

---

## ARTICLES

---

### *Economics and Nationalism in Italy (1861-1914)*

Luigi de Rosa

Faculty of Maritime Economics, Naples

It is nearly always the case that attempts to identify the precise intellectual and chronological origins of a particular ideological movement lead to widely divergent and often conflicting interpretations - and when such a movement played a direct and even disruptive role in a country's history, such conflicts become even more pronounced. This is precisely the problem that confronts us when we come to explore the origins of the nationalist movement in Italy.

For Francesco Coppola, one of the exponents of Italian nationalism, the movement 'was recognized and organized in the year before the Libyan enterprise'<sup>1</sup> - that is to say, in 1910. But there is an obvious motive for Coppola's choice of date, since it refers directly to the founding of the *Italian Nationalist Association (ANI)* which took place in that year. Yet the rather formal nature of the date, combined with the fact that the ANI did no more than give concrete expression to a current of ideas that pre-existed it, has meant that historians of the nationalist movement have not attributed any great importance to it. Nor is 1914, the year that saw the foundation of a 'Nationalist Party'

---

<sup>1</sup> F. COPPOLA, *La crisi italiana 1914-1915*, Rome, L'Italiana, 1916, pp XXXIX-XL.

as the result of the coming together of a number of different political groups around the platform developed by Alfredo Rocco, a very plausible alternative.

For any reconstruction that attempts to go beyond the formal dates of this or that association and attempts to penetrate more critically the soil in which such associations were able to take root, 1903 is probably a more significant date. This was the year that saw the beginning of Enrico Corradini's monthly review *Il Regno*, through the columns of which were to be set forth and developed many of the ideas that were to form the ideological and political armoury of the nationalist movement in later years. But others would claim that the date of origin should be moved back to 1896, which saw the launching of the Florentine review *Il Marzocco* of which Corradini had also been a leading collaborator.<sup>2</sup> Recently Lanaro has put the case for going back further still, and has argued that the real beginnings of the movement were in 1870: 'the first year — he argues — in a process of Unification which was to be more the product of the storms of trade wars than of that tranquil pond that had accompanied the "reawakening of the peoples"'.<sup>3</sup>

It seems to me that it is this last date that comes closest to marking the true beginnings of the nationalist movement in Italy, and Lanaro's scholarly and detailed study has clearly identified the factors that produced the complex combination of ideas, comparisons and needs that would only later in the early XXth century crystalize into the coherent and conscious expression of an increasingly powerful movement in Italian political thought. And this is particularly true in economic terms, the aspect of the problem on which we shall now focus our attention. But the first question to ask is: why 1870 rather than 1861?

---

<sup>2</sup> Cf. L. Strappini, in E. CORRADINI, *Scritti e discorsi 1901-1914*, a cura di L. Strappini Torino, Einaudi, 1980, pp. XIV-XV.

<sup>3</sup> S. LANARO, *Nazione e Lavoro. Saggio sulla cultura borghese in Italia 1870-1925*, Venezia, Marsilio editori, 1979, p. 85.

The laborious travail that resulted not only from the trade wars but equally from the tough foreign competition to which Italy's industrial economy was particularly exposed and vulnerable, since it was still widely believed that free trade rather than stifling the country's economic development would encourage and stimulate it, did not start in 1870. For many sectors of industry and for certain regions it had been evident from as early as 1861-2, and by 1863 had come to affect the entire peninsula as the policies introduced by the new commercial treaties and inspired by the principle of 'most favoured nation' stipulated in that same year began to make themselves felt. An awareness of the contrast between a political Italy which now existed virtually in its final and complete form and an economic Italy which was still entirely to be created was already present in 1863. With a population which in relation to the size and resources of the country already exceeded that of many of the industrialised powers of the West, and lacking signs of agricultural, commercial or industrial potential, Italy still seemed to be something distant and incoherent that remained to be achieved. Although demographically dynamic, Italy was without mineral wealth, poor in infrastructures, short of capital, weak in its more advanced secondary and tertiary sectors, and totally lacking the imperial colonies that were believed to lie behind the wealth of Holland, England and France. It was the fragility and modest scale of economic Italy that seemed to qualify whatever political objectives the country might pursue, that limited its power and influence, that held back the hopes of progress nurtured by the different social classes, as well as the dream of realizing the myth of the Third Rome. It is hardly surprising, therefore, that precisely in these years, when foreign competition was driving the small pockets of industry that had so laboriously been built up into ever deeper crisis, those economists who were not blinkered by the prevailing ideas of free trade should have worked unceasingly to draw attention

to national needs and to call for adequate measures of economic protection from the government.

By 1863 there were already a number of appeals of this nature. One need only refer to the campaign conducted by the periodical *L'industria Italiana*, whose title alone drew attention to the national character of that sector of the economy which was being damaged by the government's policies. Between 1863 and 1865, when *L'Industria Italiana* ceased publication, it continued to lament the fact that the nation's commercial and industrial interest were being sacrificed on the altar of friendship with France, based as it was on an absolute 'lack of reciprocity'; with the result that 'our industrialists will inevitably be left shattered by their competition'. Frequently the periodical appealed to the government to 'cultivate Italian industries' which 'are not only the life and bread and enterprise of the industrialists who run them, but are also — it noted — the strongest cement of the Italian monarchy'. 'A government which truly loves liberty — again we cite the same periodical — and wishes to see it progress, cannot neglect seeking all means whereby its people will become rich and prosperity will become more general and widely distributed'.<sup>4</sup>

The demand was not only that the industries of this misunderstood and betrayed 'economic Italy' should be protected. An equally fundamental need lay in the aspiration for a solid and broad market — a need that was the more essential in view of the nature of the markets that were available to the great industrial powers of the West, to Britain and to France. One can understand, therefore, how it was that an alert and well informed scholar like Carpi could claim in 1863 that for Italy 'without colonies and without a constellation of farms and industries overseas, there can be no hope of a flourishing merchant navy, of

---

<sup>4</sup> Cit. in L. DE ROSA, *La rivoluzione industriale in Italia e il Mezzogiorno*, Bari, Laterza, 1973, pp. 62-63.

flourishing industries, of flourishing commerce, or of dutiful obedience and order amongst our numerous working classes who are justifiably avid to attain a more comfortable life'.<sup>5</sup> The problem of creating a strong economic Italy was seen as important not only in terms of the power and prestige of political Italy, but also as a means of attaining social harmony and peace within the country.

Of course, the government had taken care to protect at least some industrial sectors, and its policy towards the iron industry — deemed to be of fundamental importance for the defence of the country, and therefore deserving whatever protection could be provided — is well known. The creation of the Commission for Iron-works within the Naval Ministry<sup>6</sup>, responsible for keeping accurate records of the establishments that either produced iron or used it as a raw material for other products, reflected this general policy and particular interest, as did the protective tariff in favour of iron which resulted from the activities of the same Commission. But apart from the special interest shown in the metallurgical industry, the government showed no inclination to extend this treatment to other sectors of national industry, not even to the engineering industry which was the great new industry and was to be the one of the future.

This lack of concern had even before 1870 given rise to fairly widespread discontent, as can be seen from the bitter polemic conducted by the northern parliamentary deputy, Giuseppe Robecchi, in the pages of *Il Politecnico*, where he accused the government of lacking any long term policies with regard to industry: 'We go' — he wrote — 'hither and thither quite by chance, generally under the pressure of purely political considerations based on the totally fallacious idea, which the foreigners are more

---

<sup>5</sup> Cit. in A.A. MOLA, *L'imperialismo italiano*. La politica estera dall'Unità al fascismo, Roma, Editori Riuniti, 1980, p. XIV.

<sup>6</sup> F. GIORDANO, *Industria del ferro in Italia*. Relazione per la Commissione delle ferriere istituita dal Ministero della Marina, Roma, 1864.

than keen to encourage, that Italy is an agricultural nation and that it is not in any way destined to be an industrial and manufacturing nation...'.<sup>7</sup> 'It is necessary' — he argued, on the other hand — 'to create in Italy a widespread agitation in favour of our national industry'. And in Robecchi's view, the development of that industry had hitherto been obstructed by two factors: the customs tariffs and the lack of significant government contracts.

