

Pietro Giannone and the Economic Issues of His Lifetime

This article deals with Pietro Giannone's position and attitude towards some of the many and various economic issues which arose during his lifetime: a subject which causes perplexity and hesitation on the part of the author.

In fact, nothing has ever been written on the relationship between Giannone and the economic life of his time. Nor is there any book, article or written work in which Giannone illustrates his position in relation to the history of economic philosophy. Giannone did not write a treatise on economics of any kind, be it good or bad, significant or negligible; nor has he left us any memoirs or discussions regarding economics, which often contain such a wealth of data, facts and considerations that over the years have become increasingly valuable sources of economic history. Giannone's fellow countrymen have left memoirs and discussions of this type before his lifetime, during his lifetime and after his death: if we consider only his contemporaries, we find books written by Cardinal Giovanni Battista De Luca,¹ G. B. Mucci,² Nicola Gaetano Ageta,³ Paolo Mattia Doria,⁴ Luca Brencola⁵ and Stefano di Stefano.⁶

In these circumstances, seeming that Giannone had nothing to do with anything in any way connected to economics and economic thought, the reader can well understand my above-mentioned perplexities and hesitation, and can see how, at first, the subject of this article can seem not just difficult, but impossible. To paraphrase the lawyers, of whom Giannone was an eminent exponent, since there is nothing to contest, there is no contention. In other words, since Giannone did not carry out any specific research on economic theory and/or economic life, there is no reason to write a commentary on his relationship with practical and/or theoretical economics. But can we say that Giannone considered economics insignificant and valueless? Is it really true that a man of such vast and varied culture remained indifferent to the economic issues of his own society and of the world at large, especially those of his time? And if this were not the case, if, on the contrary, Giannone were in-

¹ G. B. De Luca, *Theatrum Veritatis et justitiae*, (Venice, 1706 (first edition 1669-1673)).

² G. B. Mucci, *La sicurezza del Trono*, (Naples, 1679).

³ N. G. Ageta, *Annotationes pro Regio Aerario ad supremi regiae Camerae Summariae Senatus Regni Neapolis. Decisiones per luculentos tractatus, et quaestiones ad rem fiscalem attinentes*, extractus a Dom. D. Annibales Moles, (Naples, 1672).

⁴ P. M. Doria, *La vita civile con un trattato della Educazione del Principe*, (Naples, 1710).

⁵ L. Brancola, *De jurisdictione Regiae Doganae menae pecudum Apuliae*, (1727).

⁶ S. Di Stefano, *Della ragion pastorale, over del comento su La prammatica LXXXIX "de officio Procuratoris Caesaris"*, 2 vols., vol. I, (Naples, 1734).

terested in these questions, then what were his leanings and how successful was he in connecting with and understanding issues of this kind?

Most scholars who have done research on Giannone have – as has already been observed – entirely ignored or almost ignored this aspect of his philosophy. In his ample and well-documented analysis of the writings on Giannone from positivism until the present day,⁷ Brunello Vigezzi has shown that, usually, Giannone is not at all regarded as an economist. And yet, like Vico and Montesquieu,⁸ Giannone was well aware of how important economic institutions and economic facts are in the context of history. And among the authors who have written about Giannone, there are at least two – Caristia and Pepe – who have not failed to underline his interest in economics. Although Caristia tends in many respects to re-evaluate Giannone's importance, he does attribute to him, particularly in his *Istoria Civile*, an interest in economic issues.⁹ However, it is, above all, Pepe who emphasised how much attention Giannone gave to the economic measures adopted during the historical events he described, especially in the Spanish viceroyalty, and to their consequences.¹⁰ According to Pepe, it would be useless to look for a detailed analysis of economic policy in Giannone's work, but it cannot be denied that he had some views which are crucial to economic history research. On this score, it seems particularly significant to Pepe that Giannone "identified in economic-financial requirements many of the reasons for Spanish politics".

And there is no doubt that, even if the reader is not in agreement with Pepe's decidedly laudatory attitude towards Giannone's historical-economic perspicacity, it is indisputable that the close connection between economics and politics did not escape Giannone's notice. From this point of view, he must be placed alongside Vico and Montesquieu among those writers who began the philosophical movement which, over time, gave rise to economic historiography. A philosophical movement which aimed to show that laws were the product of society and hence also the product of the economic factors which influence and determine changes and movements in society.

This idea is at the basis of *Istoria Civile*, when Giannone states that the "history of laws" cannot be understood without a knowledge of civil history. Only "civil history" could reveal the real authors of these laws, obviously not in terms of those who actually drafted them, but in terms of the interest and the opportunities which had determined them, the ends for which they had

⁷ B. Vigezzi, "Pietro Giannone riformatore e storico. 50 anni di studi in Italia, dal positivismo ad oggi, e la polemica sulla coscienza storica dell'illuminismo", in *Lo Spettatore italiano*, May-August 1956, p. 213 *et seq.* Cf. also B. Vigezzi, *Pietro Giannone riformatore e storico*, (Milan, 1961), p. 27 *et seq.*

⁸ Cf. L. De Rosa, "Tra storia ed economia. L'avventura della storia economica: i difficili inizi", in *Rassegna Economica*, 1972, pp. 857-858.

