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RÉSUMÉ DE LA THESE

Au cours des premières décennies du XX^{e} siècle, le système bancaire italien connut un processus d'internationalisation rapide, porté par quelques grandes institutions qui firent de l'expansion extérieure un élément central de leur stratégie. Parmi celles-ci, trois acteurs dominèrent la scène : la Banco di Roma, le Credito Italiano et, plus encore, la Banca Commerciale Italiana (BCI, dite « Comit »). Tandis que la Banco di Roma privilégiait une implantation dans les territoires coloniaux du royaume d'Italie – notamment en Libye, dans la Corne de l'Afrique, ainsi qu'en Égypte et au Levant – les deux autres établissements, et plus particulièrement la Banca Commerciale Italiana, orientèrent leur développement vers les grands centres de la finance internationale, tels que Londres, Paris et New York. Ces banques, en se diffusant également en Europe continentale, dans les Balkans et jusqu'en Amérique du Sud, accédèrent à des marchés où les communautés italiennes étaient nombreuses et où la demande de services bancaires transnationaux allait croissant.

Cette internationalisation précoce s'inscrivait dans une double logique : économique et politique. D'une part, elle répondait à la nécessité d'accompagner les flux commerciaux et migratoires de l'Italie libérale, d'autre part, elle participait à la volonté de projection internationale d'un pays encore perçu comme une puissance émergente. Les historiens de la banque italienne ont abondamment étudié les modèles d'organisation que ces établissements adoptèrent à l'étranger – notamment la création de filiales juridiquement indépendantes, sur le modèle des « free-standing companies » identifiées par Geoffrey Jones et Mira Wilkins. En revanche, la nature concrète des activités exercées par ces agences, les pratiques opérationnelles et la spécialisation fonctionnelle des directions locales sont demeurées des terrains relativement négligés. Peu d'études se sont attachées à saisir la dimension microéconomique et humaine de cette expansion, c'est-à-dire la manière dont les dirigeants et cadres de ces succursales agirent, négocièrent et arbitrèrent dans un environnement international complexe.

La littérature s'est également concentrée sur la période de l'entre-deux-guerres, mais s'est souvent arrêtée à l'année 1936, moment où la réforme bancaire italienne interdit la coexistence, au sein d'un même établissement, des opérations de crédit à court terme et des placements à long terme. La Grande Dépression, la montée du protectionnisme et la fragmentation des échanges internationaux ont contribué à figer l'attention des chercheurs sur les premières années de crise, négligeant largement la seconde moitié des années 1930. Cette thèse s'inscrit en contrepoint de cette tradition : elle vise à réévaluer la trajectoire de la finance italienne durant la période qui précède immédiatement la Seconde Guerre mondiale, lorsque le pays, isolé diplomatiquement après les sanctions imposées par la Société des Nations en 1935, poursuivit néanmoins une intense activité bancaire à l'étranger.

L'enjeu est donc double. Il s'agit, d'une part, de comprendre comment les établissements italiens, et en particulier la Banca Commerciale Italiana, réussirent à maintenir leurs opérations internationales dans un contexte de suspicion politique et de contraintes économiques croissantes. D'autre part, il s'agit d'éclairer les ambiguïtés des relations anglo-italiennes à la fin des années 1930 : alors que le Royaume-Uni jouait un rôle moteur dans la mise en œuvre des sanctions contre l'Italie fasciste, il s'efforçait en même temps de préserver une coopération économique minimale avec celle-ci. Cette tension entre confrontation politique et pragmatisme économique constitue un fil conducteur essentiel pour comprendre les marges de manœuvre dont disposaient les acteurs bancaires italiens dans les principales places financières mondiales.

L'étude repose sur une documentation inédite, issue notamment des archives historiques d'Intesa Sanpaolo – héritière de la Banca Commerciale Italiana –, des archives de la Banque d'Italie, de la Banque d'Angleterre et des National Archives britanniques. Ces sources offrent une granularité rare : correspondances internes, bilans comptables de succursales, registres de crédits et rapports confidentiels permettent de saisir les dynamiques quotidiennes du travail bancaire et de les articuler aux transformations macroéconomiques et diplomatiques de l'époque.

Sur le plan théorique, la recherche s'articule autour de plusieurs cadres conceptuels complémentaires. Elle s'inscrit d'abord dans la littérature relative à la substituabilité managériale, question au cœur de la théorie de la firme depuis les travaux d'Edith Penrose. Celle-ci distinguait deux formes de savoir managérial : d'un côté, la connaissance institutionnelle, formalisable et transmissible ; de l'autre, la connaissance tacite, fondée sur l'expérience et sur l'intégration personnelle dans des réseaux de relations. Cette distinction sert ici de grille d'analyse pour comprendre les modalités de succession et de continuité au sein des agences étrangères de la Comit.

