

16ème Colloque International de l'Association Charles Gide

Strasbourg, 14-16 avril 2016

Carlo Cattaneo (1801 - 1869), Lombard philosopher and economist, liberal beyond federalism

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1. Introduction

Carlo Cattaneo, intellectual deeply interested in political economy, politics, philosophy, was a prominent character of Risorgimento, that is the political process that build Italy in the xix century. Considered by Luigi Einaudi as an Enciclopedico belonging to the last generation of the Italian Enlightenment, the Lombard Cattaneo had been working in several fields with sete insaziata ... di libera indagine ("insatiable thirst of free enquiry"), according to Ghisleri, Italian historian, who wrote in 1901. His liberalism, greatly appreciated by Luigi Einaudi and Norberto Bobbio (who defined his thought filosofia militante, that is "militant philosophy"), was not only a claim for free economic activity, but also (and overall) a philosophical attitude rooted in Diderot, and, earlier, Galileo and Bacone. Cattaneo is an open-minded philosopher who constantly looks at the natural and social reality, with a profound belief in progress; in other words, a real social scientist. Very interestingly, he deems human intelligence, singled out in its collective dimension (psicologia delle menti associate), the most important factor of economic and social development.

Economic development is based on the same principles which the progress of civilization and ideas is founded upon: liberty, volition, intelligence. Thus, the suitable policy to be followed by public authorities can be set up on those principles. A growing economy must be free from the constraints of administrative rules and tradition. Cattaneo supports free trade and property rights. Volition, intelligence and hard work allow accumulation, investment, technical progress and enhancement of infrastructures, and government must back up this push, reducing uncertainty and establishing a fair fiscal system. Then also agriculture will benefit of the huge investment needed to increase productivity, and modern entrepreneurship will spread even in the countryside. The dichotomy between advanced industry and backward agriculture does not make sense in Cattaneo, since in all sectors human intelligence plays a paramount role in modernizing the economy and engendering social progress.

Cattaneo, with his deep humanist animus, is enlightened, because he believes in free human intelligence as the very basis of progress; is positivist, thanks to his trust in science and continuous claim for empirical verification of theories; is liberal, since he thinks that only liberty can feed human intelligence. At the same time, he is a man of Romanticism, with his confidence in the possibility of overcoming all hindrances through liberty and volition. As a true liberal, Cattaneo can hardly be classified in just one stream of thinking.

The paper is divided into four parts. At the beginning (first paragraph), the historical contextualization, together with a short biographical sketch, puts the secular Cattaneo in comparison and contrast with different characters of Italian federalism, like the Catholic Rosmini Serbati and Gioberti, and allows to seize his attitude towards the moderate liberalism of Cavour, very far from him. In the second paragraph I deal with Cattaneo's philosophical and political approach, and, in the third one, with his economic thought, that can be summarized as a great claim for economic freedom in a federalist state. Finally, in the conclusion I put forward some considerations about the relationship between collective intelligence and volition: just liberty allows the rise of volition,

which, on its turn, gives birth to the collective intelligence. Federalism, in Cattaneo's thought, is the best political way to ensure such a liberty.

2. Cattaneo and the Italian *Risorgimento* in Lombardy.

Cattaneo was part of a family of the little bourgeoisie in Milano. His father was a goldsmith, and many of his relatives were very well educated. Milan was the capital of the *Governo Milanese*, one of the two parts (the other was Venice and the *Governo Veneto*) of the Kingdom of Lombardo Veneto, established on 7 April 1815 by the Wien Congress. But the administration had no actual political autonomy. The Austrian Empire, through the *Viceré* and the Governors of Milan and Venice, controlled all aspects of public life. To complete the rule, since the beginning of 1816 the Imperial civil and penal codes were adopted. However, Milan was a dynamic city, with modern economy and high demographic growth. Population rose from around 111,000 inhabitants in 1800 to more than 196,000 in 1861 (first Italian census). For thirty years (1818-1848) the *Viceré* was Archduke Ranieri, brother of Frances 1st; he was established in Milan, and Milanese aristocracy was not entirely against his rule, which, on the other side, had no real power. Differently, in Venice and its region, opposition was stronger, due to the legacy of their shining tradition of freedom and independence.