As far as the former were concerned, Robecchi stressed that 'little or no account had been taken of those industries which had previously flourished in one part or another of Italy, or of the systems under which they had been born and had developed'. Instead Italy had rushed 'to the precipice, almost fearing lest it should not arrive in time, and without thinking to conduct any of those detailed, diligent and painstaking inquiries of which every other nation' in contrast had always given us a fine example 'whenever it was a case of touching on some particular interest, no matter how secondary'.<sup>8</sup> With regard to the State 'which is a major consumer of iron for weapons, for armoury, for munitions, and for the construction of its mighty fleet', it had provided little help for national industries. 'What cannot be produced in its own workshops, it prefers to buy abroad; this is the reverse of what happens in every other State, where it is generally preferred to pay more dearly for the means of defence and attack so long as they are made within the country itself'.<sup>9</sup>

But it was not only individual voices that might be thought to have been isolated in the wider context of the country's economic and political life — although this was far from the case — that gave expression to the desire for a national industrial policy that was more in line with what were believed to be the real interests of the country. From 1867 the Congress of the Cham-

---

<sup>7</sup> G. ROBECCHI, *L'industria del ferro in Italia e l'Officina Glisenti a Carcina*, Milano, Politecnico, 1868, p. 2.

<sup>8</sup> *Ibidem*, p. 9.

<sup>9</sup> *Ibidem*, p. 15.

bers of Commerce of the Kingdom, which defined itself as 'the consultative body for the major interests of the country',<sup>10</sup> had placed the problem of the renegotiation of the commercial treaties and the customs tariffs on its agenda, and had among other things called for national shipyards to adopt a preferential policy of using national materials.<sup>11</sup> Some of the Chambers of Commerce had explicitly demanded 'government protection for national products'.<sup>12</sup> The topic was taken up again at the second national Congress in 1869, where support for a revision of the treaties had increased. In addition, in a number of cities — for example in Milan in 1868 — there sprang up in 1868 an Italian Industrial Association 'with the aim of encouraging in Italy any means for spreading well-being and devotion to work amongst the labouring classes, and for increasing industrial production...'.<sup>13</sup>

Growing and more strident demands for a revision of the commercial treaties and an effective industrial policy led to the creation by Minghetti, by the royal decree of 5th August 1869, of the *Consiglio dell'Industria e Commercio*. It was on the recommendation of the *Consiglio* that the widely demanded 'Industrial Inquiry' was set up to provide a detailed and comprehensive survey of the true state of the nation's industries, its organizing Committee and terms of reference being laid down in the royal decree of 29th May 1870.

While the work of the Industrial Inquiry was proceeding, another problem began increasingly to attract the attention of those who were demanding an economic policy better suited to encourage the country's industrial development — the need to secure a wider market reserved for national industries. One of the contributors to the economic journal *Il Sole*, Rodolfo

---

<sup>10</sup> *Congresso delle Camere di Commercio del Regno*, I sessione, Firenze, 1867, Atti ufficiali, Firenze, 1867, p. 22.

<sup>11</sup> *Ibidem*, p. 194.

<sup>12</sup> Cf. *Le Finanze*, 6 Oct. 1867, p. 629.

<sup>13</sup> *L'Italia economica*, 15 April 1871.

Pallavicino, while claiming not to be a protagonist, announced: 'I would like to see things done in such a way that our industries and commerce can develop immediately, by providing them with markets in which they will not have to face competition'. He added: 'I would like to see the Italian government do for Italy what the English, the Dutch, the French etc have done for England, Holland, France and so on. Give us markets where we alone, or at least on preferential terms, can sell our goods'. 'Give us places on the Red Sea, so that we may trade with the Abyssinians and the Gallas and we will know how to draw out that gold that they show little care for, and we will turn those savages into men of fashion...'.<sup>14</sup>

As can be seen, the desire to strengthen the base and structure of national industry was aimed not only at a change in tariff policies but was also related — and this is evident from 1871 — to the need to secure markets. However, in these years tariff protection was still the principal objective among Italian industrial circles. At the meeting of the Genoese *Società di letture e conversazioni scientifiche* held in April 1871, the main theme was reform of the tariff system. Parliamentary deputies and economic experts took part in the discussions (including Queirolo, Pallavicino, Gerolamo Remorino, Anau, Strini, Premi, Lefebvre and Olivetti), and the conclusion was that at the expiration of the current commercial treaties the Italian government should 'introduce marked tariff reforms, adopting frontier tariffs and abolishing all internal duties, to the benefit of commerce and the national Treasury'.<sup>15</sup>

In addition to tariff protection, the other demand put to the government was — as we have seen — for preferential treatment of national industries. In July 1871, for example, the petition made to the government on behalf of the Milanese companies

---

<sup>14</sup> Cit. *L'Italia economica*, 5 April 1871.

<sup>15</sup> *L'Italia economica*, 9 April 1871.

Grondona & Miani and the Bauer & Co iron foundry, requesting that the General Administration of the railways should assign to them, and not to any foreign company, the tenders for rolling-stock that were about to be made, was fully endorsed. However, even if the Government was not disinclined to give such preference or to take action to ensure that it was given, it often happened that those responsible for making the contracts evaded any recommendations or instructions. This was the case of the subsidised shipping companies, which instead of giving their commissions to Italian shipyards, as they were supposed to do, continued to place their orders abroad.

The problems of the lack of expansion of the Italian shipyards, together with the inadequate growth of the Italian mercantile steamer fleet, were very much at the centre of public opinion. In an interview published in *L'Economista* and reprinted in a number of dailies, the Livorno shipowner Luigi Orlando did not hesitate to recommend the abolition of bounties for ship-builders, provided that the shipyards were guaranteed the work that they lacked and provided that the yards were permitted to acquire the raw materials they needed, importing the iron and steel they required free of duty. 'Had the Naval and War Ministries' — he emphasised — 'followed the example provided by England, America and Austria, they would have given large sustenance to private industry; had the shipping companies spent at home the 40 millions that in the last ten years they have sent abroad for new ships and major refittings, the problems that we are now facing would already have been resolved'.<sup>16</sup>

It was to be at the 1871 Congress of the Chambers of Commerce that the discontent with the government's inadequate policies towards national industries first openly erupted. Taking its cue from the Industrial Inquiry that was still in process, and anticipating that its findings would provide 'the means for over-

---

<sup>16</sup> *L'Italia economica*, 3 August 1871.

coming the most pressing problems of production',<sup>17</sup> the Congress affirmed that the Inquiry must describe the economic and industrial life of the country, depicting its 'struggles and needs, its aspirations and weaknesses, its constraints and supports, its strengths and its obstacles' and so provide the opportunity for the revision of the tariff system in force.<sup>18</sup> As far as the shipbuilding industry was concerned, the Congress called without hesitation for it to be strengthened, and noted that it was 'in the National interest' to support with the most vigorous means possible the country's leading metallurgical establishments.<sup>19</sup> And if Italian shipbuilders were nearly all convinced that 'the time had come to convert to building ships in iron'; national industries did not lack the will to perform this work, so long as they were given some help by the government during the phase of transition. 'The Government' — it affirmed — 'must also gradually encourage the specialization of the production of the different metallurgical industries of the Kingdom, entrusting the same type of work to each of them on a regular basis, so that one builds ships, another marine engines, another locomotives, and so forth, so that each will acquire all the speed, accuracy and perfection appropriate to a properly specialized industry'. Only in this way could great factories be built up, whereas in earlier times the government had followed the practice of giving contracts to a variety of companies without any discrimination, thereby 'contributing in no small measure to the present calamity'. It also requested that the shipping companies that operated State-subsidised lines should be subject not merely to the recommendation but to a formal obligation to construct part of their fleet in national yards, and also — except in exceptional circumstances — to have their repairs carried out there as well. The Navy and

---

<sup>17</sup> *Atti del 3° Congresso delle Camere di Commercio del Regno d'Italia*, held at Naples, 30 June 1871, published by the Camera di Commercio di Napoli, ed. prof. Alessandro Betocchi, Napoli, 1871, p. 39.

