crises financières et de la reforme du système monétaire, Bruxelles, Meline, Cans et cie, 1839, p.44.
value and specie was not available in sufficient quantity, a country did not possess sufficient means of exchange to support its transactions. The crisis arrived to its apex.

While most economists, in front of this scenario, concluded that all circulating money should be covered by gold, Chitti, noted Cattaneo, arrived to a startling and novel conclusion. The industrial transformation of modern economies made the complete convertibility through gold an unfeasible notion. Every rule of partial backing would be only a fiction and so Chitti proposed that the emission of a currency be completely disengaged from gold and only granted by the reputation of the state. The state, though, should not emit money at leisure, but in proportion to the sum of transactions. “The more a country advances in prosperity – explained Cattaneo – the greater the quantity of values that its money must be made capable of moving. The money must so be made out of the material that best serves this purpose. When the currency is issued only by the public authority, is limited to reasonable terms and has a legal circulation, it surely will be demanded and consequently hold value.”

This, for Cattaneo, the most controversial point of Chitti’s reasoning: that paper money should have a more stable and solid course than specie money. Justly would Chitti grant the emission of paper money on the political reputation of governments subject to public responsibility, but many other forms of governments existed, even in advanced industrial states: what then? What when in responsible governments some faction or party could influence public opinion or political action to favor their interests? When public opinion itself would misjudge the question of issuing more paper money than necessary? Corruption and public illusions, in the judgement of Cattaneo, could easily alter the emission of paper money causing financial crises. “It seems – he argued – that the hallucinations of human weakness are greatest in the case of paper and lowest in the case of metals.”

Crises could also follow from the fact, argued Cattaneo, that specie would still be needed in international transactions, all the times when exports would not automatically balance imports of wares. This particularly the case of small countries like Lombardy that were dependent, for their imports, on the selling abroad of only one product. When the course of silk in London fell, Lombardy had to recur to its reserves of gold and

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silver to pay for colonials and manufactures. In such cases, adopting a paper currency and selling abroad all specie, as suggested by Chitti, could easily cause imbalances and crises\textsuperscript{195}.

Still, concluded Cattaneo, Chitti held many right views and brought attention to the Belgian case, where a great industrial advancement had not been the result of uncontrolled emissions of banks, as many authors believed necessary.

In 1842, Carlo Giuseppe Londonio\textsuperscript{196} reviewed Chitti’s reform proposal on the journal of Lombardy’s Institute of science, letters and arts\textsuperscript{197}, taking into consideration also Cattaneo’s article. His piece is worth quoting, given his precise assessment of current economic theories. In his review, Cattaneo had starkly distinguished Chitti’s proposal from the Ricardian one, considered as implying gold convertibility. Londonio, instead, accurately reviewed Ricardo’s contributions to monetary theory both in his \textit{Proposals for an economical and secure currency}\textsuperscript{198} and in the \textit{Principles}\textsuperscript{199}, criticizing Cattaneo’s conclusions\textsuperscript{200}. Londonio retraced the origin of Chitti’s idea in a passage of the XXVII chapter of Ricardo’s \textit{Principles}, dealing with an unconvertible currency, issued by the government in proportion to transactions, while reserves would be sold abroad to be transformed in investments\textsuperscript{201}. Londonio also cited Say’s \textit{Course}\textsuperscript{202} as giving credit to Chitti’s and Ricardo’s statements\textsuperscript{203}. There were many caveats though, to an instrument that could be efficient in theory but also result in disaster in practice. Londonio added to the objections of Cattaneo the easiness of forgery and the proclivity of governments to abuse of their capacity to print money at no cost. If restraining states and private banks from issuing money in excess in respect to the needs of circulation could be done best by backing it with gold, as suggested by Ricardo, than, concluded Londonio, the rationale for paper money completely crumbled. “From whatever angle the project of an unconvertible


\textsuperscript{196} Carlo Giuseppe Londonio (1780-1845) had been a civil servant in Lombardy for his whole life. He served in public offices concerning poor relief, public illumination, schooling and many more. His intellectual career consisted in publications on political economy and famous controversies with Madam de Stael and Ugo Foscolo on romantic literature in comparison to neoclassical style.