In Milan and Pavia Cattaneo becomes a student of Gian Domenico Romagnosi, philosopher and political scientist, opposant of the Empire, suspected of conspiracy, then arrested in 1821 and fired from the University. Cattaneo was deeply influenced by him, and their friendship lasted until Romagnosi's death (1835). Ernesto Sestan expresses the influence of Romagnosi (especially in his last years) on Cattaneo in just one phrase: scientific knowledge must ameliorate the human society. Romagnosi thought it through the very example of his entire life, e. g. when, already old, he discusses silk trade, saint-simonism, British pauperism (Sestan 1957: #). Then Cattaneo is an pragmatist and sincerely politically engaged, both in the scientific debate, and in the direct action: indeed he is a member of the *Consiglio di guerra* (military headquarter) in the *Cinque giornate di Milano* (18-22 March, 1848). But the scientific debate and the reflection published in books and journals, together with teaching in secondary school, were the ways he preferred to take part into political world. Even his activity as a senatore lasted just few months (#). Rather than a politician, he was an advisor of politicians and a teacher. Federalism, that is the hallmark of Cattaneo's thought, is just a pragmatic pathway to ensure actual democracy, civil progress of enthusiastic and participating people and finally, together with the protection of property rights, economic growth. Indeed liberalism, radical democratic spirit and pragmatism marks the difference between Cattaneo's federalism and the federalism *neoguelfo* of Vincenzo Gioberti, who propounded an Italian federation ruled by the Pope, and the position of Giuseppe Ferrari, whose federalism was merged with socialist elements. Federalism, according to Cattaneo, is the sole possible principle of freedom¹.

3. Economy in Lombardy and Northern Italy in Cattaneo's era.

The landscape shows many small villages and a productivity quite high, but lower than in the best regions in Germany, Belgium and the Netherlands (Della Peruta 2004). Morphologically, it is divided in three different belts. The Southern, plain belt has the most developed agriculture, with a large irrigation network, including also waterways: this is a "high technology" agricultural space, whose centre is Po. Here the *grand culture* blossoms, in large estates owned by Lombard aristocracy or religious bodies, and managed by skilled farmers, who invest big capital. The "intermediate" belt, between plain and hills, has smaller estates (10-30 ha as an average), owned by aristocracy or high bourgeoisie, who often uses the villas as summer residence. Their cultivation is based on sharecropping and provides revenue to landlords, but it is not their main source. Mountain

¹ « Il federalismo è la teorica della libertà, l'unica possibile teorica della libertà » Cattaneo Epistolario.

agriculture is the poorest belt, with very small plots of land farmed by peasant families who own them, or are sharecroppers (in valley floor). Winter migration from the mountain to the city offers labourers for unskilled work.

Lombard towns have a lively economic activity, which involves agriculture. They are points of trade and services, and their markets (usually two – three times per week) are thoroughly regulated by an efficient administration.

The rise of population since the beginning of the 17th century changes the prevailing types of contracts ruling the agricultural jobs. The historically prevailing contract was the *masseria*. The sharecropper had to let the 50% of the annual harvest to the land-owner, and obtained the use of land and farmhouse. Gradually it changed in *affitto misto a grano e mezzadria*. According to it, the landlord might pretend a fixed quantity of grain per unit of surface. Then the farmer was likely to drop in a bad condition, since he had to raise a greater quantity of grain, and give up products essential for his family. Due to demographical growth, also the farming of large estates changed. They were farmed by “mono-nuclear” families, with no bargaining power before the landlord. Then, in the second half of the 19th century, the standard of living of peasants and farmers decreased, and many of them went to Milan and other cities, looking for a better life.

Indeed in Lombardy is beginning industrialisation, thanks to private investment and low customs in the Austrian Empire. Manufacture grows since 1815 to 1848, when the revolution and following repression would stop further expansion for a while. We have in Lombardy more than 50% of the entire production of silk in the Empire, and it also has high production of cotton and textile in Milan and Como. Metallurgy is well developed in comparison with the rest of Italy: Lombardy and Tuscany supply about 2/3 of the whole Italian production (Romeo 1988); but it represents a very small share of European total amount (less than 1% with respect to England). Modern handicraft is quite weak, with just few exceptions, like Milan’s mint. Furniture, pottery, tobacco (monopolistic public owned firm) and sugar must also be mentioned as other main sectors, which absorb many workers (Della Peruta 1987; Romano 2012).