L'étude mobilise également les apports de la sociologie économique et de l'analyse de réseaux sociaux. En considérant la banque non comme une simple organisation hiérarchique mais comme un ensemble de relations encastrées dans des contextes institutionnels et interpersonnels, elle propose une lecture dynamique du pouvoir de gestion et de la circulation de l'information. Les trajectoires respectives de deux directeurs de branches – Carlo Lovioz à Londres et Guglielmo Reiss Romoli à New York – offrent deux études de cas contrastées. Le premier, formé dans la culture cosmopolite de la finance londonienne depuis 1912, incarne la continuité du modèle du banquier international de la fin du XIX^{e} siècle ; le second, technocrate issu de la nouvelle élite administrative fasciste, représente la rationalisation et la nationalisation progressive du management bancaire italien. Sur le plan empirique, la recherche procède par une reconstruction systématique des réseaux relationnels des deux dirigeants, à partir d'archives de correspondance, de registres de conseils d'administration, de journaux financiers et d'annuaires professionnels. L'analyse de réseau quantifie les liens

interinstitutionnels stables – définis par un minimum d'interactions documentées – et distingue les structures relationnelles héritées de celles reconstruites de novo. Ces observations sont complétées par une étude qualitative des « chaînes relationnelles », c'est-à-dire des enchaînements d'interactions qui permettent de suivre la circulation du savoir, l'évolution des décisions de crédit ou les ajustements face aux contraintes extérieures.

Cette approche multiscalaire permet de dépasser la dichotomie simpliste entre le cosmopolitisme bancaire d'avant 1914 et la technocratie fasciste des années 1930. Elle montre que les continuités institutionnelles furent souvent plus fortes que les ruptures politiques : les directeurs de succursales, loin de se réduire à de simples exécutants, furent des médiateurs entre logiques nationales et rationalités locales. Leurs stratégies de survie et d'adaptation dans un environnement international de plus en plus hostile éclairent la manière dont la banque italienne maintint sa présence à Londres et à New York jusqu'à l'entrée en guerre des États-Unis en décembre 1941. En parallèle, la thèse interroge le rôle des banques italiennes dans le financement du commerce international au moment où la crise financière mondiale de 1929–1931 bouleversa les circuits de crédit. À travers l'exploitation d'archives comptables du New York branch de la Comit, elle propose une analyse inédite de la contraction du crédit commercial et de la transformation du marché des acceptations bancaires. Ces sources permettent d'observer à haute fréquence les mouvements de liquidité et les ajustements des lignes de crédit selon les partenaires et les pays. En replaçant ces micro-données dans le contexte de la désintégration du système de l'étalon-or et de la montée des contrôles des changes, la recherche éclaire les liens entre crises financières, perturbations du financement du commerce et réorientation géographique des échanges italiens.

Enfin, la dernière partie du travail aborde la question des sanctions économiques et financières imposées à l'Italie après l'invasion de l'Éthiopie en 1935. Si la diplomatie et le commerce ont été amplement étudiés, la dimension financière des sanctions – leur mise en œuvre concrète par les banques britanniques, leurs effets sur les circuits de paiement et les réactions italiennes – demeure peu connue. L'analyse des archives de la Banque d'Angleterre et des institutions de la Société des Nations révèle comment Londres utilisa son système bancaire comme un instrument de coercition, contrôlant les transactions suspectes et menaçant d'exclusion les contrevenants. Face à cela, les banques italiennes développèrent des stratégies d'évitement : recours à des circuits indirects via des correspondants neutres, utilisation accrue des accords de compensation bilatéraux et adaptation des instruments de paiement pour contourner les interdictions.

L'ensemble du travail adopte ainsi une perspective intégrée, croisant niveaux d'analyse et échelles d'observation. En articulant l'étude des pratiques managériales (niveau micro), des opérations financières (niveau méso) et des politiques économiques internationales (niveau macro), la recherche

reconstitue les logiques d'adaptation d'un grand établissement bancaire italien dans un contexte de dé-globalisation accélérée. L'objectif général du projet est de comprendre comment les institutions financières italiennes, et plus particulièrement la Banca Commerciale Italiana, purent maintenir leur rôle d'intermédiation entre marchés nationaux et internationaux alors même que les conditions politiques, monétaires et diplomatiques rendaient cette intermédiation presque impossible. À travers l'analyse croisée des cas londoniens et new-yorkais, le travail démontre que l'histoire de la banque italienne ne peut être lue seulement comme un processus de nationalisation ou de dépendance à l'État fasciste : elle doit aussi être comprise comme une série d'ajustements pragmatiques aux contraintes structurelles du système financier mondial.

1. *Cadre théorique, approches méthodologiques et architecture conceptuelle*

L'approche adoptée par ce travail se distingue par sa volonté d'articuler plusieurs niveaux d'analyse — individuel, institutionnel et systémique — au sein d'une même lecture historique. Dans une perspective d'histoire économique et sociale de la finance, la thèse se situe à l'intersection de la théorie de la firme, de la sociologie des réseaux et de l'histoire des relations économiques internationales. Elle mobilise ces trois registres non comme des champs disjoints mais comme des instruments complémentaires permettant de penser la continuité des comportements institutionnels dans un contexte de crise et de contrainte politique.

1.1 La substituabilité managériale et la circulation des savoirs organisationnels

Le point de départ conceptuel de la recherche réside dans la réflexion sur la substituabilité managériale, telle qu'elle fut formulée dans la théorie de la croissance de la firme. Dans la lignée d'Edith Penrose, il s'agit de concevoir l'entreprise non pas simplement comme un capital organisé, mais comme un ensemble de ressources humaines et cognitives dont la coordination détermine la capacité d'expansion. Le remplacement d'un dirigeant, dans cette optique, n'est jamais neutre : il engage la question du transfert des savoirs, de la permanence des pratiques et de la continuité des réseaux de confiance. La distinction entre connaissance objective et connaissance expérientielle est centrale. La première, institutionnalisée dans des procédures et des documents, peut être transmise sans perte significative ; la seconde, fondée sur l'expérience personnelle, est en revanche difficilement transférable. Dans les grandes banques internationales du début du XX^{e} siècle, cette double dimension du savoir se cristallise dans les relations entre le siège et les agences étrangères. Les directeurs de succursales incarnent une forme de savoir hybride : à la fois technique et relationnel, encastré dans des contextes locaux et pourtant soumis à une hiérarchie transnationale. Appliquée à la Banca Commerciale Italiana, cette grille d'analyse permet de comprendre comment, dans les années 1930,

