Chapter 1.

Italy

AT the revival of civilization in Europe, no country was more favored as to commerce and manufactures than Italy. Barbarism had not wholly rooted up the culture of ancient Rome. A propitious climate and a fertile soil, even with an unskilful agriculture, furnished abundant sustenance for a numerous population. The more necessary arts and trades had no more disappeared than the old Roman municipalities. A productive coast fishery was a good school for seamen, and the navigation of an extended coast supplied, in a good degree, the want of better communications in the interior. The vicinity of Greece, Asia Minor, and Egypt, and the facility of communication by sea with those countries, secured to Italy considerable advantages for the trade of the East, a trade which formerly, though upon a small scale, had been carried on through Russia and by a northern route. With these advantages, Italy became necessarily conversant with those arts and manufactures which Greece has saved from ancient civilization.

Since the emancipation of the Italian cities by Otho the Great, a truth, of which history offers many proofs, had received fresh confirmation, that liberty and industry are inseparable companions, though it be not rare that one is born before the other.

"Where commerce and industry appear, we may be sure that liberty is not far off; where liberty unfurls her flag, it proves a sure harbinger of industry. For it is in the nature of things, that men who have achieved the possession of material and moral benefits, seek guarantees for the transmission of these benefits to their posterity; so, after having enjoyed liberty, they exert themselves earnestly to improve their moral and material condition as the natural impulse of freedom.

For the first time since the fall of the free cities of antiquity, the Italian cities gave to the world the spectacle of free and rich communities. Cities and countries united their efforts for mutual advantage, and were greatly aided in their labors by the crusades. The transportation of the crusaders and their supplies, not only promoted navigation, but stimulated the establishment of profitable commercial relations with the East, the introduction of new manufactures, new processes, new plans, and the knowledge of new sources of enjoyment. On the other hand, the oppression of the feudal system was to some extent removed, to the great benefit of free agriculture, and to the marked advantage of the cities.

As compared with Venice and Geneva, Florence became distinguished especially for its manufactures and its operations in money and exchange. From the twelfth and thirteenth centuries its manufactures of silk and woollen goods were flourishing ; the corporations which carried on those industries had their share in the government; the republic itself was formed under their influence.

The woollen manufacture employed no less than 200 factories; 80,000 pieces of cloth, the raw material of which was imported from Spain, were manufactured there every year. Common cloths were also imported into Florence to the annual value of 300,000 gold florins from Spain, France, Belgium, and Germany, which,

after being dressed in her factories, were sent to the East. Florence was the banker of all Italy, there being no less than 80- banks. The State had a yearly income of 300,000 golden florins, [$5,000,000], and was much richer than the contemporary kingdoms of Naples and Arragon, and then Great Britain and Ireland at the time of Queen Elizabeth.

In the twelfth and thirteenth centuries, Italy possessed all the elements of national prosperity; commerce and industry were there greatly in advance of all other countries. Her agriculture and manufactures were models for imitation and emulation among other nations. Her roads and canals were the most perfect then existing in Europe. The civilized world is indebted to Italy for banks, for the compass, for improvements in naval construction, for bills of exchange, and for a multitude of valuable regulations and commercial laws, as well as for innumerable municipal and political institutions. Her merchant marine and her navy were by far the most considerable in the Southern Seas. The trade of the world was in her hands ; for, except a movement of business, still unimportant, in the Northern Seas, that trade did not extend beyond the Mediterranean and Black Seas. Italy supplied all other countries with manufactured articles and superfluities as well as with tropical commodities, and received from them raw materials. She lacked only one thing to be what England has become in our days, and in default of that one thing all the rest was lost; she lacked national unity, and the power which this unity gives.

The cities and the lords of Italy did not regard themselves as members of one and the same body; they battled against and destroyed one another as if they were independent powers. Besides those external contests, each commune was a prey to intestine struggles between democracy, aristocracy, and monarchy. Those calamitous wars were stimulated, kept up, and envenomed by the influence and the invasions of foreign powers, as well as by their domestic theocracy and its fulminations, which still divides each city into two hostile factions.

