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L' Italia all' alba del Secolo XX. by F. S. Nitti; La Città di Napoli, con un' Appendice su le Forze Idrauliche dell' Italia e la Loro Utilizzazione by F. S. Nitti

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knowledge should of course be the faculties of men. Indeed, the only really important lines of distinction between science and science seem to be those determined by the difference in mental gifts and in intellectual training required for a successful study of those sciences. Therefore, the subdivision of social science should not be left to *a priori* reasoning but should be founded, as well as social science itself, on careful study of actual facts. In practical life the subdivision of labour is generally so carried out as to correspond to technical needs and to the faculties of the labourers; the subdivision of science should not be anything else than a subdivision of scientific labour.

In that part of the paper where the scope of political economy is specially dealt with we regret to find so much of the old scholastic speculative views on the subject. Can anybody, for instance, at the present time expect any results from a discussion of the conception of *value* prior to the general investigation into the causes governing prices? Or is there any real ground why economic theory should follow the history of the single product and accordingly subdivide itself in "production," "trade," "distribution," and "consumption"? It is strange, indeed, how little the best principles of the historical, statistical, and other modern schools have hitherto penetrated the treatment of economics, even with those authors who nominally accept the same principles.

G. CASSEL.

L'Italia all' alba del Secolo XX. By F. S. NITTI. (Turin : Roux e Viarengo. 1901. Pp. 215. 2.50 lire.)

La Città di Napoli, con un' Appendice su le forze idrauliche dell'Italia e la loro utilizzazione. By F. S. NITTI. (Naples : Alvano. 1902. Pp. 263. 10 lire.)

THE former of these books is undoubtedly the most important work on Italian statistics which has appeared since Signor Bodio published his *Di alcuni indici misuratori* in 1891. Not that it is confined to statistics. Signor Nitti has shown how to combine the most careful research with a daring economic imagination. Whether the destinies of Italy will be what he foretells, only time can prove; suffice it to say that most of his forecasts are built on solid economic reasoning. Briefly, his thesis is that Italy has a big industrial future, and that in this alone she will find the remedy for her poverty. Signor Nitti begins on a pessimistic note—a rather exaggerated one, it seems to us, though typical enough of Italian thought. He rightly attacks the illusion that Italy is naturally a rich country. He points out that little of the land is fertile (except in quotations from the classics), that manufactures are backward, that there is little iron and less coal. Especially he insists that it is impossible to support the thick population of the country by agriculture alone. He shows that the agricultural produce, according to the official statistics (which,

however, he quotes inaccurately), amounts to £200,000,000 in annual value, whereas that of France (according to the Agricultural Inquiry of 1883) is £536,000,000. It seems to us, however, that he depreciates Italian agriculture. If the relative extent of Italy and France are taken into account, Italy is not very seriously behindhand, its agricultural yield being as seven to ten. He does not allude to the fast developing trade in dairy and poultry products, which has doubled or more in the last ten years, and the exports of which are already more important than that of wine. Nor does he give sufficient importance to the agricultural revival in North Italy, which is revolutionising farming methods as ours were revolutionised in the last century. The introduction of rotation of crops and chemical manures, the improvement in the breeds of cattle, the great diffusion of agricultural education, the campaign against hail-storms by the use of *cannoni grandinifughi* are already immensely increasing the productiveness of the land. These reservations, however, do not materially affect Signor Nitti's main contention that Italy must become an industrial country, if she is to support her present population. Italy, he points out, is the one Latin country which, in spite of poverty and misfortune, has kept up a high birth-rate. This is now over 35 per 1,000, while the death-rate has decreased to 22. In spite of the fact that one-third of the country is mountain, Italy comes among European countries after Belgium, Holland, and Great Britain in density of population. It has 111 inhabitants per square kilometre, while Germany has 97 and France 70. Two provinces, Campania and Lombardy, have 195 and 168 respectively. In contrast with this thick population there is a very low level of wealth. It is true that, relatively to the starting-point, few countries have advanced more since 1860; in fact, Signor Nitti thinks that only Germany, Hungary, and the Scandinavians have really made more relative progress. But the actual accumulation of wealth remains small. Signor Nitti puts the wealth considerably higher than Signor Bodio did in 1891; he estimates the private wealth at between £2,600,000,000 and £2,800,000,000, the annual increase of wealth at £32,000,000, and the annual income at £320,000,000. Still the average wealth per head is only £88, while in France it is £224, and in Great Britain £307.