la direction générale à Milan chercha à concilier l'exigence de centralisation administrative, issue de la logique technocratique du régime fasciste, avec la nécessité de conserver la flexibilité relationnelle indispensable à l'activité internationale. L'hypothèse générale est que la substituabilité des dirigeants n'était pas seulement une question de compétences techniques, mais relevait d'un processus de reconstruction des réseaux : un manager n'était substituable que s'il parvenait à reproduire, dans un contexte nouveau, les chaînes relationnelles préexistantes.

1.2 *Les apports de la sociologie des réseaux et du concept d'encastrement*

Le recours à l'analyse de réseaux sociaux répond à cette exigence. Inspirée par les travaux de Mark Granovetter sur l'encastrement social de l'action économique, la démarche part du postulat que les décisions financières ne peuvent être comprises sans référence aux relations de confiance et aux interactions répétées qui les sous-tendent. Dans le cas de la Comit, la correspondance abondante entre les agences étrangères et le siège central permet de reconstituer ces structures relationnelles avec une précision inédite.

La méthode employée repose sur un dépouillement systématique des archives : lettres, télégrammes, comptes rendus de réunions, carnets de contacts et rapports d'activité. Chaque interaction documentée a été codée en fonction de sa fréquence, de sa nature (hiérarchique, partenariale, diplomatique, commerciale) et de sa direction (sortante ou entrante). À partir de ce corpus, un réseau a été construit pour chacune des deux succursales étudiées, Londres et New York, en distinguant les liens forts – c'est-à-dire les relations caractérisées par au moins quatre interactions attestées – des liens faibles, définis par des échanges ponctuels.

Cette démarche, quantitative dans son principe, a ensuite été enrichie par une lecture qualitative attentive aux contextes et aux temporalités des relations. Les chaînes relationnelles identifiées – séquences d'échanges récurrents entre acteurs, institutions et correspondants – ont permis de suivre la diffusion de l'information et la constitution de formes de confiance interbancaire. Il en ressort que la longévité d'un directeur dans une agence augmentait sensiblement la densité et la stabilité du réseau : c'est le cas de Carlo Lovioz à Londres, dont la présence continue depuis 1912 avait permis une véritable transmission cumulative du capital relationnel. À l'inverse, la nomination de Guglielmo Reiss Romoli à New York en 1935 illustre la difficulté de recréer ex nihilo un réseau d'interactions dans un environnement hautement concurrentiel et politiquement sensible.

1.3 *Une méthodologie intégrée : microhistoire, comptabilité bancaire et diplomatie financière*

Sur le plan méthodologique, le travail combine trois approches historiographiques complémentaires. La première relève de la microhistoire organisationnelle. Elle consiste à examiner, à travers des trajectoires individuelles, les pratiques concrètes de gestion, les logiques d'apprentissage et les stratégies d'adaptation locales. L'analyse des correspondances privées, des notes internes et des carrières permet de restituer la dimension humaine du fonctionnement bancaire, souvent occultée par les approches purement institutionnelles. La seconde approche repose sur l'exploitation des sources comptables et statistiques. Les registres d'acceptations, de crédits et de comptes courants conservés dans les archives de la Comit constituent une documentation exceptionnelle, tant par sa fréquence (mensuelle ou hebdomadaire) que par son niveau de détail. Ces données permettent d'observer la microstructure des flux financiers et de relier les décisions individuelles aux tendances macroéconomiques. L'analyse de ces séries met en évidence les ajustements opérés par la banque face à la contraction du crédit international après 1931, ainsi que la hiérarchisation des clientèles selon leur nationalité et leur degré de risque perçu. Enfin, la troisième approche s'inscrit dans une histoire diplomatique de la finance. Les archives de la Banque d'Angleterre, des ministères britanniques et des organisations internationales offrent un regard complémentaire sur la manière dont les autorités monétaires et politiques encadraient ou limitaient les opérations italiennes. Ces documents révèlent les tensions entre la logique de sécurité nationale et les intérêts économiques privés : le maintien de certaines relations bancaires avec l'Italie, malgré les sanctions, fut souvent le fruit d'arrangements informels et de compromis tacites.

L'une des contributions méthodologiques majeures de la thèse réside dans la triangulation systématique des sources. Chaque observation microéconomique issue des archives bancaires est confrontée à des données de niveau méso (rapports de la Banca Commerciale Italiana, ses statistiques du commerce extérieur) et à des informations de niveau macro (documents diplomatiques, textes réglementaires, rapports de la Banque d'Italie, statistiques du commerce extérieur). Cette mise en perspective multi-échelle permet de dépasser le cloisonnement entre histoire économique et histoire politique, en montrant que les choix opérationnels des banques étaient constamment influencés par des contraintes institutionnelles internationales. Cette méthode s'inscrit dans une logique de complémentarité entre quantitatif et qualitatif. Les résultats issus de l'analyse de réseau ne sont jamais interprétés isolément : ils sont systématiquement replacés dans le contexte des pratiques, des stratégies et des discours des acteurs. Par ailleurs, l'approche rétrospective permet de pallier les lacunes inhérentes aux archives. Là où les données chiffrées manquent, la correspondance et les témoignages viennent restituer la texture sociale de l'activité bancaire.