Italy achieved her own ruin; the history of her maritime power furnishes the evidence. From the eighth to the eleventh century Amalfi flourished in wealth and power. Her ships swarmed upon the seas, and her money circulated almost exclusively in Italy and in the East. The maritime code of Amalfi was in very high esteem, and being regarded as among the best extant, it was adopted in all the ports of the Mediterranean. In the twelfth century this maritime power was destroyed by Pisa, which in turn fell beneath the power of Genoa, and Genoa, after a severe struggle, was compelled to yield to Venice.

The fall of Venice shows also an indirect consequence of this narrow policy. It would have been easy for a league of the maritime powers of Italy to have maintained Italian preponderance in Greece, in the Archipelago, in Asia Minor, and in Egypt; nay, even to have enlarged and strengthened this ascendency, to have arrested the progress of the Turks and their piracies, to have disputed with the Portuguese the new route to the Indies by the Cape of Good Hope. But in the actual circumstances, Venice was reduced to her unaided strength, and was paralysed without, not only by the other Italian states, but by the neighboring European powers.

It would not have been difficult for a well-organized league of the Italian continental powers to have defended the independence of Italy against the greatest monarchies of the time. The establishment of such a league was attempted in 1526, but in a moment of danger, and only for the purpose of temporary defence. The luke warmness and treason of its members and its chiefs resulted in the growth of the Milanese, and the fall of the Tuscan republic. From that moment may be dated the decline of commerce and industry in Italy.

Before, as well as after that time, Venice had aimed to be an independent nation. So long as she had to do only with the fragments of Italian nationality, or with defunct Greece, she could maintain, without serious trouble, her manufacturing and commercial supremacy along the shores of the Mediterranean and Black Seas. But when whole nations full of vigor, appeared, upon the political arena, it was discovered that Venice was but a city, and its aristocrary only a municipal aristocracy. Venice had indeed subjugated many islands and vast provinces, but she had always governed them as conquered countries, and each of her conquests, according to the testimony of history, had been a source of weakness and not of strength.

The spirit to which Venice owed her grandeur was at the same time gradually extinguished in the heart of the republic. Her power and her prosperity, the work of a patriotic and brave aristocracy, itself the product of an energetic democracy, jealous of its liberty, endured and increased, so long as this liberty retained its democratic energy, and so long as this energy was directed by the patriotism wisdom, and heroism of the aristocracy ; but in proportion as the aristocracy degenerated into a despotic oligarchy, extinguishing all liberty, all popular energy, the roots of that power and that prosperity dried up, though the limbs and the top of the tree continued for a time to flourish.

"A nation in a state of servitude," says Montesquieu, "labors rather to preserve than to acquire. A free nation labors rather to acquire than to preserve." To this just remark he might have added: " And whilst people think only of preserving, and never of acquiring, they are overtaken by ruin;" for a nation which does not advance, retrogrades, and must finally perish. Very far from extending their trade and making new discoveries, the Venetians had not even the sagacity to take advantage of the discoveries of the others. Excluded from the trade of the East by the discovery of a new route, they scarce so much as admitted, much less admired, the discovery. What everybody saw they refused to believe. And when they began to suspect the fatal consequences of the change to be accomplished, they tried to maintain the old instead of taking their share in the benefits of the new route; they employed miserable intrigues to preserve and to acquire what they could only obtain by enterprise and courage applied to the new circumstances in which they were placed. And when, finally, they had lost everything,

when the riches of India flowed into Cadiz and Lisbon, and not into their port, they betook themselves, like idlers and spendthrifts, to alchemy.[30]

When the republic of Venice was in a condition of progress and prosperity, an inscription in the Golden Book was considered as a reward for eminent services in commerce, industry, government, or in war; this honor was accessible, upon these terms, to foreigners, the most distinguished of the silk manufacturers, who emigrated from Florence, having obtained that favor. But the book was shut when people began to regard public distinctions and the public revenue as the hereditary patrimony of the patricians. Later, when the necessity of restoring an effete and degenerate nobility was admitted, the book was again opened. Public services were no longer regarded as the principal titles to an inscription, but wealth and ancient origin. Under this policy the golden book fell into such discredit, that it remained uselessly open for a century.