⁹ C. Carestia, *Pietro Giannone e l'"Istoria civile" e altri scritti giannoniani*, (Milan, 1955).

¹⁰ G. Pepe, *Il Mezzogiorno d'Italia sotto gli Spagnoli. La tradizione storiografica*, (Florence, 1952), p. 16 *et seq.*

been proposed and issued, the use which had been made of them, and the intelligence with which they had been applied. In short, only "civil history" could have "revealed the various states, changes and the constitution of things, which gave rise to so many various and numerous regulations".¹¹ Therefore, not only the political historian but also the economic historian can find *Istoria Civile* interesting reading, which provides food for thought.

However, before considering in greater detail – albeit with the brevity that is essential in this text – the significance and the limits of *Istoria Civile* from the economic point of view, it is worth drawing the reader's attention to Giannone's *Autobiografia*, which may be an interesting source for economic history.

The first observation regards an aspect of Neapolitan cultural heritage. Giannone writes that Aulisio used to say that he, Giannone, had come to Naples in the golden age, whereas he, Aulisio, had had to spend his adolescence there in the "iron age", in which he had found only "few and rare men", and not even – mark well – the "ready convenience of all kinds of books". To read some good books, Aulisio had had to "run to the monastery of S. Giovanni a Carbonara to beg the monks as a grace and favour to let him go into the library Cardinal Seripando had left them, so that for a few brief hours he could take advantage of reading some rare and learned books". So we know from Giannone that, when he arrived in Naples from his native Gargano in 1649, the golden age of the Neapolitan public-library heritage had begun just a few years previously with the opening to the public of a "magnificent and rich library" "with Cardinal Brancaccio's munificence" in the *Nido* seat. As well as the books of two cardinals from the Brancaccio family, the library had also been endowed with considerable funding to pay the librarian and the attendants, and to purchase new books.¹²

This mention of the increase in Naples' public library books is very interesting from the economic history point of view. Not only because it recalls Borlandi and Cipolla's studies on the libraries at Pavia, but, above all, because it calls to mind a variety of other issues, ranging from the investments and consumption of the wealthy to the relationships between cultural institutions and the making of the educated classes.

Giannone's references to, and observations on, the legal controversies about feudal successions and *burgensatiche estates* (acquired by purchase or inheritance) are also important.¹³ His intervention against taxation, in defence of the owners of the Baranello and the Frosolone estates, are significant, both for landed property and for public finance.¹⁴

¹¹ P. Giannone, *Vita scritta da lui medesimo*, edited by S. Bertelli, (Milan: Feltrinelli, 1960), pp. 40-41.

¹² *Ibid.*, p. 21.

¹³ *Ibid.*, p. 35.

¹⁴ *Ibid.*, p. 47.

The defence Giannone prepared in favour of the inhabitants of S. Pietro in Lamis against the Bishop of Lecce's claims to be paid tithes on olive production is of considerable significance as regards taxation and also agricultural ownership, the allocation of crops and income from agriculture.¹⁵ Similarly, his interventions in the law suit between the commune of Campochiaro and that of Vinchiaturò, both situated in the Molise region, concerning the borders they had in common, were also important.¹⁶ There are, however, many references in Giannone which concern such aspects of local economic history in many places in Southern Italy, especially in Apulia, where his reputation as a lawyer had spread before it did elsewhere, and perhaps more than it did elsewhere.

All such references are significant, both for documentary and for critical reasons.¹⁷

The public-library heritage, the history of landed property, the history of the rural landscape, the history of public finance and the history of church finance are all chapters of economic history for which information can be found in Giannone's writings. But he can also help us on the history of communications and transport. When he fled from Naples to go to the Court in Vienna, his route is enlightening. To reach Manfredonia where "he believed he would find a passage for Fiume or Trieste",¹⁸ he probably had to take the Apulia road, which appears fully operative from the seventeenth century onwards, although it was rebuilt many times and was often blocked. In describing the journey from Naples to Manfredonia, Giannone mentions the presence of inns and taverns, but does not specify their exact location. He does report, however, that in these inns and taverns there were "some friars and some monks"; a well-founded observation, in that some forty years later, when more people were on the move, friars and monks, together with soldiers, merchants and some noblemen, appeared among the groups of society which travelled the most.¹⁹

We learn from Giannone that, following the Apulia road, he arrived at Bovino bridge, and here travelled by *calèche*. It should be remembered that the Apulia road was the only road in Southern Italy, except for the roads around Naples, in the Nola area, where travelling long stretches on horseback or riding a mule could be avoided.