Au-delà du cadre principal centré sur la substituabilité managériale, la recherche dialogue avec d'autres traditions intellectuelles. Elle s'appuie notamment sur la littérature relative à l'adaptabilité institutionnelle des banques face aux chocs réglementaires et aux mutations des marchés financiers. Cette approche, développée par l'histoire bancaire comparative, insiste sur la capacité des institutions à remodeler leurs structures internes pour préserver leurs fonctions d'intermédiation. De même, l'étude contribue aux débats contemporains sur la « weaponisation » de la finance, en retraçant l'un des premiers épisodes historiques de sanctions financières multilatérales : celles imposées à l'Italie fasciste après l'invasion de l'Éthiopie. L'analyse montre comment, dès les années 1930, les grands centres financiers – Londres en premier lieu – commencèrent à utiliser l'accès à leurs marchés comme instrument de pression diplomatique. En ce sens, le cas italien préfigure les logiques de dépendance et de contournement que l'on retrouvera dans les sanctions économiques de la fin du XX^{e} siècle.

1.4 *Structure analytique de la thèse*

La cohérence de la thèse repose sur une architecture tripartite :

- La première partie s'attache à la question du management et de la continuité institutionnelle à travers les carrières de Lovioz et Romoli. Elle mobilise la sociologie des élites bancaires et l'analyse des réseaux pour examiner la transformation du profil des dirigeants italiens, du banquier cosmopolite au technocrate d'État.
- La seconde partie explore les interactions entre perturbations financières et commerce international, en s'appuyant sur les données comptables du New York branch. Elle met en évidence le rôle du crédit commercial dans la transmission des crises financières et la reconfiguration des flux d'échanges.
- La troisième partie étudie enfin les effets des sanctions et des régulations financières sur les opérations internationales de la Comit. Elle s'intéresse aux stratégies de contournement, aux logiques de sur-conformité des banques britanniques et aux dispositifs de compensation bilatérale adoptés par l'Italie.

L'ensemble de ces trois volets forme un continuum analytique : les pratiques managériales observées au niveau micro se reflètent dans les ajustements opérationnels de la banque (niveau méso) et s'inscrivent dans un contexte international marqué par la contrainte politique et la dé-globalisation financière (niveau macro).

2. *Études de cas de la première partie — Londres et New York, deux trajectoires managériales*

2.1 *La succursale de Londres : continuité, prestige et diplomatie discrète*

Le cas de la succursale londonienne de la Banca Commerciale Italiana constitue un véritable observatoire du fonctionnement du système bancaire international de l'entre-deux-guerres. Ouverte dès 1911, elle fut dirigée presque sans interruption par Carlo Lovioz, figure emblématique de la génération des banquiers cosmopolites issus de la tradition du capitalisme financier du XIX^{e} siècle. Formé dans l'environnement multilingue de la haute banque européenne, Lovioz maîtrisait les usages de la City, ses codes de discrétion, de réserve et de sociabilité institutionnelle. L'étude de sa correspondance révèle un équilibre subtil entre loyauté nationale et intégration professionnelle. Lovioz sut préserver, tout au long des années 1920 et 1930, une réputation d'efficacité et de fiabilité auprès des maisons britanniques, tout en se conformant aux directives de Milan et aux injonctions croissantes du gouvernement fasciste. Ce positionnement ambivalent — fidélité au siège mais prudence politique — fut la clé de la longévité de la succursale londonienne. Les réseaux qu'il entretenait s'étendaient bien au-delà du cercle des établissements italiens : ils incluaient des représentants de la Banque d'Angleterre, des firmes d'acceptations, des maisons d'assurance et plusieurs directeurs de grandes banques étrangères, notamment la Midland Bank, la Lloyds et la Deutsche Bank. Les liens les plus forts identifiés dans les archives de correspondance correspondent à des relations professionnelles établies de longue date, remontant parfois à la période d'avant 1914. L'analyse de réseau met en évidence une densité relationnelle élevée et stable. Le degré moyen de connectivité du réseau de la succursale de Londres reste supérieur à celui observé pour New York ou pour d'autres agences européennes, signe d'une forte insertion dans le tissu financier local. Ces relations reposaient non seulement sur la compétence technique, mais aussi sur la confiance interpersonnelle. Les lettres échangées avec le siège, entre le 1935 et le 1940, montrent que Lovioz servait souvent d'intermédiaire dans la transmission d'informations sensibles, comme les rumeurs de dévaluation, les mouvements de taux d'escompte ou les évaluations de solvabilité de partenaires étrangers. En fait, les années 1931–1935 furent marquées par une recomposition du système financier international : l'abandon de l'étalon-or par le Royaume-Uni, la montée du protectionnisme et l'intensification du contrôle des changes redéfinirent les marges de manœuvre des banques étrangères. Dans ce contexte, la succursale de Londres devint un poste d'observation privilégié pour la Banque d'Italie et pour le ministère des Finances italiens, qui comptaient aussi sur son directeur pour maintenir un minimum de visibilité et respectabilité sur les flux financiers internationaux.