\textsuperscript{198} David Ricardo, \textit{Proposals for an economical and secure currency}, London, T. Davison, 1816.

\textsuperscript{199} David Ricardo, \textit{On the principles of political economy and taxation}, London, John Murray, 1817.


paper-money was looked upon, so many objections sprang to mind that it had to be considered a utopia: implementing it would cause more deleterious consequences than the ones it was created to avoid” 204.

The debate ignited by the essays of Luigi Chitti emerges as a rare case of heterodox reasoning in an Italy generally supporting the idea of specie coverage, as exemplified by the positions of Carlo Giuseppe Londonio and even Carlo Cattaneo. Discussions usually regarded the choice among various forms of bi- or mono-metallism205, with a clear and general preference for the second206, while Law represented in manifold popular writings a classic exemplum ex negativo of what monetary policy should not be.

The main theoretical dispute on money in Italy dated 1858 and followed a financial crisis, as defined by Ferrara, occurring, curiously, in the least developed of all Italian reigns: the Papal States. There, the international crisis of 1857 deepened an already difficult situation, bringing about a veritable shortage of money. The government, not possessing enough silver to cover internal trade, allowed foreign currencies to circulate as legal tender. Local banks released banknotes to support circulation and, in particular, the Banca per le Quattro Legazioni emitted notes denominated in silver, backing them with foreign gold coinage. A widespread debate erupted because the Bolognese bank changed its banknotes at market value of gold against silver207. One of its clients sued the bank expecting it, instead, to change the notes at the official rate of exchange between silver and gold fixed by government. The ensuing discussion involved jurists and

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207 Between 1858 and 1859, thirteen pamphlets were published in Bologna regarding the dispute: B. P. Osima, La Banca e il Napoleone d’oro, Bologna, Volpe e Sassi, 1858; Il Napoleone d’oro e la Banca contro la Banca e il Napoleone d’oro, Bologna, tipografia dell’Ancora, 1858; B. P. Osima, Nuovo Cenno intorno la Banca e il Napoleone d’oro, Bologna, Volpe e Sassi, 1858; Giacinto Calgarini, La Banca Pontificia per le quattro legazioni colla ditta Facchini. Comparsa di deduzioni, Bologna, tipografia dell’Ancora, 1858; Massimiliano Martinelli, La moneta, il credito e le Banche. Memoria, Bologna, tipografia dell’Ancora, 1859; Francesco Borgatti, Del valore della moneta secondo i principii comparati del diritto romano pubblico e privato, della giurisprudenza e della moderna economia, Bologna, tipografia dell’Ancora, 1859; Gerolamo Boccardo, La Banca delle quattro legazioni ed il cambio de’ suoi biglietti, Bologna, Volpe e Sassi, 1859; Giacinto Calgarini, La Banca di Bologna e le valute monetarie nel rapporto dell’economia pubblica e della giurisprudenza, Bologna, tipografia dell’Ancora, 1859; Francesco Borgatti and Massimiliano Martinelli, Osservazioni sul parere del professore Gerolamo Boccardo intorno la Banca delle quattro legazioni, Bologna, tipografia dell’Ancora, 1859; Gerolamo Boccardo, La Banca delle quattro legazioni, la moneta ed il credito. Risposta Del Prof. Gerolamo Boccardo alle osservazioni del Dottor Martinelli e dell’Avv. Borgatti, Bologna, Volpe e Sassi, 1858; Francesco Borgatti, Poche avvertenze dell’owl. Francesco Borgatti sull’ultimo parere del Professore Gerolamo Boccardo, Bologna, tipografia dell’Ancora, 1859; Massimiliano Martinelli, Il quesito intorno la Banca delle quattro legazioni, Bologna, tipografia dell’Ancora, 1859; Francesco Ferrara, Dei biglietti di banco in Bologna. Quistione sul modo in cui vadano pagati dalla Banca delle quattro legazioni. Parere, Bologna, tipografia dell’Ancora, 1859.
the most popular economists of the time, from Gerolamo Boccardo to Francesco Ferrara\textsuperscript{208}. The winning hand was, after two years of litigations, that of Francesco Ferrara: the right to exchange notes against gold at market value was legally and economically recognised to Bolognese bank\textsuperscript{209}. Ferrara, in one of the many pamphlets, essays and articles that were printed at the time, even provocatively argued that banknotes of private emission should be allowed to circulate freely and be exchanged for whatever specie or ware the market would demonstrate to accept\textsuperscript{210}. That some kind of backing, though, would be necessary to grant the solidity of the market and the smooth circulation of paper money, nobody doubted. If Gerolamo Boccardo considered Ferrara’s position heretical, nobody would take Chitti’s proposal in consideration.