Giannone informs us that on this journey, contrary to his expectations, he was unable to find the passage he wanted at Manfredonia but that he could embark

¹⁵ *Ibid.*, p. 53 *et seq.* Cf. also the printed report *Per li possessori degli oliveti nel feudo di S. Pietro in Lama contro Monsignor Vescovo di Lecce, barone di quel feudo, intorno all'esazione della decima delle olive*, commissario il Regio Consigliere Sig. D. Costantino Grimaldi, (Naples, 1715).

¹⁶ P. Giannone, *Vita*, *op. cit.*, p. 55.

¹⁷ *Ibid.*, pp. 56-57.

¹⁸ *Ibid.*, p. 76.

¹⁹ Cf. L. De Rosa, "Navi, merci, nazionalità, itinerari in un porto dell'età preindustriale. Il porto di Napoli nel 1760", in *Saggi e ricerche sul Settecento*, (Naples, 1968), p. 356.

at Barletta. Barletta was, in fact, the port where many ships came to load salt, extracted from the local salt pans, which Giannone reports were "almost two miles away from the town",²⁰ to transport it to the Austrian ports. That is why Giannone left Manfredonia and, following the coast road, went to Barletta.

There is a further interesting aspect to point out: the way in which the price of the passage was fixed. On arrival at Barletta, Giannone spoke about his voyage with the ship's owner, and "agreed on the price of the voyage". Between 1700 and 1730 therefore, as emerges from Giannone's account, the price of the voyage was the result of demand and supply.

One further observation. The ship had no fixed date of departure; it had first to complete loading and then wait until "the weather was favourable to set off".²¹ Giannone tells us that he had to spend eight days at Barletta, during which time he stayed "at an inn". He goes on to recount that when the ship drew alongside the salt pans for loading, he left Barletta and stayed near the salt pans, a guest in the country house of a friend of his, and that the loading – it should be noted – lasted two days.

The ship departed at last. But, whereas at the start of the voyage, there was a favourable wind, it was then replaced by "a calm which rendered the ship stationary". The voyage from the Barletta salt pans to Trieste lasted ten days.

Once he arrived in Trieste, Giannone's goal was Vienna. But how could he get there? At that time the great Semmering road, where a *calèche* could travel the entire distance, had not been built. Eleven years later, in 1734, when Giannone attempted to return to Naples, the Semmering road was open. In 1723, however, when Giannone left Naples, the only way to reach Vienna once he had disembarked in Trieste was, in his words, "to ride through those alpine mountains of Istria". From Trieste, equipped with horses for himself and his attendant, Giannone headed for Ljubljana, which he called the "Carniola's metropolis", where he lodged. Since he reports that he met people "in that inn" without specifying which one, it was probably the inn where all the couriers and travellers went to change horses. From Ljubljana, Giannone continued his journey by *calèche*, passing through Graz, "Styria's metropolis" and then arriving in Vienna where he stayed "for a few days in an inn near the convent of St. Francis of Paola which belonged to the Minims".²² But how long had the journey lasted?

According to his notes, Giannone had set off from Naples "towards the end of April", but he did not specify the exact date. There is no doubt, however, that he reached Manfredonia on 27 April 1723. He disembarked in Trieste on 25 May, and two days later, on 27 May, he was at Ljubljana. He arrived in Vienna about 10 June. Therefore the journey from Naples to Vienna took

²⁰ P. Giannone, *Vita*, *op. cit.*, p. 79.

²¹ *Ibid.*, pp. 77-78.

²² *Ibid.*, p. 80.

more than forty days, a tiring venture which had required the use of *calèches*, horses and a ship.

Eleven years later, however, in 1734 the return journey was no less difficult. On 29 August Giannone left Vienna for Graz and Ljubljana, and, following the new Semmering road which was by then open to traffic, he arrived in Trieste in ten days. But he had to wait two days for a ship. And the voyage from Trieste to Venice was especially disastrous. Because of adverse weather conditions, the ship on which Giannone was travelling had to stop for two days in a canal in the lagoon near Caorle, waiting for the contrary wind to drop. "At long last", writes Giannone, "the wind dropped after three nights' torment, the voyage continued and we reached Venice on 14 September".²³ The journey from Vienna to Venice, therefore, had taken sixteen days.

And yet neither Giannone's first journey nor this other journey was very long. Sometimes, even worse things happened. It has been said that Giannone's sea voyage from Barletta to Trieste lasted ten days. However, he refers to another much more disastrous journey: when the counsellor Riccardi returned from Naples to Vienna "in the very late autumn season" – whereas Giannone had travelled in late spring, almost at the beginning of summer – he took much longer to sail up the Adriatic than Giannone had done. Because of the violent storm his ship encountered, Riccardi had to disembark on an uninhabited island in the Gulf of Venice where he had to stay for weeks before going on to Venice. Since it was impossible to continue the sea voyage, he went to Verona "thinking to stay there until the severe winter weather was over". In fact, Riccardi died of a heart attack in Verona, and Giannone insinuates that it was caused, perhaps, either by Scipione Maffei's excellent hospitality or else by "the hardships and discomforts of the storm he suffered".²⁴ And so a journey could also cause death. It was a venture that did not attract people unless they had some special reason for travelling.