<sup>18</sup> *Ibidem*, p. 174.

<sup>19</sup> *Ibidem*.

War Ministries were also requested to follow the example of the leading maritime powers and to place their contracts for warships, equipment and supplies whenever possible with private industries in Italy. 'Acting in this way - it was argued - the Government will not find itself obliged to assume the role of an industrialist, but it will be better and more rapidly served, and it will ensure that the metallurgical industries are able to survive independently, and this will enable them to provide powerful assistance to the Navy in times of danger'.<sup>20</sup>

Given such premises, it is easy to understand how the Industrial Inquiry became a general complaint against the government's industrial policies. Nearly all those interviewed in the survey roundly condemned the free trade system, and the majority of the industrialists called either for protective duties or for subsidies,<sup>21</sup> claiming that the tax system and the way in which taxes were levied also seriously impeded the development of industry. It was clear from both the findings of the Industrial Inquiry, which were published in 1875 and the appeals for a national industrial policy, that the demands for the State to play a different role in the nation's economic development were becoming stronger and more widespread. And these demands were now able to find a theoretical base in the split which had begun to emerge amongst Italian economists.

As is well known, following the essays written in the Siense journal *Archivio Giuridico* in 1873 by the economist Vito Cusumano on the progress that had been made in economic theory in Germany, a lively debate opened up among Italian economists which divided the intellectual world into two opposing camps and culminated in the national Congress of Economists held in Milan in January 1875. The free traders had set up a network of Adam Smith Societies with numerous provincial sections, and

---

<sup>20</sup> *Ibidem*, pp. 175-178.

<sup>21</sup> E. CORBINO, *Annali dell'economia italiana*, Napoli, Istituto editoriale del Mezzogiorno, s.i.d., p. 86.

their views were propagated through the Florentine review *L'Economista*, while the followers of the new German theories founded the *Association for the advancement of Economic Studies*, again with a network of local organizations. The leading figures among the latter group included Scialoia, Lampertico, Luzzatti, Cossa and others, and it was through their activities that the ideas of both the old and the new German Historical Schools became widely known amongst Italian intellectuals and provided a new armoury for the growing political debates within Italy. In contrast to the economic theories based on the principle of free trade and the harmony of free international commercial exchanges, and hence inspired by an open and unlimited spirit of internationalism, the German school from Frederick List onwards had — as is well known — argued for an economic system based on the principles of nationalism. List had accused Smith of basing his economic theories on a cosmopolitan view of the world which assumed that all men formed part of a single great community — a community composed solely of individuals, so that at root the only thing that mattered was the interest of the individual which therefore deserved to be accorded the greatest freedom possible.

For List, however, history had placed the nation between mankind and the individual. Every individual is only a part of a nation, and the well-being of the individual depends directly on the political strength of the nation; and such political strength can only be fully realized in a state that is able to create its own agricultural, industrial and commercial resources. It was essential, therefore, that not only agriculture, but also industry and commerce must be developed. Only those countries that had achieved this type of development were capable of feeding a large population, and could provide the pre-requisites for the complete advancement of the arts and sciences, together with the political independence and strength of the nation — the latter being the twin pillars on which the concept of nationalism was to rest. And to achieve this type of development List claimed that it was una-

voidable that there should be a period, albeit a limited one, during which national industries would require protection. Tariff protection was quite simply a means that met the needs of a given society during a particular phase of its development, since List held that political economy should not be based on a set of unchangeable and inflexible rules to be applied at all times and in all places, but was composed rather of a series of maxims that each nation should adapt to its purposes according to the needs of the moment.

The German Historical School in fact rejected totally Adam Smith's notion of *homo economicus*, arguing that such a concept was ill-adapted to the complexities of social life. Economic activity could not be treated in isolation, but must be related to the social environment which deeply influenced it. 'Man' — claimed Hildebrand, one of the leaders of the old Historical School — 'is the child of civilization and a product of history... His needs, his culture, his relationship with material objects and with other men never remain the same, but change in history and advance with the overall culture of the human species'. Each nation, therefore, represents, at a given moment in time, a wholly original organic product in which the different elements which compose it — language, religion, art, science, economics — come together to form a specific and unique stage of development, which in turn also necessitates the evolution of a specific and particular form of political economy, since the wealth and prosperity of each nation depends fundamentally on the ability to define the peculiarities of the specific phase of development in which it finds itself, and to adapt its policies to meet those peculiarities.<sup>22</sup> In such an interpretation of the nature of political economy, it was clear that the government was assigned a major role in the economic and social life of the country.

---

<sup>22</sup> L. DE ROSA, *Tra storia ed economia. L'avventura della storia economica. I difficili inizi*, in *Rassegna Economica*, July-August 1972, pp. 862 et seq.

With the advent of the theories of the German Historical School, the 'economic function' of the State began to be openly discussed in Italy as well. The term can be found in the writings of many authors from both the old free-trade and the new Historical School and although each interpreted it in different lights, it became firmly established as an indispensable concept in any well-founded political strategy.<sup>23</sup> But the followers of the new school were not content to discuss the economic function of the State only in theoretical terms, but wanted to see it incorporated into practical economic policy. And by the mid-1870s, when the polemic between the two schools reached its peak, the most significant fact was that although Italy had now passed through the most critical phase of its political Unification, it was beset by a range of major problems affecting its industrial development.

After the feverish spurt of activity in the years 1871-3 which had seen the appearance of a number of new industries and considerable progress in the Milan-Turin-Genoa triangle in particular, the economic crisis which set in towards the close of 1873 marked the beginning of a new depression that still seemed far from ending in 1877. It was in 1877 that Luigi Luzzatti wrote: 'Our industries live uncertain of what tomorrow holds for them... Although we have spent many millions on building warships and state-subsidised merchant steamers, we still do not have a shipyard capable of competing in terms of its technical facilities or output even with that of Trieste, never mind Great Britain. Within a matter of years we have built thousands of kilometers of railways, yet we have been unable to create industries for producing rolling-stock, locomotives or track which show any real dynamism or capacity'. He concluded: 'This may provide

---

<sup>23</sup> See for example the long article by A. MAGLIANI *L'azione economica dello Stato*, in *Nuova Antologia*, Jan. 1875, pp. 190 et seq.) in which although he takes issue with the new economists he also goes out of his way to show how liberal economists had also used the concept of State intervention in economic matters.

some comfort for those Economists who, in the name of the international division of labour, would like to see Italy consigned to the worship of Ceres and Bacchus...'.<sup>24</sup>

Seeking the causes of this situation, Luzzatti claimed that customs policy, financial policies and tax policies all provided examples of ways in which State action, rather than assisting, had directly impeded Italy's industrial development. Whereas in England between 1844 and 1854-60, and in France and Belgium since 1860, tariff systems had been reformed, at the same time taxes had been lowered, road and railway networks had been expanded and completed, technical education had been improved and credit structures efficiently modernized all with the aid of the State which had provided various forms of subsidies to assist the expansion of national production, in Italy the tariff revolution had taken place in very different circumstances. Italy had embarked on free trade, Luzzatti argued, at a particularly unfavourable moment, just at the time when Italian industries were on the verge of modernizing their equipment and technical organization. Then, after two years of deep crisis between 1863-5, they were taken unawares by the suspension of exchange rates (the *corso forzato*) which caused heavy fluctuations in foreign exchange and made economic enterprise even more difficult.<sup>25</sup>

Further support for a shift in national economic policy towards protectionism came from a series of five articles published between 1877 and 1878 in the columns of the *Nuova Antologia* by Alessandro Rossi. These dealt at length with the causes of the startling expansion of British and American industry, and argued that this was the result of one factor alone — protectionism.<sup>26</sup> And if protectionism was the primary determinant of the

---

<sup>24</sup> L. LUZZATTI, *L'inchiesta industriale e la riforma daziaria in Italia*, in *Nuova Antologia*, December 1877, pp. 933, 945.

<sup>25</sup> *Ibidem*, p. 934.