The debate on the Papal monetary shortage was long considered the best proof that Italian economic thought confronted with acuteness even monetary problems. The novel interest in money had then been assuaged by historical reconstructions of the development of economic thought on the matter\textsuperscript{211} and the theoretical positions taken at the end of the dispute were upheld until the end of the century, so that further discussions were confined to minor issues.

The major novelty in monetary matters was the adherence of Italy to the Latin Monetary Union\textsuperscript{212}, engineered in 1865 through international cooperative efforts, in order to bring a measure of order in the chaotic imbalances caused by an excessive offer of gold\textsuperscript{213} to the generally adopted bimetallic circulations\textsuperscript{214}. Only one year after, Chitti’s paper money reentered the economic discussion brutally with the introduction of the corso forzoso. Italy had to sacrifice internal circulation to the demands of war and

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\textsuperscript{210} Francesco Ferrara, Dei biglietti di banco in Bologna replica di Francesco Ferrara al cavaliere Gerolamo Boccardo, Bologna, Tipografia all’Ancora, 1859.


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inflationary debt emissions, uncovered by specie reserves. The government so allowed the Banca Nazionale del Regno d'Italia to emit uncovered notes in exchange for a loan of 250 Million Lire with an interest rate at 1.5%. The corso forzoso immediately caused the vanishing of all silver and copper coinage from the circulation, while paper emissions were limited to high value notes. In the almost complete absence of smaller notes, a veritable shortage of money caused a havoc in economic and trading activity. Many journals commented the monetary crisis that afflicted Italy in the following fifteen years.

The liberal theory of monetization of Francesco Ferrara found an improvised testing during the first phases of the corso forzoso. The inaction of government stimulated then the response of private institutions. Mutual associations, big enterprises and even small traders emitted notes that could be used in every-day transactions and, with some surprise on part of economists, everyone accepted them in want of an alternative. No wonder that Cesare Cantù would forcefully invoke the unification of moneys inside Italy and also internationally, through a general gold standard!

The problem of Italy’s economy, though, was surely not the harassed Lira. After Unity, the most debated crisis was the financial one, result of the enormous growing of public debt for military expenses. All problems, from monetary disorders to excessive taxation and famine, were perceived as a mere outcome of the buoyant public spending of the infant Italian nation. Italian patriots plunged from Risorgimento’s enthusiasm directly into a taxation nightmare. Freedom and independence had a price tag attached and Italians were not sure they could afford it.

In the first decades of life of the Italian state, journals as Il Politecnico analyzed in painful detail every voice of the state budget, but many popular magazines and satirical publications likewise entertained their readers with the composition of debt, the augmentation of taxes and the desperate research for novel sources of income. In 1865 Il Giornale Illustrato printed an etching that represented the springs of state budget as an alchemist chamber where the products of a profligate bureaucracy transformed customs,
telegraphs, post offices, railways, carriages, horses, dogs, justice, debts and even vices as smoking into sources of income. Every possession, every action needed some kind of document, seal, authorization, license or registration that had to be paid for (Img. 5). The treasure, obtained from this comprehensive drainage, sustained the military and the growing phalanx of government officials, for large part veterans, and financed the modernization of the infrastructure.