There is no doubt that these journeys were complicated. They involved overland and sea travel. But even when they were only overland, they took just as long.

Giannone took a whole day to go from Modena to Parma. He set off in the morning and arrived in the evening. It took even longer to go from Parma to Piacenza: he set off in the morning and arrived the following morning; and the journey from Piacenza to Milan involved staying overnight en route.²⁵ His journey from Milan to Turin via Novara, Vercelli, San Germano, Cigliano and Chivasso required three days and three overnight stays.²⁶ And what about going over the "high and very steep" Mont Cenis pass to Geneva? Because of his age,

²³ *Ibid.*, p. 247.

²⁴ *Ibid.*, p. 121.

²⁵ *Ibid.*, p. 294.

²⁶ *Ibid.*, p. 301.

Giannone could not go over the pass on horseback, and so had to be carried "in a chair" over the steepest parts where the *calèche* could not be used. Then, at a point where there was a sheer drop, the *calèche*, together with a horse, fell into a precipice. It was retrieved, and the journey continued as best it could as far as Chambéry, "the metropolis of Savoy", where at last, after half a day, another *calèche* was found, the horses changed and the journey could continue once again. Having set off in the evening of 28 November, Giannone arrived in Geneva in the evening of 5 December: the journey had taken some eight days.²⁷

These annotations on routes and travelling times and means of transport would be sufficient in themselves to register Giannone as a valuable source for economic history. In fact, he also offers us information of another kind. I am of the opinion that he is unrivalled as a source of information about how money "from the Italian possessions" was administered and used "at the Viennese Court and the influence the Spanish had there".²⁸ This subject has been dealt with several times by various authors, and there is no need to go into it again. Similarly, there is no need to repeat the fact that there were many Italians in the Vienna of Giannone's time,²⁹ one aspect of that emigration of cultured Italians throughout Europe from the time of the Renaissance, and even earlier.

From the economic history point of view, Giannone's analysis of the reasons that led to the loss of part of the Austrian possessions in Italy is important. There is one passage that he wrote which no economic historian can ignore: it concerns the use of the monies allocated to maintaining the military infrastructure of the Italian possessions, monies which Giannone states were used for purposes other than reinforcing military fortifications and provisioning, especially munitions, or maintaining armies. Giannone claimed that the Kingdom of Naples financed an army of 22,000 soldiers, but in actual fact only 8,000 had been deployed. And worse had happened in Sicily.³⁰

Giannone is just as valuable a witness regarding the social and economic crisis in Vienna caused by the Austrian army's defeat at the hands of the Spanish. The first manifestations of the crisis were the loss of revenue from the Italian possessions, the fear of not being able to make provision to pay the existing bureaucracy, which increased with the arrival from Naples and Sicily of those Spaniards who were pro-Austria, and whom the change in régime forced to flee, and the decline in trade as a consequence of there being less money in circulation.

A victim of this situation, and no longer receiving the pension the emperor had granted to him, Giannone had to dig into his savings, and above all to try

²⁷ *Ibid.*, pp. 302-303.

²⁸ *Ibid.*, pp. 116-117, 119-120, 124, 174.

²⁹ *Ibid.*, pp. 130-131.

³⁰ *Ibid.*, p. 196.

and sell some of the few things he had managed to accumulate, namely, some of the books he had bought in Vienna. "I tried", he wrote, "to sell some books from my small library, which had gradually grown to a value of about one thousand florins; but because of the general dismay, either no buyers were to be found, since people had restricted spending, or else the books had to be thrown away for next to nothing".³¹

The crisis in trade affected the banking system. Giannone states that he had asked to withdraw two hundred of the one thousand florins he had deposited at the Bank of Vienna. "I was told", he confesses, "that since everyone was rushing to withdraw capital, orders had been given not to make any payments or else the bank would go bankrupt; however, in a short while, those with small sums of capital could withdraw them entirely... though not all at once".³²

The crisis must have been serious and must have shaken the whole of society to its foundations. "Everyone", writes Giannone, "moved from big houses to small ones; some people did away with their carriage, and others reduced the number of menservants and maids. There was no hope of help from other people; on the contrary, instead of comfort, worse troubles, laments and pandemonium were to be found."³³ This is a very vivid description in which, with merely a few observations, Giannone, with great incisiveness and better than any expert on economic cycles, paints a striking picture of the extent and the nature of the Viennese economic crisis in 1734-35.

And so there can be no doubt that Giannone's autobiography is an interesting source. But let us now move from Giannone the witness and incisive describer of the economic events of his time to Giannone the observer and interpreter of those events. Let us go back to *Istoria Civile* where Giannone shows how important the economic events were in his lifetime.