2.2 *Le New York branch : modernisation, technocratie et crise*

Le cas new-yorkais offre un contraste saisissant. Inaugurée en 1918, la succursale américaine connut une trajectoire plus instable, marquée par une succession rapide de directeurs jusqu'à la nomination, en 1935, de Guglielmo Reiss Romoli. Formé dans les milieux administratifs du fascisme, polytechnicien, Romoli incarnait la génération des technocrates de l'entre-deux-guerres : rationaliste, autoritaire, et convaincu que la modernisation des structures économiques passait par une discipline hiérarchique rigoureuse. À son arrivée à New York, il trouva une institution affaiblie par les effets cumulés de la Grande Dépression et des tensions politiques. Son approche fut résolument technocratique. Il mit en place une rationalisation des procédures internes : réorganisation du service des crédits, introduction de normes comptables plus strictes, standardisation des rapports envoyés à Milan. Il tenta également de diversifier les activités de la succursale, en développant les opérations de financement commercial pour les entreprises italo-américaines et en promouvant les échanges avec l'Amérique du Sud. Ces efforts s'inscrivaient dans la stratégie de la Comit visant à accompagner la diaspora italienne et à renforcer la position de l'Italie dans les marchés atlantiques.

Cependant, l'analyse des archives montre que cette politique se heurta à de multiples obstacles. D'une part, la législation bancaire américaine, renforcée par le Glass–Steagall Act de 1933, imposait des restrictions sévères aux établissements étrangers. Les correspondances entre Romoli et le siège témoignent d'un sentiment d'isolement croissant : les marges de manœuvre du directeur étaient étroites, et les contrôles exercés par les autorités américaines se faisaient de plus en plus pesants.

Les données comptables confirment ce diagnostic : le volume des acceptations bancaires chuta entre 1930 et 1934, avant de se stabiliser à un niveau inférieur de moitié à celui de la période d'avant crise. La part des crédits accordés à des entreprises américaines non italiennes se réduisit drastiquement, tandis que les opérations intracommunautaires — c'est-à-dire avec les firmes italo-américaines et étrangères — augmentèrent en proportion. Cette re-concentration ethnique du portefeuille témoigne à la fois d'un repli stratégique et d'une adaptation pragmatique : la banque s'appuya sur la confiance interne à la diaspora pour pallier la perte d'accès au crédit international.

Romoli chercha à compenser ces difficultés par une politique active d'innovation organisationnelle. Il développa un système interne d'analyse de risque inspiré des méthodes anglo-saxonnes et tenta d'introduire des mécanismes d'évaluation standardisés pour les clients italiens et étrangers. Ces innovations traduisent la volonté de moderniser les outils de gestion, mais elles se heurtèrent à la rigidité bureaucratique de la direction milanaise, peu encline à déléguer l'autonomie décisionnelle.

L'étude de son réseau relationnel révèle un contraste marqué avec celui de Lovioz. Le degré de connectivité est inférieur, les liens forts sont moins nombreux et plus récents, et la centralité de

Romoli dans le graphe global de la Comit reste limitée. Autrement dit, il exerçait une autorité hiérarchique forte mais disposait d'un capital relationnel faible.

2.3 *Stratégies transfrontalières et financement du commerce : Comit à New York et Londres dans les années 1920 et 1930*

La deuxième partie de l'étude se concentre sur l'activité internationale de la Banca Commerciale Italiana durant les années marquées par la Grande Dépression et la crise bancaire de 1931. Elle vise à analyser l'évolution des stratégies opérationnelles de ses filiales étrangères, en particulier à New York et à Londres, dans un contexte de chocs financiers mondiaux et de réorganisations institutionnelles. L'analyse commence par examiner l'impact historique des crises financières sur les flux commerciaux internationaux et passe en revue les principaux apports de la littérature sur le financement du commerce. Elle s'intéresse ensuite au cadre financier qui a soutenu les opérations de financement à court terme de la filiale new-yorkaise et explore l'adaptation de la banque face aux transformations économiques et institutionnelles. L'étude met également en lumière la répartition géographique des succursales et filiales de Comit, leurs spécialisations dans les paiements transfrontaliers et le financement du commerce, ainsi que certaines pratiques spécifiques telles que le prêt interne et les réponses de la direction de New York à ces situations. En synthèse, cette partie offre une perspective détaillée sur la manière dont Comit a navigué dans des environnements financiers distincts et a ajusté ses stratégies internationales pour maintenir ses opérations à travers des périodes de forte instabilité économique.

2.3.1 *Crise financière et financement du commerce : l'expérience de la Banca Commerciale Italiana à New York*

Cette étude examine l'activité d'acceptation de la succursale new-yorkaise de la Banca Commerciale Italiana (BCI-NY) sur deux périodes pour lesquelles des sources archivistiques sont disponibles : décembre 1926–mars 1928 et novembre 1930–septembre 1931. Bien que limitées, ces périodes offrent un éclairage précieux sur l'impact potentiel de la crise financière de 1931 sur le financement par acceptation et sur ses implications pour le commerce italien et international. Une évolution majeure concerne la répartition géographique des crédits accordés. Entre 1926 et 1928, les commerçants italiens et étrangers étaient financés de manière quasi équivalente par BCI-NY, recevant respectivement 66 906 757,05 lires ($3 361 135,19) et 66 380 305,85 lires ($3 334 688,33). En revanche, entre 1930 et 1931, cette répartition diverge fortement : seuls 4 895 932,24 lires ($256 130,38) ont été alloués aux commerçants italiens, contre 40 708 885,30 lires ($2 129 682,73) pour les

clients étrangers. Cette disparité reflète probablement les contraintes financières croissantes auxquelles les entreprises italiennes ont été confrontées dans un contexte économique international tendu. La réduction des crédits destinés aux commerçants italiens semble coïncider avec le ralentissement général de l'économie nationale. Cette contraction du financement du commerce a pu limiter la capacité des entreprises à s'approvisionner en matières premières et à soutenir les exportations, aggravant les difficultés économiques du début des années 1930. Elle s'inscrit également dans le cadre du resserrement global des marchés financiers et de l'aversion accrue au risque des institutions bancaires durant la Grande Dépression. Si établir une causalité directe reste délicat, les données suggèrent une corrélation étroite entre contexte financier et volume des crédits accordés.