<sup>26</sup> 'From the time of the famous reign of Elizabeth' — he wrote — 'we see that their manufacturing industries not only received the strongest encouragement, but that their rivals in Holland, Germany and France were swept aside', in A. Rossi, *Le tra-*

industrial expansion of Britain and America, the same was also true for France and for Germany, and the other European industrial nations.<sup>27</sup> In Rossi's view, the new economic theories had served to bring the European peoples back to the realities of life, which had for so long been masked by the mania for economic systems 'which were created more to express the refined and idealizing capacity of mankind than to provide an accurate concept of the true norms that govern the economic prosperity of States'.<sup>28</sup> In short, Rossi was convinced that free trade was 'a total negation of the much desired moral emancipation of our labouring classes'.<sup>29</sup>

Despite these assertive claims, this did not mean — Rossi argued — that protectionism *sic et simpliciter* was the only means by which Italy could be raised to the status of an industrial power. Like List, Rossi too believed that protectionism could never be a sole economic precept valid for all time. Again, like List he claimed that 'each people and each age has its own particular form of economic organization, which is the product of its talent, its history and the needs of the nation; but this organization is in no way fixed or autonomous, since it is continuously subject to the progressive influence of man's moral actions...'. 'Instead of pushing aside the State' — he concluded — 'and ignoring the influence for change exerted by these moral forces, as the traditional school wanted to do, we must seek precisely to enlarge the influence and strength of these same moral forces. The State is the organ of public order, and as such it has the duty to ensure that production and distribution are carefully balanced and also to defend the nation's industries by guaranteeing them a position of equality in the face of foreign competition'.<sup>30</sup>

---

*sformazioni dell'industria e i loro effetti in Inghilterra ed America*, in *Nuova Antologia*, August 1877, pp. 902 et seq.

<sup>27</sup> *Ibidem*, 15 March 1878, pp. 312 et seq.

<sup>28</sup> *Ibidem*, 15 April 1878, p. 673.

<sup>29</sup> *Ibidem*, p. 681.

<sup>30</sup> *Ibidem*, 1 July 1878, p. 97.

When he began to publish these articles, Rossi had already actively taken part in the formation of a number of important industrial pressure groups. Associations had been formed between textile, paper and ceramic manufacturers, and to these were added in 1877 the association of engineering and allied industrialists which was to prove particularly effective in forcing the government to adopt policies more in line with the aspirations and needs of national industries.<sup>31</sup> In 1878 new customs tariffs were introduced which considerably reduced the earlier free-trade orientation, and even if they cannot themselves be described as protectionist, they did provide important assistance for national industries, especially the textile sector.<sup>32</sup>

The tariffs of 1878 did not, as is well known, meet the demand of the industrialists, since too many sectors remained fully exposed to the rigours of foreign competition. This is well illustrated by the campaign mounted in Naples by the journal *Gli Operai*, which tirelessly repeated the need for 'national labour to be strongly defended and wisely encouraged',<sup>33</sup> since 'labour is the basis of the proper working of society and the prosperity of the nation. Through the full and 'indefatigable' exertions of labour it would be possible 'to raise Italy to the level of the civilized nations'.<sup>34</sup> And in these articles published in *Gli Operai* to urge the need to afford proper protection to national labour can be found frequent links between the demand for protectionism and a sense of national dignity and independence, as in the following passages for example: 'Must Italy therefore resign herself to be the slave of France — Italy for whom the Sicilian Vespers are the very symbol of national independence?... Let the economic Vespers be the battle cry in the second wave of Italy's fight for

---

<sup>31</sup> On this see: L. DE ROSA, *Iniziativa e capitale straniero nell'industria metalmeccanica del Mezzogiorno 1840-1904*, Napoli, Giannini, 1968, pp. 280 et seq.

<sup>32</sup> CORBINO, *Annali dell'economia italiana*, cit., vol. II, pp. 205 et seq.

<sup>33</sup> *Gli Operai di Napoli*, 18 Feb. 1882.

<sup>34</sup> *Ibidem*, 13 May 1882.

independence...'; '... if after 22 years we are still not strong to impose our will and obtain our economic rights like the other peoples of Europe, how long must it be before we will be able to do so?'.<sup>35</sup>

In the years following the ratification of the new tariffs of 1878 concern for the need to expand Italian industry became even stronger. The mobilization of public opinion in favour of industry became much wider and even before the decisive shift to protectionism in 1887, the government was forced to show its support for these demands in more and more concrete terms. There is no need to rehearse again here the measures taken in these years in favour of the engineering and shipbuilding industries which we have described elsewhere,<sup>36</sup> nor to draw attention to the fact that it was precisely in this period that the government conceded a series of major privileges to the great steel complex that had been started at Terni.

However, the introduction of the protectionist tariffs of 1887 did not fulfil the hopes for rapid industrial expansion. The trade war with France meant that on top of the building recession that had become evident at the close of 1887, agriculture too was thrown into crisis. The crisis quickly engulfed the banking system and many branches of industry and proved to be particularly long-lasting, continuing into 1894 despite the fact that outside Italy these had been years (at least until 1892) of economic prosperity. But what is important for our present purposes is that it was during this long period of economic recession (that runs roughly from 1888 to 1894) that it became evident that there was a growing awareness that the Italian market was quite inadequate for the needs of Italian industry. Some Italian industries had expanded in the years 1878 to 1894, and the crisis that faced them seemed to result both from foreign competition and

---

<sup>35</sup> *Ibidem*, 8 April 1882; 20 May 1882.

<sup>36</sup> See L. DE ROSA, *Iniziativa e capitale straniero etc.*, p. 124 et seq.

from the low levels of internal demand. Writing in 1891, Alfredo Cottrau claimed that Italian industrialists were 'nearly all excellent, bold hard-working almost beyond description' and that they were 'in terms of integrity, intelligence, tenacity and technical preparation almost certainly superior to their English, Belgian, German and French counter-parts'. It was no longer the case that the railway administration failed to support Italian industries, but the crisis was now in Cottrau's view due to the fact that 'in Italy we have more producers than consumers'. The industrialists had 'gradually been setting up ever larger and more advanced factories, without taking account of the fact that the country's needs were not growing proportionately'. This led Cottrau to conclude that the only answer lay in expanding Italy's overseas markets'. Without large-scale exports abroad — he repeated — our industries will grow feeble, and much as it pains me as an industrialist of long-standing to say this, the dilemma for our engineering manufacturers here in Italy is that either the weakest amongst them must go to the wall in a struggle for life, or else the government must adopt some form of *export premiums*'<sup>37</sup> — the system was not new; this was how Germany had been able to flood Italy with its products.<sup>38</sup>

The problem of widening the market and the introduction of export premiums inevitably opened the way to the question of colonies. We have already seen that examples of this colonial aspiration can be traced back to the very moment of national Unification, and the lengthy quotation from Pallavicino cited above dated from 1871. But thereafter the issue had followed a new and more consistent direction. Italy had now a foothold on the coast of Eritrea and thanks to the energetic actions of Filonardi<sup>39</sup> had also established a presence, although in rather un-

<sup>37</sup> *La Tribuna*, 7 e 8 Jan. 1891.

<sup>38</sup> L. DE ROSA, *Iniziativa e capitale straniero ecc.*, cit., p. 286.

<sup>39</sup> G. FINAZZO, *L'Italia nel Benadir. L'azione di Vincenzo Filonardi 1884-1896*, Roma, Edizioni dell'Ateneo, 1966.

sual circumstances, on the Somali coast — and both areas seemed to be lacking in exactly those products which the Italian industrialists were now unable to place on the home market. But how would the Eritreans and the Somalis be able to find the means to pay for Italy's surplus industrial output?<sup>40</sup> It is argued that it was the industrial crisis that drove the Italian State to take a much closer interest in these colonies and to become engaged in more direct forms of administration, accompanied when necessary by military intervention.<sup>41</sup>

It was during the 1890s — the most critical period in the development of the Italian economy<sup>42</sup> — that the role of the State not solely as the agent for promoting industrial expansion but also the instrument for redistributing incomes and wealth and therefore national wellbeing — a function warmly exalted both by the Positivists and by the new Catholic movement, especially after the publication of *Rerum Novarum* — began to assume a new importance. This was not so much evident in the economic field, even though there were innovations here such as the banking laws of 1893, a greater commitment evident in the renegotiation of the commercial treaties, and the military intervention in Eritrea which ended in the disaster of Adua in 1896. But the most marked change came in the clarification of the State's responsibilities with regard to the economic and social life of the country. In the view of one observer 'it has become the duty (of the modern State) to manage the public economy using such means as are at its disposal when and where necessary, so that the country may be able to take its part in the struggle between the Nations, in the realms of industrial output and commercial

---

<sup>40</sup> F. GRASSI, *Le origini dell'imperialismo italiano. Il caso somalo 1896-1915*, Lecce, Milella, 1980, pp. 12 et seq.