The neighbouring Kingdom of Sardinia was less developed, but the short Napoleonic experience had let it a good administrative framework, together with a neat and useful structure of general public accounting, on whose basis Cavour, the great Cattaneo’s enemy, in 1853 renewed the administration of the Kingdom. Its agriculture was not intensive, because of the morphology of the region, with just one half of land plain. Turin was mainly an administrative town, peopled by public servants, and very different from the dynamic Milan.

In March 1821 the first revolutionary episode burst in the Kingdom of Sardinia. Its chief was Santorre di Santa Rosa, a noble member of *Carboneria*, secret society that fought for Constitution and political freedom, and its main goals were the independence of Northern Italy and Constitution; but the revolution failed. Later, Gerolamo Ramorino, one of the leaders of the revolt, makes the failed attempt of February 1834 in Savoia, organised and financed by Mazzini, with the participation of Cristina Trivulzio Belgioioso and the military collaboration of Garibaldi in Genoa. The real Italian revolution against Austria would burst in March 1848 in Milan, and there Cattaneo would play a prominent role.

3. Fundamental aspects of the political vision of Carlo Cattaneo.

Cattaneo was interested in history, political economy and also linguistic, in the wake of a very old tradition (Condillac, Turgot). His thinking is *positive*, in the sense that his science has always practical purposes, without dropping in dogmatic positivism. His methodology, which we can label, following Vico (author criticised by Cattaneo), as the principle of *verum – factum*, derives from Romagnosi and Lombard Enlightenment: Verri and Beccaria. Therefore he emphasizes the role of intelligence, science and technology, with an optimistic approach and a reformist attitude. He was a real European intellectual, interested in the progress of transports (Gottardo railway), studies of compared agronomy (British and Lombard agriculture) and compared literature (Schiller and Alfieri). His idea of indefinite progress and civilisation (*incivilimento*) was rooted in his trust in free

human intelligence and gradual reforms. No biological analogy, nor dialectics of history are present here, but rather the *psicologia delle menti associate*, that is the principle that the free collective action of human intelligence, against ignorance and superstition, is the pathway to progress of institutions and economy. On this basis he founds his science of history (*Notizie naturali e civili sulla Lombardia*, in *Opere*, IV, 181-285). Knowledge comes from experience and must be practically applied: this is civilisation and politics, as science of public good (*Cosmologia*, in *Opere*, VII: 91; *Considerazioni sul principio della filosofia*, in *Opere*, VI: 115-142); and this was the principle that informed his *Politecnico* in 1839-1844 and 1859-1869, where we can find both science and technology, political economy and administration (including public accounting and statistics), education, humanities and literature, with the aim of enhancement of civil society.

His practical approach to politics is gradualist. He is in deep disagreement with the “revolutionarism” of Mazzini and also with the Cinque giornate di Milano, even though he took part in them (*Dell'insurrezione di Milano nel 1848 e della successiva guerra. Memorie*: 27 ff.; Ciasca 1916). In fact, Cattaneo was “moderate”, in the sense of gradualist, even though morally intransigent. The hallmarks of his programme were private property, free trade, particularly with Austria and Germany, and railways. He criticises socialists like Proudhon, and is convinced that property and freedom can generate wealth and public happiness, like in the agriculture of Northern Italy (*Saggi di economia rurale*: 201). Generally speaking, he was radically in favour of liberty in all senses. “Liberty and truth” (*Libertà e verità*) was his saying (Bobbio 1945: 23). Then, not only was freedom a political and economic choice, but it was also the sole atmosphere that allowed use of reason and progress (*Ricerche economiche sulle interdizioni israelitiche imposte dalla legge civile agli israeliti*, in *Opere*, IV: 24-181; *Lettera a P. Maestri*, gennaio 1854, in *Scritti politici ed epistolario*, II: 66).