L'analyse des importations de coton des États-Unis vers l'Italie, à l'échelle des villes, révèle une contraction marquée après 1931. Cette diminution affecte particulièrement les centres industriels du textile en Lombardie – Bergame, Milan, Monza, Busto Arsizio – ainsi que d'autres villes du nord de l'Italie, comme Turin, Venise et Trieste. Proportionnellement, les baisses les plus importantes se sont observées à Venise et Trieste, suivies par Milan, Busto Arsizio, Turin, Bergame et Monza, avec des réductions allant de 88 % à 99 %. Par ailleurs, le moratoire sur le crédit instauré à l'été 1931 a entraîné le report de nombreux prêts, qui restaient néanmoins enregistrés dans les registres comptables de BCI-NY afin de limiter les risques de défaut. Cette analyse contribue également à un champ de recherche encore peu exploré : le financement du commerce international durant l'entre-deux-guerres. Si les acceptations bancaires ont joué un rôle central dans le commerce mondial, l'impact précis des crises financières sur leur fonctionnement reste insuffisamment étudié, en particulier dans le contexte italien. Les échanges extérieurs italiens semblent avoir été affectés négativement, comme en témoigne la forte contraction des crédits accordés pour les importations de coton depuis les États-Unis, tombés de un dixième à un soixantième du total des crédits entre 1927 et 1931.

Grâce à l'accès à de nouvelles sources archivistiques, cette étude permet de comprendre comment l'instabilité financière de la fin des années 1920 et du début des années 1930 a pu influencer le commerce italien à un niveau micro, offrant une vision détaillée ville par ville. Elle met en lumière les canaux possibles par lesquels les contraintes financières ont pu affecter les flux commerciaux et fournit une compréhension plus fine du lien entre crise financière et contraction du commerce international.

2.3.2 *Diplomatie financière et sanctions économiques : le rôle des institutions bancaires italiennes dans le commerce international*

Cette section analyse les stratégies mises en œuvre par l'Italie, et plus particulièrement par ses institutions bancaires, pour naviguer dans un environnement complexe marqué par l'imposition de sanctions économiques internationales. Elle s'appuie sur une réflexion théorique sur les sanctions financières et économiques, leur efficacité potentielle, les degrés de conformité observés, ainsi que les différentes méthodes de contournement employées par les États ciblés. L'étude examine également le rôle des puissances centrales dans l'application et le contrôle de ces sanctions. Dans ce cadre, la position dominante des centres financiers internationaux a permis à certains pays d'imposer des mesures avec efficacité et de dissuader les tentatives d'évasion. Le réseau diplomatique étendu, composé d'ambassades et de consulats, a joué un rôle clé dans le suivi des échanges commerciaux et dans la collecte d'informations sur le transport de marchandises susceptibles de contourner les restrictions imposées. Le travail met en lumière la transformation des relations commerciales internationales dans un contexte où de nouveaux mécanismes, tels que les accords de compensation bilatéraux, ont été utilisés pour réguler les flux commerciaux. Malgré ces changements, les instruments financiers traditionnels, comme les acceptations bancaires, ont continué à jouer un rôle, même s'il était réduit, dans le financement des échanges internationaux. Dans cet environnement réorganisé, les banques italiennes ont joué un rôle crucial en facilitant la réintégration économique de l'Italie et la stabilisation de ses relations financières internationales. Elles ont contribué à normaliser les échanges et les relations avec les principaux centres financiers étrangers tout en soutenant des secteurs stratégiques tels que le commerce maritime. Ce rôle a permis aux institutions bancaires italiennes de participer activement à la diplomatie économique et financière, démontrant leur capacité à adapter leurs stratégies face à des contraintes externes complexes et à maintenir leur influence dans un système international en mutation.

Les années 1930 furent un laboratoire précoce de la politisation des instruments financiers. L'affaire des sanctions de 1935–1936, que l'étude éclaire sous un jour nouveau, illustre comment la finance devint un outil de coercition diplomatique. La Banque d'Angleterre, en coordonnant les restrictions imposées aux établissements italiens, mit en œuvre un contrôle inédit sur les flux internationaux. Les archives montrent que ces mesures ne reposaient pas seulement sur la contrainte légale, mais sur une forme de discipline morale imposée aux institutions britanniques : refuser la coopération avec les Italiens devint un marqueur de respectabilité politique. Pour les banques italiennes, cette nouvelle donne imposait de repenser leur rôle. La finance n'était plus seulement un espace d'échanges économiques, mais un champ de confrontation symbolique où se rejouaient les hiérarchies de pouvoir entre États. La capacité à contourner ou à neutraliser ces contraintes dépendait donc de la maîtrise de

la diplomatie financière : comprendre les règles non écrites, anticiper les réactions des autorités, utiliser les failles du système à leur avantage. La Banca Commerciale Italiana, en conservant des points d'ancrage à Londres jusqu'en 1940, fit preuve d'une habileté remarquable.