<sup>41</sup> After the creation of a military administration at Massaua (1885) and soon after the setting up of a colony at Massaua and its annexes, Eritrea became a colony in 1890. The links with Somalia had originated from the trade started by Filonardi in the 1880s.

<sup>42</sup> G. LUZZATTO, *Gli anni più critici dell'economia italiana (1888-1893)*, in *L'economia italiana dal 1861 al 1961*, ed. by A. Fanfani, Milano, Giuffrè, 1981, pp. 421 et seq.

exchange, with force adequate to protect it from the injuries and aggressions given by others. On this economic struggle must depend the wealth of the Nations, their prosperity and civil progress: those Nations that have reached the highest levels of economic prosperity are those where the public wealth is greatest, and which seem the most advanced, the most civilised and the most powerful'.<sup>43</sup>

Protectionism, however, began to be less of a matter of concern for the industrialists and more of a problem for the economists who sought to justify it. The arguments put forward in this context by Rodolfo Benini were widely welcomed. In response to the accusation that even the protective tariffs of 1887 had failed to facilitate the take-off of 'Industrial Italy', Benini argued that the real causes were financial corruption, building speculation and inflation — and to these he also added a reference to the persistence of certain forms of parasitic activities in the economic and social life of the country.<sup>44</sup>

Another idea that began to gain ground alongside protectionism was the need for institutions (in other words, the State) to intervene to bring about the economic and social modernization of the country. Some have seen General Nicola Marselli as the archetype of such ideas,<sup>45</sup> while others point to Salvioli, the originator of the idea of dictatorship as a means for bringing about social revolution.<sup>46</sup> For other writers, Loria provides the main apostle of a set of economic ideas that were directed primarily against the monopoly exercised by agrarian rents, and called for the State to adopt fiscal policies that would redistribute incomes and wealth in order to achieve 'social justice'. One should also mention the proposals put forward by leading economists

---

<sup>43</sup> A. MONZILLI, *Studi di politica commerciale*, Città di Castello, 1895, p. 235.

<sup>44</sup> LANARO, *Op. cit.*, pp. 167 et seq.

<sup>45</sup> *Ibidem*, pp. 196 et seq.

<sup>46</sup> G. MANACORDA, *I fasci e la classe dirigente liberale*, in G. GIARRIZZO et al., *I fasci siciliani*, vol. I. Nuovi contributi a una ricostruzione storica, Bari, De Donato, 1975, p. 91.

like Conigliani and Puviani, who also called for progressive income tax as a means to achieve political and social objectives.<sup>47</sup>

Yet the decade 1890-1900 which witnessed this flurry of new ideas, proposals, counter-proposals and polemics was also the decade that experienced the much hoped-for, but totally unexpected, industrial take-off of the Italian economy. Following the Banca Romana scandal and the collapse of the Credito Mobiliare and the Banca Generale, major changes ensued including the purging of the paper currency by the reduction of the banks of issue from six to three, the creation of the Bank of Italy and the foundation of the Banca Commerciale Italiana and the Credito Italiano. At the same time industrial investment expanded, as is evident from the increase in limited companies, the increase in the construction of steam boilers, the increasing urbanization of the peasant masses drawn into the industrial triangle, the expansion of electrical energy capacity, of industrial exports and so on. The progress which had become widespread by 1896 continued unchecked into the new century, and in the first years seemed to be growing even stronger and offering the most exciting prospects.

This economic progress needs to be kept in mind if we are fully to understand the gradual diffusion of nationalist feeling and the birth of the nationalist movement in these years, since it seemed to offer the prospect of the transformation of 'economic Italy' from a predominantly agricultural to an industrial and commercial nation: in other words, to that more advanced stage identified earlier by List. Although Corradini might claim that the programme of the nationalist movement had already been put forward in *Il Marzocco* in 1896 immediately after the disaster of Adua, it was not until 1903 that it was explicitly formulated and that its links with the current process of rapid industrial development were acknowledged. 'Since the time of the war in

---

<sup>47</sup> LANARO, *Op. cit.*, pp. 206-209.

Africa — Corradini wrote in *Il Regno* — our prolific yet patient people have been becoming more and more industrious, be it in the fields or in the cities, in the factories or in the artisan workshops. The bases of our prosperity have been laid, and on these foundations must rise the works and monuments of our greatness. In founding this review — he concluded — our starting point is this first concrete fact, with our faces pointing toward the certainty of the future. From the unseen labour of the humble citizen to the triumph of the nation lies the path on which a people will rise'.<sup>48</sup>

'*Il Regno*' was published from 1903 to 1905, the years which saw the intensification of the massive emigration towards the United States, the uninterrupted expansion of Italian industry and a major improvement in the situation of the Kingdom's balance of payments and finances. The pages of '*Il Regno*' revealed a clear and conscious awareness of the great industrial transformation taking place in Italy,<sup>49</sup> even though the review did not show any particular interest in economic affairs or dedicate much space to them. Generally it carried only a small section towards the end under the title 'Economic Notes', dealing with some particular problem of the day and usually unsigned — but even this appeared irregularly, and after the first few issues disappeared completely. The topics covered were not very wide, but considerable space

---

<sup>48</sup> E. CORRADINI, *Scritti politici*, cit., p. 5.

<sup>49</sup> This awareness is evident in many of the articles that were published and is referred to directly in one. The improvement in Italy's trade balance, the progress made by 'industries of every sort, from metallurgy to sugar refining, from cotton (cotton imports had risen from 594,000 in 1885 to 1,078,000 q. in 1897) to silk and linen; the improved forms of cultivation now practised in many parts of the country; the increase in both land and maritime communications; the increase in savings; the general improvement in the standard of life and the flourishing state of the national budget'. All of this served to show that 'within a few years Italy had been able to raise herself up to a better economic level and to arm herself more effectively for the battles of the future'. *Il Regno* believed that these good economic conditions explained 'our recent good fortune in foreign affairs, the closer friendship with England and the overtures to France... We have now become something in the European economy — it concluded — and so our friendship is looked on, and is, valuable; it may and will be even more valuable tomorrow. Cf. *Il Regno*, 1904, n. 4, p. 10.

was given to the renegotiation of the commercial treaties with Switzerland, Austria-Hungary and Germany. The colonization of Benadir was treated at length, as was the libel case between Ferri and Bettòlo in connection with the accusations of favouritism made by the editor of the socialist newspaper, *Avanti*, Ferri, against the Navy Minister, Bettolo, in its purchases of armaments from the Terni works.

Without going into detail, *Il Regno* was not originally hostile to the government over the renegotiation of the commercial treaties, but it became increasingly critical as the three countries in question showed their reluctance to make any significant concessions towards Italian agricultural products. *Il Regno* began to criticize the government for its failure to make adequate preparations for the renegotiations — while other countries had increased protective tariffs, Italy had remained immobile, had not attempted to adjust its own tariffs, or even to bring them more closely into line with 'the present condition of our industries and our agriculture'.<sup>50</sup> 'The situation of certain Italian industries' — it was argued — 'has changed, and there are many that now have no further need of protection, whereas others, particularly those connected with agriculture, need protection and assistance'. It added that the recent improvement in relations between Italy and France, although of little importance in itself in economic terms, should have been exploited in renegotiating Italy's commercial relations with its allies across the Alps.<sup>51</sup>

With regard to the colonial question in general, the position of *Il Regno* was quite clear. In addition to the articles by Giuseppe Prezzolini which affirmed Italy's inherently expansionist destiny, since by virtue of its geographical position, its history and its needs Italy was, and could not be other than, expansion-

---

<sup>50</sup> *Il Regno* (1904, n. 22, pp. 12-13) in fact claimed that 'the condition of many of Italian industries has changed and while some no longer need protection, others, particularly those connected with agriculture, do need to be defended and supported'.