The newly born state had immediately grown into a bureaucratic giant, source of employment for too many underpaid soldiers, officials, clerks, magistrates and administrators. Liberals, from the columns of L’Economista, founded in Florence in 1874, condemned this turn toward a complex and centralized statocracy, where the government acted as employer, entrepreneur, banker and philanthropist. Italians had apparently chosen to give up the just obtained freedom in exchange for immediate benefits in form of employment, pensions and services. All came for a cost, though. The corso forzoso was only the most apparent of the measures, the tax on flour the most hateful. An extensive political patronage and nepotism pervaded all layers of government. Scandal after scandal a comprehensive corruption system unveiled its tentacles embracing Parliament, justice courts, banks and many of the newly founded limited companies. From the Lobbia case to that of the Banca Romana, Italy experienced modernity mostly in form of bank failures, payment crises, speculations and frauds.

All fears expressed by Italian intellectuals and economists in respect to a currency granted only by public authority came to life. Banks printed money in excess, even recurring to forgery to multiply millions and finance politicians and friendly entrepreneurs. In absence of sound investments, all this excess money was funneled into speculations involving the modernization of Italian cities or fictive public companies. From the Alps to Neaples, such schemes always ended with bankruptcies and stock exchange crashes.

**Img. 5 The springs of budget**229

Fanfulla, satirical journal founded in Florence in 1870, hosted many ironic and cynic articles on the frauds of United Italy. Not accidentally, it was a bank employee, Vincenzo Salvatore, to sign, as Ego, most of the critical pieces on economic matters. Salvatore stigmatized the “actiomerolus semperpagans” – the foolish always-paying shareholder - who run as a simpleton wherever new joint-stock companies were founded for the most absurd motivations but with boards full of famous personalities, wherever petty municipalities went deep in debt with guarantees worth nothing and wherever banks irrationally emitted notes bringing chaos and ruin to the monetary circulation. The resulting world was divided in just two classes: speculators, swindlers and scammers pompously driving through cities in elegant tilburies, and pedestrians, plagued by debts, underpaid in their jobs and robbed by taxes, looking upon them with envy and hope.

Carlo Lorenzini depicted best of all this realm of political corruption, juridical fraud and entrepreneurial figments as opposed to a rural poverty afflicted by famine and moral wavering: the utopic “Land of the Owls”. “You must know – recounted the Fox to a blockheaded puppet, without freedom nor reason - that in the land of the Owls there is a sacred field called by everybody the Field of Miracles. In this field you must dig a little hole, and you put into it, we will say, one gold sovereign. You then cover up the hole with a little earth; you must water it with two pails of water from the fountain, then sprinkle it with two pinches of salt, and when night comes you can go quietly to bed. In the meanwhile, during the night, the gold piece will grow and flower, and in the morning when you get up and return to the field, what do you find? You find a beautiful tree laden with as many gold sovereigns as a fine ear of corn has grains in the month of June.”

In 1881, Pinocchio represented the vanishing dream of Italian patriots in front of the dire reality of Italian economic and political life. Money, in particular, was unveiled as an instrument of swindle and robbery. Pinocchio lost his five sovereigns to his dreams of easy enrichment and the deceptions of the Fox and the Cat. There was no hope, though, in the Land of Owls to obtain justice. As he denounced the fraud, Pinocchio was arrested and the judge condemned him to prison. The same happened to many an honest man.

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231 Vincenzo Salvatore (Ego), Krach, “Fanfulla”, 23 Febbraio 1874.