Pietro Giannone was born in 1676, when the Messina war was still raging. As an adult, reconstructing the events which led to that war, and the events which followed it, he stressed the war's financial aspects, its huge cost, and how much money was spent in the Kingdom of Naples, money which the subjects had to fork out.³⁴ Thus, this war impoverished the Kingdom of Naples "much more than past disasters had done".³⁵ "This cruel persistent war had so impoverished the Kingdom of Naples, because of the expenditure it necessitated, that it was calculated that just under seven millions were spent".³⁶ In order to collect this sum quickly, positions and estates were sold hastily, and hence at ridiculously low prices, "with so much benefit for the buyers that they all obtained an annual income of more than twenty per

³¹ *Ibid.*, p. 242.

³² *Ibid.*, p. 243.

³³ *Ibid.*

³⁴ P. Giannone, *Istoria civile del Regno di Napoli*, edited by A. Marongiu, (Milan, 1972), vol. VII, p. 91.

³⁵ *Ibid.*, p. 93.

³⁶ *Ibid.*, p. 97.

cent". Since the endowment of the military fund – in other words, the budget for the country's defence – was drastically reduced and rumours of misuse were voiced, a special commission of inquiry was appointed. The outcome was a reduction in the public-debt farming contracts, establishing that public debt contracts farmed out on indirect taxes and on feudal taxes should be reduced by 100%, those on taxes of the communes in the Terra di Lavoro province – by 90%, and those on the taxes of all the other provinces by 80%. At the same time the Court set up a new tax with a monopoly on brandy.

Giannone thus appears to be widely documented on the events and the financial measures of the time, and has no difficulty in linking a widespread, excessive tax-system with the Kingdom of Naples' impoverishment and decline.

It was, however, not only the financial and fiscal aspect which attracted Giannone. Like all economists, he seemed aware that public finance is not separate from monetary supply. After having discussed the Kingdom of Naples' finances, he tackled the state of monetary circulation in the Kingdom. In those circumstances and because of the way events had affected the public treasury, the currency was in desperate state.

The currency was at that time hugely debased. Alterations to the alloy, widespread forgery of silver and gold coins, and clipping carried out everywhere on a grand scale had considerably lessened the value of coins, and therefore reduced their purchasing power. Giannone is an attentive observer of all this, and at the end of his analysis, his diagnosis is unexceptionable: "Coins had fallen into disrepute, to such an extent that people were beginning to refuse them; they were deficient in weight, and everyone believed it was right to condemn them as being false, either in the minting or in the alloy. Lastly, even copper coins were altered and forged."

For Giannone, therefore, it is clear that a relationship exists between the public deficit and monetary devaluation and/or inflation. However he does not seem aware of the interdependence between devaluation, and hence the currency's diminished purchasing power, and the consequent increase in prices and increase in crime. Even though he follows his analysis of the economic confusion which prevailed in the Kingdom of Naples about 1680 with an analysis of the brigandage, which was also rife there at the time, Giannone does not show that he was aware that there was a connection between the two phenomena. He does not appear to believe that an irrational, drastic reaction to persistent hardship could be at the roots of brigandage. Its economic and social roots were incomprehensible to Giannone. It must be said that it is only recently that these roots have been pointed out in modern economic historiography, in the studies by Kamen and Pike, among others. However, brigandage, monetary chaos, the increase in the pressure of taxation are issues which are closely interwoven in Giannone's work, and which he considers to underlie Viceroy del Carpio's attempt to restore the currency at the end of the 1680s.

Although he does not use the linguistic precision of modern monetarists, Giannone points out the difficulties of del Carpio's effort as it wavered between appreciation and stabilisation. Giannone grasps perspicaciously, albeit with incorrect terminology, – when he wrote the *Istoria* monetary theory had not, in any case, perfected its vocabulary – the relationship between monetary manoeuvring and international trade. He also understood that, instead of aiding the Kingdom of Naples by stimulating exports, currency appreciation contributed to harming the Kingdom by increasing imports and hence, within a short period, causing the disappearance of the appreciated currency which, in Giannone's words, ended up "by melting away or being sent outside the Kingdom of Naples to make the intrinsic value greater than the original value"³⁷. In actual fact, Giannone grasped the close connection between deflation and foreign trade, and hence with the domestic production level; and also the connection between foreign trade and inflation: once the currency had been devalued, "the flourishing of commerce was seen again in the Kingdom of Naples" – Giannone recognises – "and the splendour of transactions and trade was restored"³⁸. The fact that he perceived this connection, which, in itself, is of huge importance and for which credit should be given to him, contrasts with the insufficient awareness he shows of Southern Italy's economic conditions, its level of development and its real possibilities of recovery.

Giannone did not see that the Kingdom of Naples was exhausted and was living above its means. Many of its former pillars of foreign trade were impoverished, and could pay for increasingly reduced quantities of imports. By 1687 it was recognised that "all the traders' markets in the Kingdom of Naples [*appeared to be*] indebted to all the Italian and some European markets",³⁹ and that the size of these debts was such that it caused an increasing outflow of precious metals, both minted and unminted. So Giannone did not realise that the 10% by which Neapolitan currency was devalued the first time, and whose immediate positive effects on domestic production and trade he had been able to praise, was totally insufficient to allow for a lasting recovery. On this issue, Giannone was a prisoner of the prevailing opinions, which attributed the decline in domestic manufacturing, and hence the increasing deficit in the trade balance, to excessive foreign imports, without realising that imports increased because domestic production had increased in price and did not bring in new models and new styles, and that in these circumstances, devaluation was the only possible measure to try and render domestic products advantageous. Devaluation reduced the price of domestic products internationally, and hence they became more competitive; at the same time, the

³⁷ *Ibid.*, p. 108.