Freedom will generate freedom, tolerance, friendship, peace. Only free discussion can give birth to scientific knowledge. His profound faith in liberty goes with patience and prudence. Liberty will spread without need of violence; then reform, not revolution, differently from Mazzini, suspected also of bent for dictatorship. But Cattaneo was also against *moderati* Gioberti and D'Azeglio, and fiercely against Cavour, accused of being imperialist interested in power and plots, without the due consideration for the real popular claim for independence and freedom. Moreover, Cattaneo's liberalism was nearer republic, considered as a part of the Italian tradition, than monarchy (*Dell'insurrezione di Milano nel 1848 e della successiva guerra. Memorie*: 95). His patriotism led him towards a political nationalism, merged with an intellectual cosmopolitanism; but keeping in mind that liberty is more important than independence, because liberty, sooner or later, creates independence, whereas independence without liberty is just changing of master.

This is the core of the most famous doctrine of Cattaneo: federalism. Federalism in Europe and federalism in Italy; that is, federalism as the core point of his thought, where natural, spontaneous freedom and association of intelligence converge, engendering civil and economic development. Liberty, republic, pluralism and federation must go on together (*Lettera all'ing. Tentolini*, 24 aprile 1852 e *lettera a S. Friscia*, 18 maggio 1862, in *Scritti politici ed epistolario*, II: 48 and 362-363), even though liberty and federation are essential, but republic is not. Indeed, Cattaneo propounds federalism in the Absburgic Empire and condemns Mazzini's republicanism, because republic must be an instrument to obtain and ensure freedom, then federalism.

Cattaneo's federalism is not strict, conservative localism. Obviously, he refers also to the geographical characters and historical legacy, but the keystone of federalism is the principle according to an unitarian state is doomed to be despotic, because unity stifles autonomy and freedom. Only pluralism of political decisional centres, that is unity and distinction, can guarantee liberty, thus social and civil advancement. According to Cattaneo, this is the only way to survive for the Absburgic Empire. Furthermore, federalism should be the principle of Europe, and, broadly speaking, of the progressive Occident, as alternative to war. True liberalism must reject war and conquest; only free agriculture, free trade, free science can create solidarity and the federal pact between nations. This is the natural outcome of politics founded on positive science and liberty

(*Considerazioni al II volume dell'archivio triennale*, in *Scritti politici ed epistolario*: 376). Here Cattaneo sets himself in the great European tradition of Constant and Sismondi, well known in Italy, who underline the role of local autonomy, as space of liberty and “school” of democracy and sociability. Last, but not least, Tocqueville published in 1835 and 1840 *De la démocratie en Amérique*, where the most important federal state was described.

Cattaneo's federalism is coherent with his scientific approach, which shows him difference, plurality and complexity of nature and society. Therefore we can think that his idea of federalism, which rises between 1835 and 1848, derives from his wide range of studies, always applying a scientific method. Before 1848, Cattaneo's principle of federalism apparently suits the Empire and Europe. Since 1848 to 1860, he has fully developed the idea, and applies it to Italy. Finally, after 1860 he believes it could be suitable for administrative and military reforms in the new unitarian Italy. In the first period, before 1848, he thinks that federalism can deal successfully with the great issues of different nationalities in the Absburgic Empire and, more widely, in Europe. In the Italian peninsula, just Lombardy and Venice are involved in the process. Interestingly, federalism is propounded as a real principle of universal peace, with its humanitarian, and also economic, positive consequences (*Considerazioni al I volume dell'archivio triennale*, in *Scritti politici ed epistolario*: 249; *Dell'insurrezione di Milano nel 1848 e della successiva guerra. Memorie*: 306). The evident difficulty lies in the transposition of the principle in a state that has not several different nationalities. The defeat of the revolution in 1848 convinced Cattaneo that republic and federalism were the keys to win the Italian revolution in the future. Indeed he believes that the intervention of the Kingdom of Sardinia was the cause of the defeat, because the Lombards revolutionaries were afraid of a new sort of colonialism, maybe worse than Austrian occupation. On the contrary, a federal republic would have a real popular army, where people are eager to fight for their independence and institutions. The sense of belonging, in this case, would be at the top. On this basis a real unity, which respects local specificities, can be attained. Unity does not mean fusion, Cattaneo asserts, against the imperialism of Savoia and the “cesarism” of Mazzini, who, however, was allied of the Lombard revolution. But the revolution was considered as a §”federal war” by Mazzini, as a “unitarian war” by Cattaneo, according to whom the only way for a strong unitarian army is just a federal agreement.