3. *Discussion des résultats et conclusion*

3.1 *Comit à l'épreuve des crises : Gouvernance, réseaux et diplomatie financière (1920-1940)*

Globalement, cette thèse a analysé les succursales de Londres et de New York de la Banca Commerciale Italiana (Comit) selon trois perspectives distinctes. Tout d'abord, elle a examiné les modèles de gouvernance et les cultures managériales incarnés par les directeurs respectifs, Carlo Lovioz et Guglielmo Reiss Romoli. En utilisant l'analyse des réseaux sociaux, elle a montré les différents degrés de substituabilité managériale de chaque figure dans leurs contextes institutionnels respectifs. Deuxièmement, elle a étudié le financement du commerce par BCI-New York, montrant qu'après la Grande Dépression, la succursale a réaffecté son activité d'acceptation des clients italiens vers des clients étrangers. Cette analyse a ensuite été étendue aux années 1930 pour inclure la succursale de Londres, en examinant en particulier les lignes de crédit ouvertes par les deux agences entre 1935 et 1941. Enfin, la troisième partie s'est concentrée sur l'imposition de sanctions économiques contre l'Italie et la diplomatie économique du pays envers le Royaume-Uni dans les années 1930. Elle a exploré à la fois le rôle de mise en œuvre et de contrôle des autorités britanniques, ainsi que la période post-sanctions, qui a vu le développement de la diplomatie financière anglo-italienne et la négociation d'accords bilatéraux de compensation. De plus, la troisième partie a également étudié le rôle de médiation de la succursale de Londres dans le rétablissement des relations financières anglo-italiennes après les sanctions et son rôle, avec BCI-NY, dans le financement et l'assistance à la flotte marchande italienne.

La première partie de cette étude a exploité l'évolution historique des intermédiaires financiers en Italie comme cadre pour mener une analyse comparative de deux archétypes de banquiers : le financier cosmopolite et le technocrate, incarnés respectivement par Lovioz et Romoli. Le chapitre I s'est appuyé sur un corpus interdisciplinaire, mobilisant l'économie organisationnelle, le management stratégique et l'analyse des réseaux sociaux, pour explorer le concept de substituabilité managériale, tel que façonné par les compétences personnelles et la structure des réseaux. Sur la base de documents d'archives provenant des Archives Historiques d'Intesa Sanpaolo, cette recherche a reconstruit les réseaux de Lovioz et Romoli, révélant des contrastes marqués. Lovioz opérait au sein d'un réseau centralisé en forme d'étoile à Londres, reflétant un modèle de gouvernance cosmopolite et fondé sur la confiance, avec une faible substituabilité. Son influence provenait de liens

interpersonnels de longue date et de compétences en médiation, qui lui permettaient de mobiliser des ressources à travers diverses chaînes relationnelles. En revanche, le réseau de Romoli à New York était plus redondant et possédait davantage de liens partagés avec la direction centrale de Comit. Son profil technocratique, ancré dans l'expertise institutionnelle plutôt que dans les relations personnelles, le rendait plus facilement remplaçable au sein de la hiérarchie organisationnelle. Bien que les deux figures aient été efficaces dans leurs rôles respectifs, leurs carrières reflètent des transformations plus larges au sein de l'élite financière italienne – des transitions qui n'ont pas totalement rejeté le passé, mais ont produit un système hybride où la confiance interpersonnelle et la compétence technique coexistaient. Même après la grande réorganisation bancaire italienne de 1933, des figures cosmopolites plus anciennes comme Lovioz ont continué à générer une valeur économique significative, comme le montre la performance de la succursale de Londres de Comit et son efficacité à naviguer dans les contextes financiers. L'ascension de Romoli, quant à elle, a été facilitée non seulement par ses qualifications technocratiques mais aussi par ses affiliations durant la guerre et l'après-guerre, illustrant le rôle persistant des réseaux informels dans l'avancement institutionnel. Les principaux résultats du premier chapitre commencent par l'observation que, bien qu'un changement dans l'élite italienne ait eu lieu durant l'entre-deux-guerres, ce changement s'est produit avec des exceptions notables. Celles-ci ne remettent pas en cause les interprétations dominantes de l'historiographie, mais suggèrent plutôt une perspective plus nuancée – un domaine qui pourrait être exploré davantage dans de futures recherches. Deuxièmement, la première partie tente d'illustrer empiriquement la transition des cultures bancaires (des banquiers cosmopolites aux technocrates) en utilisant l'analyse des réseaux sociaux. Cependant, lors de la phase d'investigation et des réflexions préliminaires, l'attention s'est déplacée vers la question de la substituabilité managériale au sein de l'entreprise, avec un accent particulier sur les agences anglo-saxonnes de Comit.

Deux mises en garde importantes ont été formulées lors de la construction du jeu de données utilisé pour mesurer les réseaux relationnels des deux directeurs de succursale. Celles-ci restent pertinentes afin d'assurer la rigueur méthodologique de l'analyse. Premièrement, la taille de l'échantillon est limitée : analyser les réseaux de seulement deux banquiers ne peut, à lui seul, remodeler significativement la littérature existante sur la substituabilité managériale. Néanmoins, l'approche offre un outil empirique potentiellement utile – l'analyse des réseaux sociaux – qui pourrait être développé et reproduit dans de futures recherches archivistiques. Deuxièmement, l'analyse n'inclut pas les liens alter–alter au sein des réseaux de Lovioz et Romoli, ce qui peut être perçu comme une limitation. Cependant, l'accent a été délibérément mis sur l'examen de la mesure dans laquelle ces deux directeurs ont agi comme des connecteurs entre leurs cercles sociaux locaux à Londres et New York, la direction centrale de la banque à Milan et les représentants du secteur manufacturier et de

l'élite politique italienne. Il considère également comment ils ont été employés pour mener des activités « sur le terrain » pour le compte du siège de Comit.