³⁸ *Ibid.*, p. 113.

³⁹ Cf. Naples, *Biblioteca Nazionale*, MS XI.D.8, f. 43.

price of foreign products rose, hindering imports into the Kingdom of Naples.

It was precisely because he did not understand this profound drama of the Kingdom that the significance of the subsequent currency devaluation in 1691 escaped Giannone. With this devaluation, Viceroy Conte di S. Stefano, lowering domestic production costs even further, tried to ensure greater international competitiveness for southern Italian products. However, very soon this measure also proved inadequate. After a few years, during which some Neapolitan products were competitive, and hence exports increased, when the effects of devaluation ceased, domestic prices increased and there was a fall-off in exports.⁴⁰

Giannone did not notice this: since he attributed the crisis to monetary measures and not to the rigidity and the high level of domestic costs compared with international costs, he was not able to explain to himself and to us the continuous increase in the importation of "foreign drapery, manufactures and textiles".⁴¹ Of course, Giannone's lack of perception was not all his fault. The state of economic science at that time did not offer suitable instruments for such analyses. However, it is equally certain that Giannone's analysis did not advance economic science.

There is another place in his *Istoria* where his lack of knowledge of the state of southern Italian economy and its needs is apparent. This is when he writes about the Hapsburg trading policy towards the Sublime Porte and the advantages for Southern Italy he expected from this trade agreement.

It escaped Giannone that, although peace and liberalisation of trade are preliminary conditions, in order to promote international trade, production must be complementary; and the products of the Kingdom of Naples and the Turkish Empire were not. But about one hundred years before Ricardo, Giannone could not see that only diversified production i.e. the so-called theorem of production specialisation, created the conditions for increasing trade between different countries, and hence the conditions for increasing production, revenue and wealth.

Lastly, it should be noted that, in the period in which Giannone published his work, he was unable to present a complete documentation on the Hapsburgs' policy, nor could he express a considered opinion on the results the policy achieved. Austrian rule in the Kingdom of Naples had begun only a few years before Giannone wrote his book. Most of the period of Austrian rule was still to come.

There is, however, another aspect which limits Giannone's perspectives on the economic issues of his age: despite the fact that he had a European outlook, had lived outside Italy for many years and had travelled a great deal

⁴⁰ I. De Rosa, "Alle origini della questione meridionale: problema e dibattito monetario al tramonto del Vicereame spagnolo di Napoli (1690-1706)", in *Studi in onore di Gabriele Pepe*, (Bari, 1969), p. 583 *et seq.*

⁴¹ P. Giannone, *Istoria Civile*, *op. cit.*, p. 115.

from Naples to Vienna, from Vienna to Venice, from Venice to Milan, Turin and Geneva, and that he saw his books translated into English, French and German, he had no perception of what was happening in the wider European and world economy.

Giannone was born – as we have seen – in 1676, when the effects of the plague which had decimated the population of the Kingdom of Naples in 1656 had worn off; already in 1669 the general census of the households in the Kingdom, which had been carried out a few years previously, had documented this progress. Giannone went to Naples in 1694 when demographic recovery was under way throughout the whole of the Kingdom and in Naples itself, as was evident in the fact that the population had spread beyond the city walls, which were knocked down, and the city expanded in several directions.⁴² Giannone lived in Naples and in the Kingdom until 1723, when the population growth, as Di Vittorio has shown,⁴³ was evident to the foreign consuls in Naples. Giannone did not notice this population growth which by this time was becoming irreversible, an underlying trend. Nor did his experience abroad, where population growth was also evident, serve to make him realise that the era of a stationary population in the long term was over and that the era of continuous population growth had begun, which would end in our population “explosion” of today. It might be said that Giannone was not Malthus; it must also be said that it escaped him that the slow but increasingly unsustainable pressure of population growth was at the root of the increasingly frequent quarrels between peasants and large landowners, such as the one between the Lecce olive growers and their landowner whom Giannone defended in court. Population growth drove the peasants to shake off the burdens that oppressed them and impoverished their standard of living. It escaped him that the rural landscape was changing, even though he was very familiar with it and had himself come from a typically agricultural area. And it was changing even in the Tavoliere region, near his place of birth. In the Tavoliere region there was clear evidence of a conflict between “massari” and “pastori”, between agriculture and livestock-breeding, between agricultural workers wanting more land to cultivate and breeders wanting to keep grazing land for their animals. Giannone did not report this, nor did he show that he linked it to the demographic growth in Italy and in the rest of Europe. Hence, he did not consider these events in relation to the underlying forces at work, which were shaping the future, although it must be recognised that it was not easy to detect these basic trends, which did not become marked and unquestioned until the second half of the eighteenth century. But Giannone was dead by then.