If we should interrogate history as to the causes of the fall of that republic and its trade, the answer would be, that the principal causes were the folly, inactivity, and want of energy in a degenerate aristocracy, the apathy of a nation sunk into the condition of servitude. The trade and the manufactures of Venice must have perished, even if the route by the Cape of Good Hope had never been discovered.

The fall of Venice, as well as that of all the other Italian republics, is also explained by the want of national unity, by foreign preponderance, by the pressure of the Romish Church, and by the establishment in Europe of vast, powerful, and compact nationalities.

If we study specially the commercial policy of Venice, we perceive at once that the policy of modern manufacturing and commercial nations is, upon a large scale, or, in national proportions, little else than the adoption of the Venetian policy. Maritime restrictions and import duties favored the ship-owners and manufacturers of the country; and we find that even then the rule prevailed of importing raw materials and exporting manufactured products.

It has been recently asserted, in support of the principle of absolute free trade, that the fall of Venice was caused by commercial restrictions. This proposition contains a little truth mingled with much error. Whoever studies without prejudice the history of that republic, will find that there, as in greater nations, international trade whether with or without, restrictions, has proved advantageous or injurious to public power and prosperity, according to the peculiar circumstances of the time.

Unlimited free trade was the true policy of the republic in the first period of its elevation, for otherwise how could a hamlet of fishermen become a commercial emporium ? Restrictions became advantageous to Venice after she had attained

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[30] A vulgar charlatan, who pretended to the art of making gold, was received by the aristocracy as a Saviour. Daru, History of Venice, vol. iii., chap, xix

a certain degree of power and wealth; for by them she attained her manufacturing and commercial supremacy. Restrictions became injurious after she had reached this ascendency; for they removed all rivalry between her citizens and those of foreign countries, and thus destroyed the stimulus to excellence and industry. It was therefore not the establishment of such restrictions, it was rather persevering in them after they had ceased to be applicable, which was prejudicial to the Venetians.

That proposition was false also in this respect, that it left out of view the great hereditary monarchies. Although maintaining rule over provinces and islands, Venice was still but an Italian city; she had encountered in her growth only other cities of Italy, and her exclusive commercial policy could only extend so long as it remained unchecked by more powerful nations. When this event began to be realized, Venice could only pre-serve her supremacy by placing herself at the head of the whole of Italy, and extending her commercial policy over the whole peninsula. It was not possible to maintain for a very long period any system embracing the commercial supremacy of a single city, however skilfully devised, as against all other nations.

The example of Venice, so far as it can be invoked against the restrictive system, proves only this, neither more nor less, that an isolated city or a small state, as against great empires, cannot apply or maintain beneficially that system, and that a power having once, by the help of restrictions, attained manufacturing and commercial ascendency, must return to the principle of free trade as soon as it becomes safe to do so.

We meet in this, as in all discussions upon this subject of international free trade, a confusion of ideas, productive of grave mistakes. Commercial liberty is spoken of in the same terms as religious and civil liberty. The friends and champions of liberty in general, regarding themselves as the defenders of liberty under all its forms and names, rally to the defence of liberty of trade, making no distinction between the liberty of domestic trade, and that of international trade; both of which, in their essence and in their results, differ widely from each other. For if restraints upon international trade are but in a very few cases compatible with individual liberty, the highest degree of individual liberty is not incompatible in foreign trade with heavy restrictions. It may even happen that foreign commerce wholly free may lead to national servitude, as we intend to show in the instance of Poland.

It is in this sense that Montesquieu says: "It is in free countries that men of trade encounter innumerable obstacles; they are never less hampered by laws than in countries not free." [31]

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[31] Spirit of Laws ; Book xx., chap. xii.