Signor Nitti has no desire to see any falling off in the high birth-rate, for he sees in it one of the main elements of future national greatness. He is a strong advocate of emigration, but this, of course, cannot to any very great extent modify the ratio between population and wealth, and the remedy, therefore, must lie in increasing wealth. What prospect is there of an industrial expansion which will make this possible? Signor Nitti passes under review the present position of Italian industry, and here again, as with agriculture, we are inclined to think he is unduly pessimistic. But his figures are expressive enough of the relative poverty of Italy. He gives the following comparative statistics:—

	Great Britain.	France.	Germany.	Belgium.	Austria-Hungary.	Italy.
Total of imports and exports in 1899 (millions of £s).....	814	324	459	155	171	117
Net tonnage of mercantile marine in 1897 (thousands of tons)	8519	694	1492	95	?	686
Length of railways per sq. kilometre (metres) ...	109	78	87	?	48	55
Percentage of net earnings on capital invested in railways	3.70	4.00	6.10	?	3.90	1.75
Horse power (thousands) {	?	5011 [1889]	3427 [1895]	853 [1886]	?	1300 [1899]
Issues of new capital by banks, railways, and joint stock companies in 1899-1900 (millions of £s).....	186*	109*	129	27	15	6
Production of steel in 1899 (thousands of tons).	4933	1529	6290	729	950	80

Italy shows a lamentable inferiority, though it would be possible to find facts, especially in the rapid expansion of her textile industries, that would go some way to relieve it. At all events, Signor Nitti is an optimist for the future. He lays stress on the energy that since 1860 has built nearly 10,000 miles of railway in a mountainous country, where all the iron and coal has to be imported. He might have added the great works of reclamation, the building of ports, the revolutionising of the roads, and he has hardly given enough attention to the remarkable industrial revival in the north. But his main grounds for believing that Italy has an industrial outlook are founded on the economic possibilities of the present and near future. They are four.

1. The scientific discovery of the nature of malaria, which will enable population to thrive through large and fertile districts, where now it is hardly possible to live.

2. The tendency of trade to return to the Mediterranean since the opening of the Suez Canal.

3. The probable substitution of aluminium for iron and steel in many articles of manufacture. He points out that the price of aluminium is rapidly approaching a point which will make the substitution possible; that bauxite, one of the chief sources of the metal, is abundant in Italy; and that aluminium is generally extracted by electrolysis, and therefore can be best produced in a country where electric power is abundant and cheap.

4. The abundance of water-power available to generate electricity.

It is on this point that Signor Nitti lays most stress. He perhaps takes an exaggerated view of the probable exhaustion of coal, but he

* Including colonies.

is no doubt in the main right in his contention that English coal will tend to rise in price, and that as Italy is, and is likely to be, almost entirely dependent on England for her coal supply, this is a matter of most serious importance for her. (The cost of imported coal in 1900 was over £8,000,000, as against £6,000,000 in the preceding year.) The coal question, however, is only of secondary importance in considering the value to Italy of the "white coal" of electricity. Signor Nitti has worked out the question in great detail in the Appendix to his book on Naples. He shows that Italy is, in proportion to its size, the richest country of Europe in water-power available for generating electricity, amounting, it is probable, to over 5,000,000 horse power. At present Italy has hardly tapped this enormous store of energy. More or less, though, it is perhaps ahead of any European country in utilising it. The quantity of horse-power already generated from it probably exceeds 400,000. The instalment at Vizzola on the Ticino on the largest in Europe. Not only is electric lighting very largely adopted, but it is considerably used as a motive-power in factories, and is being introduced on railways. A large number of textile factories in Lombardy employ it. It is used, or about to be used, on 296 kilometres of railway. Signor Nitti has collected a mass of facts as to its cost with the following conclusions:—

1. The cost of installation in Italy for works on a large scale is between £32 and £44 per h.p.

2. The annual cost, exclusive of interest on capital, is between £2 and £3 per h.p. when supplied in considerable quantities.