⁴² Cf. L. de Rosa, *La Napoli del Celano*, preface to C. Celano, *Notizie del bello dell'antico e del curioso della Città di Napoli*, (Naples, 1970), vol. I, p. XXXIX *et seq.*

⁴³ A. Di Vittorio, *Gli Austriaci e il Regno di Napoli. Ideologia e politica di sviluppo*, (Naples, 1973), p. 69 *et seq.*

Giannone failed to perceive that continuous population growth had been under way since the last decades of the seventeenth century, and that this growth, albeit slow, was having repercussions on agriculture as a result of the increased demand for primary products, creating friction between cereal-growing and grazing land, and between peasants and feudal claims. He did not even see the signs of the imminent industrial revolution.

Confronted with the fact that imports of "textiles, drapery and other fabrics" were increasing in the Kingdom of Naples, Giannone failed to see in this trend the signs of a much more important process. This had very little to do with the official prevailing opinion that considered the increase in imports a form of snobbery and provincialism, and not the effect of a more profound transformation. Nowadays economic historiography recognises that the transformation was already under way in 1700,⁴⁴ and that its turning point had been a long time before then, in 1540 according to Nef,⁴⁵ and in 1660 according to Charles Wilson.⁴⁶ Giannone, however, was unable to identify this transformation, nor was he able to see that, already in France and especially in England, people were heading rapidly towards industrialisation, whereas Southern Italy continued to be trapped in the coils of its own depression, in the vain quest for a stimulus that would stem the decline into which it had fallen.

However, here again Giannone's short-sightedness has some justification. The places where he lived – Southern Italy, Northern Italy, Austria and Geneva – were not the best places to observe the signs of the nascent economy and society. Southern Italy has been dealt with. Northern Italy still did not show any sign of recovering from the decline which had exhausted it during the seventeenth century. Austria, on the other hand, towards the end of the seventeenth century had already tried to pursue a development policy, albeit of mercantilism.⁴⁷ However, Vienna, where Giannone lived for the most part, could not offer a stimulating outlook from this point of view. It was a city of government, and, furthermore, Giannone was less involved in Austrian economic life and more involved in the more distant economic life of Italy.

If there were any signs of an industrial awakening in some corners of the Empire, they did not reach Giannone, or else he did not manage to appraise and explain them. Although Geneva no longer played the role which had made it wealthy during the Renaissance,⁴⁸ situated as it is on the great lines of communication, it remained a trading centre. There is no doubt that Geneva

⁴⁴ R. M. Hartwell, *The Industrial Revolution*, (Italian translation published in Turin, 1967), p. 15: "the statistics we possess today indicate only that development was already under way in 1700. This suggests that any turning point whatsoever has to be placed chronologically in an earlier period".

⁴⁵ J. U. Nef, "The Progress of Technology and Growth of Large Scale Industry in Great Britain, 1540-1640", in *The Economic History Review*, V, 1934.

⁴⁶ C. Wilson, *England's Apprenticeship*, (London, 1965), p. x.

⁴⁷ A. Di Vittorio, *Gli Austriaci e il Regno di Napoli*, *op. cit.*, p. 7 *et seq.*

⁴⁸ J. F. Bergier, *Genève et l'économie européenne de la Renaissance*, (Paris, 1965).

would have been more active and wealthier if Western Germany had already stepped up its development process, but, divided up into hundreds of states, it still seemed exhausted after the Thirty Years' War. It need only be remembered what happened to the society which was to publish the French edition of *Istoria* to realise the limitations of Genevan capitalism and entrepreneurs of that time.⁴⁹ Furthermore, none of these countries was involved in the colonial experience. And so, if we accept Lipson's interpretation –⁵⁰ that the expansion of foreign trade with America, India and Africa was the crucial factor in industrialisation, then the countries in which Giannone lived had not experienced the transformations noticed in England and France, and hence he could not derive any explanation from phenomena which he did not know.

And there is another fact. The countries in which Giannone lived lacked all the factors considered indispensable for industrialisation to take off: the concentrated accumulation of capital, a considerable entrepreneurial ability, the exploitation of coal, the existence of a vast domestic market with a comfortable standard of living, and even those displays of technical progress seen in inventions and innovations. Neither Naples, nor Vienna, nor Venice, nor Turin, nor Geneva had, before or during Giannone's lifetime, anything like the English Royal Society, founded in 1662 or the French Académie founded in 1666. In none of the cities in which he lived could Giannone find a society or a club which, like the Royal Society, had among its aims that of "improving, by means of experiments, the knowledge of natural phenomena, and of all the arts, manufacturing, mechanical practices, machines and inventions", and this aim was understood principally – as it was said – in the interests of "immediate use" and even better, "for the city's use, not the schools".⁵¹

There is no doubt that this interest in the practical aspects of science was even more keen in England than in France. Bacon's teaching had shaken the whole of English society at its roots, and the idea that applied science could perfect manufacturing production methods had won over broad strata of society. Musson writes that in England "Bacon's influence can be felt everywhere among scientists of the seventeenth and eighteenth centuries".⁵²

Bacon's disciple, Boyle, had forcibly argued "that the wealth of mankind can be considerably increased by the naturalists' interest in production" and had combined his philosophical interests with practical experiments in mining, sampling and other industrial processes. Another disciple of Bacon's, Robert Hooke, had been a professional experimenter, and was considered by his contemporaries "the greatest living mechanic in the world."