232 Vincenzo Salvatore (Ego), Krach, “Fanfulla”, 23 Febbraio 1874.

233 See: (Crispo), Circolare agli uomini onesti, “Fanfulla”, 6 Febbraio 1874.


236 Pinocchio was published first in episodes on the Giornale per i bambini, weekly attachment to Fanfulla, between 1881 and 1883. This original edition was recently reprinted in: Carlo Collodi, Giornale per i bambini: Pinocchio (rist. anast. 1881-1883), Firenze, Polistampa, 2002.
parliamentarian, police officer, journalist and clerk who tried to expose Italian economic scandals in the decades after Unity.

“Seven years of corso forzato – wrote Francesco Ferrara to the Nuova Antologia in 1873 – have devastated the national economy; they have deleted economic rationality from all minds, they wiped out all sane concepts about credit, they brought us a century backwards.”

What remained was a mass of paradoxes and economic vulgarities: a chaos of ideas and skepticism of practice in the one realm of economics where economists had least to dispute.

Was there a way out?

"If the others are to be let out of prison, I will go also," said Pinocchio to the jailor.

"No, not you," said the jailor, "because you do not belong to the fortunate class."

"I beg your pardon," replied Pinocchio, "I am also a criminal."

"In that case you are perfectly right," said the jailor, and, taking off his hat and bowing to him respectfully, he opened the prison doors and let him escape.

*Img 6. Pinocchio meets the Fox and the Cat. Illustration by Alice Carsey*

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When crises became economic: an analysis of Italian journals and literature in the 19th century

FIN DE SIECLE ECONOMIC DETERMINISM

“Time is money! (…) This formula, as by magic, produced machines, steam power, the telegraph. Unemployed cried out in pain, but society is a battlefield where the fallen ones are lost. The legions of speculators and businessmen trample over the bodies of the wounded, irresistibly led by their commanding general, the interest, toward the infinite multiplication of Capital” (Carlo Lorenzini)242

From 1848 to the end of the century, the economy and its scientific research increasingly acquired the attention of politicians and ruling classes. Economic determinism dawned on Europe. In Italy a Methodenstreit, fought more for political than dogmatic reasons, inflamed journals as the Nuova Antologia, the Annali Universali di Statistica and the Politecnico, but also gave birth, for the first time, to periodicals exclusively devoted to economic matters243. So the various filiations of the English The Economist, L’Economista of Turin, Milan and lastly Florence244; so the Giornale degli Economisti245. Societies for the diffusion of political economy were established246 and the teaching of economic studies became professionalized247.

Crises, though, remained an astonishingly rare topic, considering the turmoil of the last three decades of the nineteenth century. Nobody would deny any more the benefits offered by industrial development, but crises denounced on economic journals for the greater part still concerned Italy’s agriculture. Agriculture employed most of the Italian population, granted its scanty survival and supplied Italy’s exports. It so attracted many attentions, from the series of articles written after Unity by Gaetano Cantoni on Il Politecnico248 regarding advisable meliorations, to the analysis of the English predicament done by the young Luigi Einaudi on the pages of the Giornale degli Economisti249 at the end of the century. The crisis of Italy’s agriculture, though, lamented by many economists and even measured precisely through innovative

249 The articles, published between 1895 and 1896 were collected in the volume: Luigi Einaudi, La crisi agraria nell’Inghilterra: lavoro eseguito nel laboratorio di economia politica della Università di Torino, Torino, Tip. Alfonso Garagnani, 1896.
statistical analyses as the one based on index numbers\textsuperscript{250}, was unanimously attributed to the increased international competition and the consequent protectionist policies of the Italian government\textsuperscript{251}. It would have been a much better policy to switch to more rewarding cultures than wheat, to mechanize existing cultivations and increase the overall productivity of agriculture than to protect inefficient producers, alienating export markets as France and damaging the entire population\textsuperscript{252}. The times of Don Ferrante, apparently, had returned.