Cattaneo does not have any organic and complete theory of federalism, its historical genesis, its institutions, its possible application in different countries. His references are the United States and Switzerland, where he spent the last twenty years of his life. This is his perspective of the Stati Uniti d'Italia, a republic composed by a lot of small republic, even small towns, without any intermediate institution. He looks at Italian *comuni* of the Middle Age and the battle of Legnano, where they won the Emperor Federico (1176), as the other Italian republicans, Ferrari and Montanelli. This is true, he underlines, also for states with one language and one nationality, like France. The point is the nearness between the institution that creates law and people who must obey it. In this sense, federalism and liberty are connected.

In 1859 there is the second war for the independence of Italy, where France and the Kingdom of Sardinia were the winners. Now Cattaneo is favourable to the alliance with Napoleon the Third, because he loves the republican and military *animus* that France brings in Italy. But this is in contradiction with his thought. Hardly he could maintain that the Emperor of France was not a dictator; or that Napoleon the Third would have raised little republics in Italy, that, on their turn, would establish a great federal republic. Cattaneo is compelled to accept a geo-political play very far from him. The federalist perspective is out of debate, and he is involved in active politics, but with difficulty. He is with Garibaldi in Naples in 1860 and deputy at the Italian Parliament in Florence (1867), but he did not participate in the life of the Parliament, because he never swore allegiance to the Crown. After 1860, political federalism is utopian in Italy, therefore Cattaneo reduces his project and claims for federalism in administration and Army, where the conscripts would have a real fighting spirit if they defended their homeland, their families, their properties. This is the Army in a world where war is almost impossible; an Army that would not fight any

aggressive war. Such a popular army, based on compulsory military education from childhood, would be cheaper and worthy of praise. Then the Army would be no more a bureaucratic structure of the State, but the State itself, that is people always ready to defend their country. The generous Garibaldi is the example to follow. He is not Machiavellian, nor interested in power; this marks his distance from Cavour and Mazzini. The *Mille* were the real popular Army, which won a kingdom. As to administration, Cattaneo's programme is autonomy and decentralization. In July 1859 he maintains that every Italian state must reform the administration by itself; the imposition of law and bureaucracy from one state to another is wrong and dangerous, because every state has its specificities and, sometimes, laws more advanced than the conqueror's. But this is the strategy of Savoia. Decentralization means that each Italian state has his Parliament, and exists a general Parliament only for common affairs. Town councils have the utmost importance, because they are the core of a free nation. Decentralization is the last form in which Cattaneo propounds federalism, as institutional shield of liberty and democracy, and remains his lively message, also today.

However, federalism in Italy would be partly adopted only many years later, in the republican Constitution (1948), whose part on Region was enforced in 1970, about a century after Cattaneo's death; and is disputable the coherence of Italian regional decentralization with his project. In Cattaneo's life, we can say that federalism was not really understood, and it was not a political doctrine suited to Italy at time. Cattaneo believes in the direct, spontaneous, popular action, which, in the case of Italian *Risorgimento*, can be a revolt organised in local councils. In fact, the independence of Italy was realised through the conquest by Savoia and plebiscitary annexations. Cattaneo's Italian federation comprehended several small monarchies, which are unlikely to give birth to Italian republic. As remarked by Mazzini, the United States were a continent, and Switzerland was a multi-national country; nothing to do with the Italian case. Indeed, the Italian tradition in a country in quest for its unity was not favourable to federalism. But, beyond the historical legacy, Cattaneo has the political idea of federalism as theory of liberty. Federalism, he thinks, is guarantee of civil and political freedom, because it recognizes the territorial differences and because, thanks to it, the political power is near the citizen. Indeed, not only federalism is administrative decentralization, but also legislative autonomy. Now, democratic participation, self-government, direct democracy (in a sense different from Rousseau's position, and much more realistic than it) were elements too new, unacceptable by the political instances at time. Therefore federalism is not just "theory of liberty", but also "theory of democracy". In this sense, the thought of Cattaneo tells us also today.