⁴⁹ P. Giannone, *Vita, op. cit.*, p. 302 *et seq.*

⁵⁰ E. Lipson, *The Growth of English Society*, (London, 1949), p. 189 *et seq.*

⁵¹ P. Mathias, *Science and Society, 1600-1900*, (Cambridge, 1972), p. 62.

⁵² A. E. Musson, *Scienza e tecnologia nella rivoluzione industriale*, (Italian translation, Bologna, 1974), p. 25.

By the end of the seventeenth century, chemistry, engineering and medicine were in a constant state of ferment and were the subject of diverse applications. It is recognised that in the early eighteenth century a point was reached "where science and, in particular, chemistry" could "begin to be of valid assistance for a number of manufactures"⁵³ while, as Usher acknowledges, "the sixteenth and the seventeenth centuries mark the point of transition between total empiricism and the new engineering techniques which were entirely founded on mathematics and applied science".⁵⁴

It is difficult to say how much of this great "scientific revolution" which took place in England and in France at the end of the seventeenth century and in the first thirty years of the eighteenth century reached Giannone. Judging from his writings, not much. Apart from the odd mention of Bacon regarding the ferment that preceded the Industrial Revolution, in Giannone's works we find only the awareness that in England "science and good literature" flourished, "as was seen in the valuable and learned books which appeared in England every day".⁵⁵ But Giannone did not seem to know about Newcomen's steam engine nor John Kay's flying shuttle which was destined to revolutionise the cotton industry.⁵⁶ And how could he have grasped the significance of the advance of science and its applications, which was slowly unbinding Prometheus to triumph over nature and natural forces, since he himself admitted that he did not know any English⁵⁷ and so could not read the books and journals published in English?

Having lived in a part of Europe that was less important economically, Giannone was profoundly tied to the experience of the Kingdom of Naples, which he saw was stifled by age-old problems and by the excessive economic power of the Church. In these circumstances, perhaps he was inevitably driven to show less interest in innovations appearing elsewhere, despite their irrepressible and revolutionary force, and to show more interest in how to get southern Italy out of the shallows in which it was stranded. We might well ask whether Giannone's championing of the Sovereign's rights over those of the Church stemmed from this preoccupation. It was not by chance that, in the countries which witnessed a rapid accumulation of capital, an intense movement of money, and a greater entrepreneurial ability and speculative fever (John Law's experiments and the speculation on the South Seas Company stock are two examples),⁵⁸ it was the secular institutions which were at the

⁵³ E. W. Gibbs, "Scoperte nell'industria chimica" in C. Singer, E. J. Holmyard, A. R. Hall, T. I. Williams (eds.), *Storia della tecnologia*, (Turin, 1968), vol. III, p. 714.

⁵⁴ A. Usher, "Macchine e meccanismi", in Singer-Holmyard-Hall-Williams (eds.), *Storia della tecnologia*, *op. cit.*, vol. III, p. 351.

⁵⁵ P. Giannone, *Vita*, *op. cit.*, p. 166.

⁵⁶ A. E. Musson, *op. cit.*, p. 57.

⁵⁷ P. Giannone, *Vita*, *op. cit.*, p. 165.

⁵⁸ Cf. C. Barbagallo, *Storia universale*, vol. V, *Fino contemporaneo*, part I, (1964), p. 228 *et seq.*

heart of public interest. This is exactly the opposite of what was happening in the Kingdom of Naples. And perhaps it was this consideration which prompted Giannone in his belief that the first step towards southern Italy's recovery should be the reduction of the Church's economic and political power and the secularisation of the state. Towards the end of the *Istoria*, proving that he had well understood the close connection between economic power and political power, Giannone points out that the ecclesiastics had accumulated such vast wealth that it could be presumed that, if they continued thus, they would become, in Giannone's words, "within a hundred years the owners of the Kingdom of Naples". He then appeals to the Hapsburg monarch to curb the Church's economic importance in civil life.⁹⁸

This appeal may be very significant. If it really stems from the conviction that greater secularisation of the state was very important, then Giannone, while being aware of economic institutions and facts, is more significant as a politician than as an economist. As an economist he did not anticipate economic science which was finally to blossom in the eighteenth century. As a politician, however, he lived in the future; he heralded a new era which he himself helped to shape and determine.

⁹⁸ P. Giannone, *Istoria Civile*, *op. cit.*, p. 141.