<sup>51</sup> *Ibidem*, n. 23, pp. 10-11.

ist,<sup>52</sup> *Il Regno* sided consistently against those who supported the policy of quietism, of 'staying at home' or of 'keeping Italy's arms folded'.<sup>53</sup> In this respect it argued that the defence of Italy's interests could not remain solely a Mediterranean affair, but involved the Middle and Far East as well.<sup>54</sup> Its defence of Italy's interests in east Africa was even more impassioned and strident, both when it called for more favourable tariff discrimination for Eritrean products<sup>55</sup> which it saw to be an essential pre-requisite for direct Italian colonization, or when it reported on the development and achievements of the Benadir Company. It is interesting, however, that unlike many others, *Il Regno* did not make any demand for the occupation and direct administration by the Italian State of the colony, and stressed rather the outcome of the experiments made in Eritrea itself and 'the picture of incompetence and poverty which we have had before us for so many years'. 'If Somalia is to make its fortune thanks to the presence of Italian dynamism, this can only be achieved through the actions of a commercial company'.<sup>56</sup>

The other issue that received wide attention was the Ferris-Bettolo case. *Il Regno* lined up firmly behind the Terni factory and Bettolo. While acknowledging that steel armour-plating might well have cost less if purchased from factories in France or England, this was only because the latter were strongly protected by their governments and were therefore able to sell at below cost price. 'The aim of these foreign States' — it explained — 'is crystal clear: they put their factories in the enviable position of conquering foreign markets in order to destroy the industries of their competitors. And the Nations that follow

<sup>52</sup> G. PREZZOLINI, *Come fare l'espansionismo*, in *Il Regno*, 1904, n. 30, p. 8; *IBID.*, *Le cosiddette spese improduttive*, *Ibid.*, n. 39, pp. 3-5.

<sup>53</sup> The article *La nostra ignavia*, *IBIDEM*, 1904, n. 14, pp. 11-12.

<sup>54</sup> *Ibidem*.

<sup>55</sup> Cf. the article *L'emigrazione in Eritrea*, *IBIDEM*, 1904, n. 10, pp. 12-13.

<sup>56</sup> Cf. the articles: *Che cosa si deve fare nel Benadir*, in *Il Regno*, 1904, n. 24, pp. 13-14; and *Ancora il Benadir*, *IBIDEM*, n. 25, p. 4.

such a policy are not Turkey or Columbia, but England, the United States, France and Germany, the four *colossi* of the world economy'. For the Italian government to have played their game would only have yielded a short-term benefit: once our industries had been ruined, the foreign manufacturers would no longer need to set their prices lower than those of the Terni works, since the competition would have been eliminated. And so — it accused — this *ethic of renunciation* would only have helped the socialists destroy Italian industry since (it added sarcastically) 'finding work for labouring classes does not, after all, figure among the commandments of the class struggle'.<sup>57</sup>

As well as these three major issues, the Review also adopted a number of more general positions. In economic matters the contributors to *Il Regno* adopted an explicitly pragmatic approach. 'We are neither protectionists nor free traders' — wrote one of them, P. L. Occhini — '... we believe that tariff protection may at certain times benefit industry, and should therefore be adopted in such cases... but we also believe that there are other occasions when free trade is preferable...; above all, we are practical men dealing with life as it is'.<sup>58</sup> And in fact it was precisely this lack of any 'doctrinaire apriorism', as they called it, that provided the key to their approach to economic problems. During the suit between Ferri and Bettolo, for example, the Terni, Ansaldo and Odero shipyard set up a trust, and although *Il Regno* in principle opposed this type of combination, they were not entirely hostile — indeed, it was argued that since the conditions which had permitted the expansion of the shipbuilding sector no longer obtained, and in view of the fact that similar foreign industries 'were often nurtured, favoured and subsidized by their governments' and had as a result flourished, the trust might succeed in putting an end to the frequent convulsions

---

<sup>57</sup> *Ibidem*, 1904, n. 3, pp. 14-15.

<sup>58</sup> *Ibidem*, 1904, n. 9, p. 11.

which had unsettled Italian industry, which certainly needed to be strengthened to withstand the crisis and to 'triumph over the attacks levelled against it'.

It was also unreservedly favourable to the sugar manufacturers' trust which was being established, since the refineries had in a short space of time risen to 33 with an ever-increasing output that was far in excess of domestic demand and which threatened to drag them into a dangerous crisis which could only have serious consequences both for agriculture, due to the proliferation of sugar-beet production, and for industry as a result of the huge surpluses of unsaleable sugar.<sup>59</sup> *Il Regno* began calling for 'much greater caution in all sectors of the country's production', since a nation can be strong and command respect only in so far as its economy is seen to be sound and healthy. 'Every blow to industry or to agriculture means a pause on the road to progress, and every pause gives advantage to foreign producers and leads to a delay in raising the economic, intellectual and living condition of our proletariat'.<sup>60</sup>

It is in this light that the Review's opposition to 'the hail of laws and regulations aimed at the so-called "social defence" of the working classes' should be understood, since it was argued that these 'on one hand get in the way of production, while accustoming the worker to an enervating guardianship which corrodes all initiative and delays the workers' ascent towards creating a more advanced and productive economy of their own'.<sup>61</sup> It was on these grounds that the Review opposed the socialists' demand that the time had come to introduce statutory holidays. 'We have even greater need' — *Il Regno* claimed — 'to leave industry undisturbed, since despite tariff protection, low wages and a life-style amongst the working classes that is far from luxurious, it still has difficulty in making progress'. 'We

---

<sup>59</sup> Cf. the article *Gli ultimi trusts*, *IBIDEM*, 1904, n. 11, pp. 12-13.

<sup>60</sup> *Ibidem*, 1904, n. 5, pp. 12-13.

<sup>61</sup> *Ibidem*.

are trying to innovate too precipitously: laws on industrial accidents; laws on the employment of women and children; statutory holidays; not to mention the myriad of regulations aiming to enforce observation of sanitary regulations by the local authorities which may cause major problems not only for industry but for many workers too'. It concluded that: '... every piece of State intervention is in itself dangerous; the danger is the more evident when such intervention is motivated by political factors, or is designed to benefit one class as opposed to another... it is unjust that such intervention should tamper with the industrial base when all logic urges that it should be left untouched'.<sup>62</sup>

The Review did not, however, oppose the measures which the government had taken with regard to the economic problems of the Mezzogiorno, the first major example of which was the special legislation for the province of Basilicata introduced in 1904. Indeed, it claimed that the method chosen was the best since it involved applying special provisions for each region according to its circumstances and particular needs, and acknowledged that this was a first remedy 'to the many errors and injuries which have hitherto been inflicted on the Mezzogiorno by the legislation introduced by the governments of the Nation'.<sup>63</sup>

The arguments which we have surveyed thus far do not by any means exhaust the gamut of nationalist ideas and economic prescriptions that were gaining currency in Italy at the beginning of the century. Attention has recently been drawn to the contribution made in this context by Corrado Gini, particularly his idea that 'peoples, like living organisms, pass through phases of growth, maturity and senile decay'.<sup>64</sup> Underlying this idea was Gini's notion of reproductive capacity, since he claimed that if you take 'one race that is rich in intelligence, well provided with wealth, rich in the most noble traditions, and inspired by

<sup>62</sup> Cf. the article *La libertà del lavoro*, *IBIDEM*, 1904, n. 15, pp. 12-13.

<sup>63</sup> Cf. the article *I provvedimenti per la Basilicata*, *IBIDEM*, 1904, n. 13, pp. 12-13.

