

commemorating the death of Pantaleoni⁴⁸. We should not forget, either, that they were also closely linked to Ugo Mazzola: the three of them in 1890 took over the editorship of the *Giornale degli Economisti*. And in fact we have noticed the way Mazzola was determined to have his colleagues' priorities duly recognised, he also having expressed opinions on the Austrian School in tones similar to Pantaleoni's⁴⁹.

A further aspect of the distance between the two groups lies in the fact that Pantaleoni, De Viti de Marco and Mazzola interpreted marginalism quite differently from Cossa, Ricca-Salerno and Graziani; the latter, in varying degrees, considered its revolutionary significance as relative.

Conclusions

It has been pointed out elsewhere how the School rivalries set out here had lasting effects on the development of the theory of public finance in Italy:

"It is to the great merit of Ricca-Salerno that he realised the importance of Sax's introduction of marginal analysis in public finance as soon as the *Grundlegung* was published in 1887; unfortunately, the drawback was that most Italian authors followed the Austrian 'vulgate', instead of the better De Viti de Marco's version. Perhaps university rivalries were in part responsible for that, in so far as the first Italian followers of public finance marginal analysis were Ricca-Salerno and his pupil Graziani. Both these men accepted, and helped to spread, Sax's original version, including the cumbersome definition of public goods and services" (Fossati 2003: 109).

Whether held to be good or bad, Sax's influence on Italian economic thought was very great indeed. He is still cited in the Italian manuals of public finance⁵⁰.

And as a matter of fact we should be careful not to give too much importance to these rivalries. Pantaleoni himself, in a review published in the *Economic Journal* in 1891, puts all the protagonists examined here into the same class: "In public finance – he writes – De Viti, Mazzola, ... Ricca-Salerno, and Graziani have created a literature which cannot

⁴⁸ In a letter of June 15th, 1925 to Loria, Graziani considered De Viti's obituary good: "if he did not have the renewal of the Italian economic school begin with Pantaleoni" (Allocati 1990: 116-117).

⁴⁹ Mazzola in fact points out that in the "Austrian School ... beside its merits ... it has to be noted with regret the late, incomplete and almost disrespectful recognition of the prior merits of Gossen, Jevons and the others" (1890 : 28-29).

⁵⁰ Sax is cited as initiator of the voluntary-exchange theory in Cosciani (1977), Petretto (1987), Brosio (1993), among others.

be disregarded by the specialist of this branch” (Pantaleoni 1891: 768)⁵¹. If, in addition, we examine the way the condition of political economy in Italy was then presented abroad⁵², it can be seen that the Italian economists we have been dealing with here are all thought of as followers of the same school, precisely that Austrian School around which so many polemics had arisen⁵³.

The relationship between Sax and Italy occurred within an extensive network of exchanges between Italian and Austrian economists. In Ugo Rabbeno’s words: “the new Austrian school, ... in a short time has made a number of recruits among Italian economists” (1891: 449). Achille Loria, by no means in favour of the new direction⁵⁴, went so far as to speak of the “great triumphs” of the Austrian School, with its “magical influence” on Italian economists (Loria 1891: 73). It is important to remember this link, especially in the context of public finance⁵⁵, and in particular if it is compared to Anglo-Saxon realities of the age, as Seligman does when he writes: “The study of the science of finance, on which there is not yet a single book in English, continues to be prosecuted with great activity on the continent” (1892: 335)⁵⁶.

⁵¹ All these names, as well as others, are included by Pantaleoni among those Italian economists who “would have a much greater credit abroad than they have if they were to write in a language more generally known than Italian” (Pantaleoni 1891: 768).

⁵² In 1891 three articles were published in English in which three Italian economists described the state of economic theory in Italy: Pantaleoni (1891), Rabbeno (1891), and Loria (1891).

⁵³ As Magnani recalls (2003: 46), Hayek even believed that: “perhaps the most successful early exposition of the doctrines of the Austrian School in a foreign language was M. Pantaleoni’s *Pure Economics*” (Hayek 1934: 409).

⁵⁴ Loria, considered the father of Italian Marxism, in 1890 wrote an article criticising the theories of the Austrian School (Loria 1890).

⁵⁵ On the reception of Italian financial thought in Germany and Austria see Hagemann and Rösch (2001: 196-198).

⁵⁶ Musgrave and Peacock also speak of the “lively debate” which took place after 1880 “between Continental writers on public finance” (1958: VII).