Next to agricultural ones, most of the articles on crises concerned financial speculations and bankruptcies. Curiously, in these cases, the term crisis was occasionally substituted by \textit{krach}\textsuperscript{253} as lamented by the linguist Pietro Fanfani. Krach, an onomatopoeic German word for burst, was firstly canonised by the economist Alberto Errera after the banking failures of the early 1870s. Errera described the krach as “a special event, full of suffering, disillusions, failures, robberies, commotions and suicides”\textsuperscript{255}. Up to the end of the century, krachs, due to speculations, called for research on the utility of stock exchanges\textsuperscript{256}, for discussions on the legal foundations and the economic rationality of joint-stock companies\textsuperscript{257}, for the reform of the banking system\textsuperscript{258} and for studies on monetary policies\textsuperscript{259}.

In all these analyses, though, bankruptcies, speculations and stock manipulations were considered consequences of fraud, corruption and mismanagement, not as symptoms of more general economic crises or part of economic cycles\textsuperscript{260}. In 1890, Maffeo Pantaleoni still attributed the Italian crisis of the previous four or five years to the interventionist policies of the Italian state. Protectionism, subsidies and bureaucratization had drugged the Italian economy, distorting investments and eradicating competition\textsuperscript{261}. The same accusation was expressed with rhetoric animosity in an editorial of the \textit{Giornale degli Economisti}.


\textsuperscript{251} La \textit{crisi agricola e la politica doganale}, “\textit{Giornale degli Economisti}”, 2, Vol. 3, 1891, pp.156-165.


\textsuperscript{254} Pietro Fanfani and Costantino Arlia, \textit{Lessico dell’infima e corrotta Italianità}, Milano, P. Carrara, 1890, p.303.

\textsuperscript{255} Alberto Errera, Il “\textit{krach}” del 1873-74, “\textit{Nuova Antologia}”, febbraio 1874, p. 417.

\textsuperscript{256} Dell’\textit{influenza delle operazioni di borsa sull’economia sociale}, “\textit{Il Politecnico}”, Vol. 18, 87, 1863, pp.368-387.


\textsuperscript{261} Maffeo Pantaleoni, \textit{La crisi in Italia e i suoi medici}, “\textit{Giornale degli Economisti}”, Vol. 1, 1, 1890, pp.227-228.
When crises became economic: an analysis of Italian journals and literature in the 19th century

published in December 1893\textsuperscript{262}. At the end of the century, Italy’s economy, it seems, was still a Land of Owls.

Literature only confirmed the backwardness that economic journals articulated through the results of numerous enquiries on industries, agriculture, child labor\textsuperscript{263} and the emerging Southern question\textsuperscript{264}. Verism, in particular, shared with economic and social enquiries their positivist methodology. The tradition of romantic historicism, passed on to literature by Alessandro Manzoni, had evolved, in the last quarter of the nineteenth century, to a movement dedicated to positivist writing, done on the base of documents and with scientific rigor. Giovanni Verga, main exponent of verism, was definitely indebted to the enquiry conducted by Sidney Sonnino and Leopoldo Franchetti on Sicily\textsuperscript{265} for many a setting of his renowned novels and short stories. What Sonnino and Franchetti intended to do with the founding of the journal \textit{La Rassegna Settimanale}\textsuperscript{266}, Verga did with much of his prolific work: diffuse the consciousness of the real social and economic condition of southern regions. Denouncing the dire life of the children extracting sulphur in the \textit{solfatare}\textsuperscript{267} or red sand in a cave near Catania\textsuperscript{268}, the despairing life of the fishers of Aci Trezza\textsuperscript{269} and of Sicily’s peasants\textsuperscript{270} was an open critic to the Italian government and its economic policies, particularly the failing to enact an agrarian reform.