<sup>64</sup> C. GINI, *I fattori demografici dell'evoluzione delle nazioni*, Torino, 1912, p. 34.

the highest ideals' and another that is 'intellectually more limited, economically more impoverished, and for whom the glories of the past offer no goad to the glories of the future' it will in fact be the latter that will most worthily expand and triumph.<sup>65</sup> For Gini, the strength of a nation lay above all in numbers, and he was convinced that 'all industry will be damaged when a population diminishes'.<sup>66</sup>

Such ideas were far from isolated, and the notion of national 'vitality' was upheld by many other writers. Even Giorgio Mortara could remark that 'when the population becomes static, then the impulsion towards betterment within each individual family is reduced; this reduces the opportunities for the expansion of industries and commerce; and beneath the appearance of more diffused prosperity there is hidden a gradual decline in every manifestation of national vitality'.<sup>67</sup>

In a recent study Lanaro has shown that even outside the nationalist press proper in these early years of the century, the idea of expansion and imperialism, the ambition for a 'colonial economy' and hence the identification of imperialism with the search for markets, had gained considerable importance. In the sense that it was used by writers like Marco Fanno, the world market was no longer seen in terms of a division between the developed and the underdeveloped countries, but rather in terms of a division between 'industrial capitalism' (concentrated mainly in western Europe and on the shores of the Atlantic) and 'agrarian capitalism' which with the passing of earlier favourable conditions was now increasingly the result of declining terms of trade.<sup>68</sup> But Italian imperialism was only partly to be seen as a search for agricultural outlets: in these years, when millions

---

<sup>65</sup> *Ibidem*, p. 3.

<sup>66</sup> C. GINI, *L'ammontare e la composizione della ricchezza delle nazioni*, Torino, 1914, pp. 548-549.

<sup>67</sup> G. MORTARA, *L'incubo dello spopolamento e l'Italia*, Messina, 1912, p. 16.

<sup>68</sup> LANARO, *Op. cit.*, p. 76.

of men were emigrating to the Americas, it was also seen above all as a search for land to cultivate — what Enrico Corradini described as ‘the imperialism of the poor’, or in Michels’ phrase ‘proletarian imperialism’.<sup>69</sup>

Together with the themes of demographic vitality, and the expansion and settlement of colonial territories, another frequent topic in nationalist economic writings was inevitably industrialization. In opposition to the theories of the Positivists and to books like *Tra i due mondi* and *L’Europa Giovane* by Guglielmo Ferrero, it was claimed that there was no incompatibility between industrialization and the Latin cultures, and the example of what had been achieved in northern Italy was held up as evidence of the peculiar Italian aptitude for this type of economic activity,<sup>70</sup> when freed of constricting obstacles and supported by appropriate measures. Industrialization must be achieved, as Fanno claimed, because ‘industrialism... is the great educator of the people and the marvellous propagator of civilization’; it was the dynamometer of their force of expansion’.<sup>71</sup>

Others have described the political fortunes of the collaborators of *Il Regno* up to the foundation of the *Italian Nationalist Association* in 1910, the campaign for intervention in Tripoli and the launching of the journal *L’Idea Nazionale*. As far as the economic aspects of their programme are concerned one must repeat the point made previously; that is that they remained to some extent uncertain when it came to formulating economic policies, partly because they were keen to win converts to their cause, but more importantly because of their declared pragmatism in economic matters. Franco Gaeta has shown in a recent study that the Nationalist Congress held in Florence in 1910 was

---

<sup>69</sup> R. MICHELS, *L’imperialismo italiano*. Studi politico-demografici, Milano, 1914, pp. 92-93.

<sup>70</sup> M. FANNO, *L’espansione commerciale e coloniale degli stati moderni*, Torino, 1906, pp. 435-436.

<sup>71</sup> *Ibidem*, p. 440.

unable to decide whether it should adopt a free trade or a protectionist policy. In the debate which followed Filippo Carli's paper entitled 'The economic policy for great Italy', many anti-protectionist and pro-free trade speeches were made, and a motion proposed by Palazzoli-De Frenzi deferred further discussion to the next Congress. This meant that the means to be adopted to create the great engineering industry that Carli had advocated were left entirely in the air — and equally unclear were the means for realizing the industrialization of agriculture, the expansion towards the Levant, the engagement of the productive bourgeoisie in commercial pursuit, the expansion of the merchant navy, and so on.<sup>72</sup>

Although the desire to increase, rather than lessen, the movement's following meant that it was very difficult to settle on a specific economic policy, the same motives meant that the movement was openly hostile to the creation of a state monopoly over life assurance, set up during Giolitti's fourth ministry in 1911.<sup>73</sup> In an effort to gain fresh support from the Right, the legislation introduced by Nitti and Giolitti was described as 'the conscious and voluntary beginning of that policy of State socialism desired by the trade unions...'.<sup>74</sup> And it was this same search for a consensus that in the following February led to a joint statement by the Nationalists and the Catholics, despite their different emphases and programmes, on the need to subordinate economics 'to higher values'.<sup>75</sup>

In fact, it was not until the eve of the Third ANI Congress in 1914 that a clear nationalist economic programme came into being. In two articles published in *La Tribuna*,<sup>76</sup> Alfredo Rocco who had only recently come into the nationalist movement

<sup>72</sup> F. GAETA, *Il nazionalismo italiano*, Bari, Laterza, 1981, pp. 126-128.

<sup>73</sup> *Ibidem*, pp. 133 e sgg.

<sup>74</sup> *Cit. Ibidem*, pp. 139-140.

<sup>75</sup> *Ibidem*, pp. 149-150.

<sup>76</sup> *La Tribuna*, 13 and 14 Jan. 1919; now in *La lotta nazionale della vigilia e durante la guerra* (1913-1918), preface by B. Mussolini, Milano, Giuffrè, 1938, p. 11-25.

after a brilliant academic career, tackled the question of the economy from two angles, putting first the socialist view and then countering this with a nationalist interpretation and arguing that the importance of the economic question 'was in no other country as high as it is in Italy'.<sup>77</sup>

Rocco began by arguing that socialism was 'the most extreme expression of individualism'; its premise was that the fundamental problem was the distribution of wealth, and that therefore the entire Italian economic problem could be reduced to the single issue of '“the internal distribution” of wealth'. 'They preach' — he explained — 'and they demand that first and foremost the entire political energy of Italy must be devoted to the problem of improving the distribution of “Italian” wealth amongst the different social classes of our country with the aim of assigning the total 'Italian' income to the working classes; they completely neglect, and indeed claim to be injurious and crazy, any attempt to examine the relationship between the wealth of Italy and that of the other foreign countries that include the greatest and most powerful possessors of the world's capital. And so, in their eagerness to protect the interests of the Italian workers, they completely forget to look to the interests of the Italian nation, which is after all a nation of workers, and to protect it against the foreign capitalists that oppress us... Secondly, having announced the absolute priority of the problem of the 'distribution' of Italian wealth, they relegate, and even claim to be extraneous to the interests of the proletariat, the real problem of our economy, and that is the problem of the *production* of wealth. In fact they go further, since in order to solve the problem of the distribution of wealth in favour of the working classes, they embark on a bitter, unceasing and often uncivilized struggle designed to destroy everything and to create nothing...'.<sup>78</sup>

<sup>77</sup> *Ibidem*, p. 14.

<sup>78</sup> *Ibidem*, pp. 14-15.

Alfredo Rocco was not content to leave his analysis purely in theoretical terms, but with examples at his finger tips sought to show 'the changes that would occur in the conditions of our working people if the socialist programme was fully implemented and they received the total national income by means of the complete abolition of the surplus profits on capital'. Using the statistics provided by no less an authority than Gini, he set out to calculate the value of this surplus profit. Rocco's conclusion was that with the implementation of the socialist plan, a worker would receive a modest increase in his wage, which on average would rise from 3 lire to 3.42 lire per day. And even this would occur providing that everything happened in the best conceivable circumstances and assuming that the transition to socialism did not result in any reduction in competitiveness or individual interest or production, such as would cancel out the benefits, and that this modest rise in wages was not absorbed 'by the future managers of production, the fat employees of the socialist bureaucracy'.