3. When coal costs, as in Italy, over 25s. the ton, electricity is probably always a cheaper motive-power than steam.

4. The advantage is, however, proportionately greater the smaller the quantity of horse-power used; *e.g.*, according to Signor Saldini's figures, the annual cost per h. p. of steam and electricity respectively (including interest on capital sunk) is for

engines of	3 h.p.,	steam	£34,	electricity	£18 16s.
"	15 "	" "	£17 4s.,	"	£14.
"	150 "	" "	£8 3s.,	"	£7 4s.
"	500 "	" "	£6,	"	£5 12s.

Since these calculations were made, the cost of steam has increased and that of electricity has diminished.

5. Thus, though small factories are still at a disadvantage, they are much less handicapped than where steam is used.

6. But manufacturers, even in large industries, will not, as a rule, generate their own electricity, in spite of its economy, as the instalment would absorb too much of their capital.

An extensive use of electricity for industrial purposes will not therefore, he argues, be largely adopted, unless the state undertakes the supply of electrical force. It is clear that Signor Nitti believes that the difficulty cannot be solved by electric power companies; why

he distrusts them is not so clear. The great supply companies of Lombardy seem to be doing their work well. Perhaps Signor Nitti is influenced by the fact that he has the case of Naples especially in view, and private enterprise is weak in South Italy. However, whether wisely or not, Signor Nitti pleads for nationalisation. The Italian state already has rights over all rivers, and can exact a rent for any concession of water whether for motive-power or irrigation. Signor Nitti asks that it should (experimentally at first) itself undertake the generation and supply of electric power. He pleads that electric power is most economical when generated on a large scale, and that the state can best make large generating stations. He urges that, when an instalment is once made, the maintenance of it is simple and cheap, and does not require a large staff or much expert knowledge; that, in fact, a supply of electricity resembles the making of a road rather than the management of a mine or industry, and is, at all events, an easier undertaking for the state than the management of railways. Signor Nitti quotes the precedent of the Ontario law of 1898, but that only asserts the right of the state to control the use of water-power, and does not necessarily imply the supply of energy by the state.

It must be owned that Signor Nitti's case for nationalisation is not quite self-evident. Two things, however, he proves to demonstration: first, that the use of electric power is of vast importance for Italy, and opens out a wide horizon for her; next, that the true way to attack Italian poverty is to increase production. It would be far better, as he says, for the state to spend in increasing the productiveness of the country than in making small remissions of taxation. It is to be feared, however, that he does not take sufficient account of political exigencies. In his excessive contempt for politicians he forgets that pure reason does not sway nations or legislatures, and that every people will seek to find a remedy for its more present troubles before it builds for the distant future. It may be unfortunate and tantalising, but the fact remains. It would probably be more practicable and altogether better, if Italy reformed the law that regulates concessions of water-power rather than embark on a huge undertaking that would involve a great addition to her debt.

BOLTON KING

Il Movimento Proletario nel Mantovano. By BONOMI and VEZZANI. (Milano: Uffici della *Critica Sociale*. 1901. Pp. 96. 50 centesimi.)

THIS is a valuable pamphlet, both as an account of the recent strike movement among the agricultural labourers of North Italy and as a monograph of peasant life. The province of Mantua has been the classic ground of peasant trade-unionism in Italy, and the authors trace the attempts at combination there down to the great trade-unionist movement of last year. At the time when the authors published their pamphlet there were 271 "leagues" with over 40,000