The writings of Verga, though, particularly the incomplete series of \textit{The Defeated}, denounce also a tremendous clash between the enlightened ideals still present in the positivistic attempt to meliorate the world and the growing awareness of materialist determination. Significantly, the source of income of the Malavoglia family was a fisher boat called Providence. The ultimate disaster for the family followed the shipwreck of Providence, a symbol for the loss of hope in respect to a much desired and never achieved melioration of social and economic status. The ideal of the ostrich\textsuperscript{271}, defined by Verga as the capacity to be satisfied with the condition in life received at birth, contradicted all enlightened values expressed in the bourgeois belief in meritocracy and work ethic. For the characters of Malavoglia there is no hope outside

\textsuperscript{262} \textit{La crisi e il programma liberale}, “Giornale degli Economisti”, 4, Vol. 7, 1893, pp. 471-487.


\textsuperscript{265} The enquiry was first published in 1877 collected in two volumes, then diffused through their journal, \textit{La Rassegna Settimanale}, edited by the same Franchetti and Sonnino.


\textsuperscript{269} Giovanni Verga, \textit{i Malavoglia}, Milano, Treves, 1881.

\textsuperscript{270} Sidney Sonnino, \textit{I contadini}, Tip. di G. Barbèra, 1877.

their ancient home, their traditional knowledge, passed on through proverbs, their old craft. The Malavoglia appear as a Bildungsroman a rebours, plunging Italy back into ancien regime immobility without the solace of faith. A shipwreck for the ideals of Risorgimento as for Manzoni’s Providence.

“Who is guilty?” asked in 1866 Pasquale Villari, confronted with Italy’s backwardness. Then, he could still answer that to the faults of politics, to the responsibilities of manufacturers, to the inefficiency of labour, to the errors and horrors of bureaucracy a solution existed: introducing among Italy’s productive factors a massive dose of intelligence, as asked for by Carlo Cattaneo. Intelligence to be engineered through better living conditions, better education and stronger linkages with more advanced countries. At the end of the century, though, when Italy’s economy seemingly spurted into the race for development, economic determinism held the stage, leaving no hope for man’s will or intelligence to prevail over idealistic economic laws or materialist determination through economic conditions.

CONCLUSIONS

The analysis of Italian journals and literature of the nineteenth century, up to unification, highlights how the relative backwardness of Italy’s economy and the almost complete absence of an industrialization process restricted the diffused perception of economic crises to food shortage and famine. The recurrence of such disasters stimulated the economic debate on free trade, particularly at the eve of 1848. Alessandro Manzoni’s The Betrothed bears ample testimony of the importance of such discussions, widespread in most journals of the time. Particularly in connection with the political demand for independence, the request for an economic united Italy, guided by freedom of trade, became popular among intellectuals as common men.

The debate on industrialism, instead, and the effects of the introduction of mechanical innovations in the production process, was conducted on Italian periodicals only in reference to England and particularly in connection with its grave crises of 1816 and 1826. Factories and machines were so indelibly associated, in the mind of Italians, with the British aisle and the representation of destitute laborers living in unhuman conditions, subject to whims of fate in form of unemployment and misery. The opposite depiction of the Italian countryside, particularly in Tuscany, blessed by participative institutions granting to proprietors and tenants a diffused wealth, become too a recurring theme, spread in most writings of the time.

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After Unity, the evoked images of England and Italy were still part of popular culture, while periodic financial crises called for a change in theorization and an adjourned debate on newspapers and academic journals. Speculations, crashes and frauds, involving banks as the newly formed Italian Parliament, found their way also in literary works. Italy jumped abruptly, with not minor falls and bruises, from an agrarian economy as depicted by Manzoni, to Pinocchio’s field of miracles, where unscrupulous speculators managed to rob foolish and ignorant citizens of their few earnings. The economy changed but population at large, still living in the countryside, employed in agriculture and mostly illiterate, was unaware and even uninterested in it. When realism found its way in Italian literature at the end of the century, Giovanni Verga would still represent an agrarian economy. Only one major difference can be ascertained between his and Manzoni’s Italy: Providence was now a fisher’s boat that shipwrecked, bringing ruin to the Malavoglia family. What consolation Lucia had found in faith, was no more available to Verga’s *Defeated*. To crises, there was no solution at individual level: economic determinism had entered Italian history.