A nationalist economic policy must, in Rocco's view, start from two premises which were quite the opposite of those of socialism. For nationalist 'Italy's economic problem is the problem of the production and not the distribution of wealth, and the problem of production is not one that can be solved on the basis of any *purely internal* concept, but only on the basis of an *international* and *world* concept of the Italian economy'. The reason for this, he continued, was that 'the statistics show us the enormous economic inferiority of Italy in comparison with *nearly all the great European States*'. Drawing on Gini's calculations that private wealth in Italy that 25-30 years previously had been 50-55 billion lire had now risen to 80-85 billions, in contrast to England's 350-400 billions, France's 280-300 billions, Germany's 400-450 billions and Austria-Hungary's 120-130 billions, Rocco argued that were Italy to succeed in raising its wealth to the level of that of France or Germany, a worker's

wage would rise by 300% not by the paltry 14-15% that the socialists with their programme hoped to raise it by.<sup>79</sup>

Rocco did not stop at the formulation of this theory of increased income, but also attempted to draft an economic programme which was designed above all to make 'domestic production richer and more intense'. How? Firstly by irrigating the Mezzogiorno and the islands, which would have made hitherto uncultivated land productive, and by the comprehensive utilization of Italy's rivers to produce hydro-electric power. Secondly, by expansion outside Italy. Italy's economic dilemma lay in the combination of territory that was poor in resources and a highly prolific population. In Rocco's view, Italy's expansion hitherto had been 'disorganized, inorganic, blind, achieved at the cost of sacrifices that did not justify the results. What is needed is to make it disciplined, organic, conscious, morally dignified and economically rewarding'. It would be necessary to accustom the Italian people to understand that peaceful emigration was not beneficial, and that they must 'resort to a different form of emigration; armed emigration, or in other words war. A people of 42 million individuals that possesses only a poor and limited territory has the right to *expansion...*'. But this, he added, was a task for the future: 'The task for today lies both in the preparation of mens' minds and above all in the intensification of domestic production combined with pacific expansion abroad'.

The increase in domestic production was to be achieved both by the action of the State, through public works, the preparation of the outlook of the people and the professional classes, scientific and technical progress, and so forth, and also by the initiative and labour of individual citizens who must learn to look on the State as a watchful and valuable collaborator. He added that 'the betterment of the working classes is also a favourable

---

<sup>79</sup> *Ibidem*, p. 19.

condition for the political and economic development of the Nation', and much of the article was devoted to demonstrating the social policies of the Nationalist Party, which had acknowledged the need for a shift in the distribution of national income in favour of the workers and even the existence of the class struggle. 'But' — he noted — 'if the class struggle must not be denied or prohibited, yet it must be disciplined and contained, in order that in the conflict between the two contenders no damage or injury be done to the third party which stands outside the conflict and whose interests lie over and above it — that is to say, the Nation'. The nation was deemed to be an organic entity possessed of special interests to be safeguarded and special institutions to safeguard them. Nonetheless 'a nationalist party must not hesitate to support the workers whenever their interests coincide with those of the nation', and therefore it was to be hoped that alongside an 'anti-national and anti-state syndicalism' and an 'anti-Catholic syndicalism' there would soon arise a 'national syndicalism'.<sup>80</sup>

About three months after these two articles, Alfredo Rocco published an even lengthier essay in the *Rivista delle Società Commerciali* under the title '*Economia liberale, Economia socialista ed Economia nazionale*'. This again demonstrated the breadth of his historical, legal and economic training and the acuteness of his powers of analysis, albeit conjoined to a highly developed casuistic skill which he well knew how to parade. In the essay he again developed, this time in broader terms, the theme of the individualistic and atomizing nature of economic liberalism and socialism, both of which he saw as being bent on maximizing the wellbeing of the individual, although using different means: economic liberalism expected prosperity to arise from the free activity of individuals and only to a much lesser degree from the actions of social collectivities, whereas the socialists expected the

---

<sup>80</sup> *Ibidem*, pp. 24-25.

same prosperity to arise from the actions of the collectivity to which the individual would be subject. 'The concept of society and the State' — he emphasised — 'is identical for the socialist and for the liberal; both are seen merely as means or instruments for achieving the wellbeing of the individual'.<sup>81</sup> In a nationalist economic view, the situation was quite the reverse.

Rocco began by praising Frederick List, who from 1841 onwards had conducted a major revision of the fundamental concepts of economic individualism and to whom Germany owed its 'own' economic tradition and that particular awareness of national needs in the economic field, which had made it within a mere fifty years — in Rocco's words — 'the feared and often victorious rival of England in terms of industry and trade'.<sup>82</sup> He went on to declare that individuals who live only at a given moment form part of a given society 'but are not themselves identical with that society, which has a life that extends over centuries and embraces all those generations that have gone before and will come after'. For the nationalist, the individuals alive at a given moment were no more than the means and the instruments through which the goals of society were to be achieved — 'provided that the individual remains within the confines of their destined function, as will always happen when the deep and obscure instinct of the species works within them, their society will progress'. In contrast to a philosophy focussed on the present, Rocco offered a concept that was projected towards future advantage.

It was from such principles that it became possible to justify the costs and sacrifices borne by a society that could be seen as a benefit from the point of view of the nation in the sense that they ensured some future reward. It was therefore easy to justify a protectionist policy for a poor country that lacked conditions

---

<sup>81</sup> A. Rocco, *Economia liberale, economia socialista ed economia nazionale*, in *Rivista delle Società commerciali*, 30 April 1914, pp. 296-297.

<sup>82</sup> *Ibidem*, p. 299.

that might favour production, or in the case of an industry that was subject to some short-term difficulties, or an industry that 'for reasons of the safety of the State' it was desirable to maintain within the confines of national territory.<sup>83</sup> In short, 'a policy of protectionism based on conscious and enlightened principles and contained within adequate limits represents safety won at the cost of a burdensome but unavoidable effort'.<sup>84</sup>

As is known, this essay provided the basis of the paper that Rocco and Carli presented jointly to the Nationalist Congress held at Milan in May 1914. The Congress was particularly important precisely because the question of economic policy gave rise to a split within the movement, the second after the earlier secession of the democrat nationalists. Those groups most inclined towards free trade now left the movement, while the majority adopted the bulk of the theories advanced by Rocco and moved towards a more comprehensive policy of state intervention to support economic activity and also protectionism.<sup>85</sup>

This more rigid stance contrasted with the earlier efforts to evolve a flexible and pragmatic economic policy, but it reflected the deterioration in the economic situation of the country. During the years when *Il Regno* was being published the annual rate of industrial growth, on Gerschenkron's estimates, reached and passed 6%, while the number of factories and industrial companies continued to increase. But after the economic recession of 1907-8 the upward curve of expansion was broken. The industrial situation became difficult, and the annual growth rate fell back to 2-2.5%. The market was contracting, and a number of leading industrial concerns, particularly in the heavy iron and steel sectors, were only to be rescued by means of massive bank intervention and by reducing output. In response to the problems posed by the market, cartels and consortia began to spring

---

<sup>83</sup> *Ibidem*, pp. 306-307.

<sup>84</sup> *Ibidem*, p. 308.

<sup>85</sup> A. Rocco, *Scritti e Discorsi politici*, Milano, 1938, vol. II, pp. 693-699.

up in other sectors of industry, while the growing threat of excessive indebtedness on the part of the banks could not be avoided. In view of the vitality and increase in foreign competition, protectionism and state intervention seemed to offer indispensable means of defence. And this was particularly true for the nationalist movement, which although hostile to the reactionary character of agrarian protectionism was closely tied to the cities and to the world of Italy's leading industries.

Given the fragile and unfinished state of Italy's industrial development at that time, what was demanded was not so much open conflict with other countries but rather more effective protection against the force and aggressiveness of their competition. Seen in this light, the desire for protection and for privileged markets, even if they had to be won by force, had, long before the nationalist programme was fully enunciated, been a central and underlying theme in the history of Italy from Unification through to the First World War. Whether such aspirations were ever compatible with the needs of a country that was essentially a transformer of products rather than a producer of raw materials is of course quite another issue which cannot be embarked upon within the framework of this discussion.