4. Cattaneo and political economy.

As remarked by Sestan, Cattaneo called himself *economista* (Sestan 1979). As we have seen, intelligence and liberty are the basis of human action and advancement of ideas. They are also the very cause of economic development, provided property rights are protected.

The essay *Del pensiero come principio d'economia pubblica* (1861) maintains that thinking and intelligence are the spring of economy. Primitive people are poor simply because are not able to use the large natural resources they have, Cattaneo notes; therefore cleverness is the sole quality allowing economic and civil growth. Here he criticizes the Physiocrats, Smith, Genovesi and the Socialists, who undervalued that. Cattaneo does not share the Physiocratic idea of *pur don*, and their ignorance of the role of human labour, which is the real producer of surplus. Smith appreciates labour, but considers intellectual classes as unproductive. Genovesi sees the indirect contribution to production of soldiers and intellectual classes, who defend and manage economy; but also him does not see correctly: indeed he suggests that these classes must be comparatively small, because the wealth of nation derives from the contribution of directly productive classes. The Socialist equality, Cattaneo comments, is a limit to human volunity and belittles intellectual activity. Indeed their "fair" distribution considers just the physical participation to labour, and does not consider intelligence. Moreover, Socialism abolishes personal interest, which historically has been the force that pushed man to action.

The real urgency, now, is to study the economic effect of intelligence and volunty. Intelligence gets men able to use capital and labour correctly. Before labour and capital, intelligence must begin the work, he says. This transform everything in wealth. Intelligence shows us the best way of using labour and capital, and also creates technical progress, to have higher productivity, that is best result with less effort. No nature, no manual work are the cause of the wealth of nations, but intelligence. Government must understand this and encourage intelligence and volunty.

The *Ricerche economiche sulle interdizioni imposte dalla legge civile agli Israeliti* (1836) are occasioned by a controversy between France and Switzerland. Paradoxically, after the treatises of 1827 and 1828, Switzerland was compelled to recognize the property of land to French Jews, but not to Swiss Jews. From this starting point, Cattaneo discusses the prohibition to own land, and guesses that this is the reason of the wealth of Jews. Indeed they had no choice: their ownership of land or firms was illegal, or, at least, unsure. They had not choice: just lending activity was possible for them. But also lending was difficult in several circumstances. In this case, liquidity lacked and agriculture and maritime trade were in difficulty. Since frequently also a lot of leisure activities were interdicted, Jew's wealth rose dramatically. This, Cattaneo observes, due to their persecution. The interdiction of the ownership of land has a few bad consequences. Land is the first wetnurse of peoples and a fundament of civilisation. Landlords are always respected very much; financial activity offers greater rentability, but less respectability. If Jews could buy land, why should they abandon a lucrative pathway of financial investment ? Cattaneo singles out a natural tendency of capital towards land possess, because of human vanity and adversion to risk. The stream of capital towards land would ameliorate agriculture, and finally economy and society. Thus prejudice and intolerance stifle liberty and human dignity, and cause global economic losses. Indeed, the financial profit, reinvested in finance, and the profit in agriculture, reinvested there, have different effects on collective welfare. The free market would allow very profitable business in finance, where profit is high because they are risky (here Cattaneo offers a seminal theory of risk-rentability); but the financial entrepreneur is likely to seek less risky investment for his profits, and will find it in land. Then agriculture benefits very much, since the great investment it needs are hard to find. In this case, self-interest on free market will lead to good collective welfare.

In his *Saggi di economia rurale* (1844), appreciated by Einaudi, Cattaneo describes the geography of Lombardy, but is aware that cultivation is human activity: no *pur don* really exists. Land is an artificial fatherland. Cattaneo notes that in German the same word (*Ackerbau*) indicates both agriculture and building activity, and Bauer is the peasant and the builder. In Lombardy, the natural landscape is not appealing. Ponds and scarce fertile land are abundant and also water is not easy to bring to the estates. Watering, manuring and use of modern techniques transformed useless land in a real garden, with high rentability (*alta cultura*). Together with these techniques, an institutional novelty was introduced: the *diritto di acquedotto*, that is the right to set up aqueducts even if they go through estates owned by different peoples: it is sufficient to pay a predetermined sum, but the owner can not block anybody. Also in this case, we see that land, capital and labour are necessary, but not sufficient. Intelligence is needed, in the form of technical progress and fair laws.

Urban bourgeoisie should invest in agriculture, which offers a good, sure place to employ one's capitals. Agriculture will benefit from them, because a great deal of investment is necessary to develop it, and just the re-investment of profits is not enough. Then a social transformation would take place. Landlords make the first group of investment in infrastructure: buildings, bridges, waterways, and so on. Farmers lease land with quite long-term contracts, invest and employ workers. They are really entrepreneurs, who developed the *alta cultura*. This virtuous mechanism rules only if property rights are sure and contracts of insurance are possible . On this point, Cattaneo follows Locke and his *Two treatises on Government* (1690), where he justifies the property of land on very similar basis. Institutions and conventions, elaborated by agronomists, are essential for agriculture. We can mention log-term lease and *enfiteusi*, or *consegna e riconsegna*, contract by which the farmer, who ameliorates the estate, has the right to get money from landord. Also the fiscal system of *censo perpetuo* helps agriculture. In this case, the tax is not proportional to revenue,

but to the original, old value of land; thus the whole rise of value obtained by the farmer is not taxed. This is a great choice in favour of farmers, but also in favour of the whole agriculture, because farmers are encouraged to enhance the productivity in agriculture. Countryside and town, Cattaneo observes, are a couple of worlds that are not separated. As we have just seen, the profits of industry are frequently invested in agriculture; and also the modern entrepreneurialship of the very young industry is spread in countryside, which should always grow also thanks to modern systems of education, where theory and practice go together in schools economically self-sufficient thanks to cultivation. Cattaneo is able to fathom the probable cause of the misery of Lombard poor peasants. Paradoxically, it is due to the growth of agriculture. Indeed, in this case rent increases, landlords are richer and foodstuffs become more expensive. Therefore the real wage drops and the labour supply increases, because many people are obliged to seek job, since the price of food soared. Cattaneo understands this, and Einaudi praises him very much; but the Lombard economist is not able to find a solution, if not public charities, which he studies in the essay *Della beneficenza pubblica* (1839).

Free trade is another key point of Cattaneo's economic approach, founded on liberty. In his paper *Dell'economia nazionale di Federico List* (1843), he criticizes the German author, who defended protectionism to help the development of national industry. Later, when national economy is strong enough, customs duties should be abolished. Cattaneo thinks that duties derive from private interest and rent-seeking behaviour, and that free trade and free market create the best atmosphere for industrial development. He shares the opinion of Smith, according to whom the enlargement of market is necessary for economic growth. Furthermore, he notes that some industries, which supply important goods on the national market, can grow in the country only with great difficulty, simply because for natural, geographical reasons. As Ricardo (not cited by Cattaneo) showed in the theory of comparative costs, each country should specialize, and the final outcome is positive for all countries involved: in modern language, better allocative efficiency. Cattaneo criticizes both the customs duties, and the idea of a customs duty merely temporary. Indeed the rent-seeking behaviour and the weakness of national industries developed under protection, would make it difficult the abolition of duties when considered no more necessary. List is also against the importation of foreign capital: he fears the big external debt. Cattaneo rebuts this statement, because, in his opinion, agriculture and, generally speaking, a growing economy demands large capital for infrastructure etc.. To renounce to them means the reduction of growth. Also in the case that the national industry could build the infrastructure, it would make it at higher cost, and this would harm the economy of the country. Then Cattaneo suggests, instead of stopping the inflow of foreign capital, to evaluate the perspective of domestic industry and verify its possibility of growth, compared with the subvention received.

5. Concluding remarks.

What remains of Cattaneo? His idea of federalism can be taken into consideration to cope with the big issue at stake today: the mistrust of citizens in politics and public administration. Also the European Union could fruitfully learn something from the thought of this old federalist, about the necessity of a political union growing harmoniously. As to specific economic issues, the role of intelligence and the so-called *psicologia delle menti* associate is an original and genial intuition, really up-to-date in a world where collective intelligence is considered more and more as an autonomous, relevant factor of production. Finally, his claim for economic freedom and protection of property rights appears perfectly in line with the quite recent and well known approach of Acemoglu and Robinson. This great Italian patriot has something to tell us, after almost one century and half.

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