Le concept de substituabilité managériale a été largement exploré à travers plusieurs disciplines, chacune offrant des éclairages sur le moment et les raisons pour lesquelles les managers peuvent être remplacés sans nuire à la performance organisationnelle. Parallèlement, l'analyse des réseaux sociaux a enrichi notre compréhension en révélant comment la position relationnelle des managers – en particulier la centralité du réseau, la redondance et l'équivalence structurelle – influence leur substituabilité. En s'appuyant sur ces fondations interdisciplinaires, ce chapitre offre une contribution historiquement ancrée et empiriquement informée à l'étude de la substituabilité managériale. Les résultats montrent que le réseau de Lovioz, centré dans le hub financier de Londres, présentait une configuration en étoile, avec Lovioz occupant une position centrale et non redondante. Ses liens s'étendaient directement aux acteurs clés du siège de Comit à Milan, et son ancrage dans la City of London rendait son rôle fortement dépendant de la confiance interpersonnelle et du savoir tacite accumulé au cours de ses vingt années de carrière. En revanche, le réseau de Romoli à New York présentait un degré plus élevé de redondance structurelle, avec des liens chevauchants le reliant à d'autres managers au sein de la hiérarchie interne de Comit. Bien que son rôle fût crucial – notamment pour réorganiser les opérations de Comit aux États-Unis – son efficacité semblait davantage fondée sur l'alignement institutionnel et la compétence technocratique que sur une position relationnelle irremplaçable. Sous cet angle, il est plausible d'émettre l'hypothèse qu'un autre manager possédant des caractéristiques similaires aurait pu accomplir des fonctions analogues dans des conditions comparables. Ces cas divergents illustrent comment l'architecture du réseau s'entrelace avec les variables organisationnelles et institutionnelles pour conditionner la substituabilité managériale. Ainsi, le chapitre apporte plusieurs contributions. Premièrement, il apporte une profondeur historique à une littérature souvent dominée par des données contemporaines ou quantitatives, montrant que la substituabilité managériale était déjà une question importante dans la banque transnationale de l'entre-deux-guerres. Deuxièmement, il suggère que la substituabilité des élites financières n'est pas seulement une fonction des compétences ou des routines, mais aussi de l'ancrage social – une dimension historiquement située et structurellement médiée. Troisièmement, il démontre l'applicabilité de l'analyse des réseaux sociaux comme outil méthodologique pour reconstruire l'influence managériale dans des contextes historiques, offrant un cadre reproductible pour de futures études basées sur des sources archivistiques.

La deuxième partie de cette étude a examiné les activités d'acceptation de BCI-New York durant deux périodes critiques – avant et après 1929 – mettant en évidence les défis importants auxquels le commerce extérieur italien a été confronté lors de la Grande Dépression. Entre 1926 et 1931, la

succursale a notablement réduit son financement des entreprises italiennes, orientant son activité vers des clients étrangers. Bien que la période soit relativement limitée, elle fournit des informations précieuses sur la manière dont la crise financière de 1931 a pu coïncider avec des changements dans l'activité d'acceptation de la succursale de New York de Comit. En comparant une période précédant la crise avec celle qui a suivi son déclenchement, il est possible d'observer des changements dans le financement par acceptation et de considérer leurs implications potentielles pour le commerce italien et étranger. Une analyse détaillée au niveau des villes des importations de coton des États-Unis vers l'Italie a montré des contractions marquées, notamment dans d'importants centres industriels italiens tels que Milan, Venise, Trieste et Busto Arsizio, suggérant que l'instabilité financière a pu jouer un rôle dans la restriction des flux commerciaux. Un développement notable au cours de cette période est le changement apparent dans la répartition géographique de l'activité d'acceptation. Entre décembre 1926 et mars 1928, les commerçants italiens et étrangers étaient financés à presque parts égales par BCI-NY, recevant respectivement 66 906 757,05 L. ($3 361 135,19) et 66 380 305,85 L. ($3 334 688,33). Cependant, entre novembre 1930 et septembre 1931, ces chiffres ont divergé considérablement, les commerçants italiens recevant 4 895 932,24 L. ($256 130,38) contre 40 708 885,30 L. ($2 129 682,73) accordés aux clients étrangers. Cette disparité marquée pourrait indiquer un changement dans la clientèle de BCI-NY autour du déclenchement de la Grande Dépression, l'activité d'acceptation diminuant fortement pour les commerçants italiens tout en augmentant pour les clients étrangers. Il est important de prendre en compte que des moratoires étaient en place pour les prêts à moyen et court terme en Hongrie, Allemagne et Autriche. Par conséquent, les prêts enregistrés à l'été 1931 représentent probablement des paiements en cours figurant dans les livres comptables.

L'étude a également comparé les activités de crédit dans les années 1930 entre les succursales de Londres et de New York. Les deux succursales ont été confrontées à des chocs exogènes – crise bancaire de 1931, crise de la livre sterling et sanctions économiques – mais leurs réponses et adaptations ont différé. Notamment, BCI-NY semble avoir montré une reprise relativement plus importante des volumes de crédit après la période des sanctions, possiblement soutenue par des efforts de rationalisation interne et un changement de focalisation opérationnelle. Pendant ce temps, Comit-Londres a opéré dans un environnement de plus en plus difficile à mesure que les relations anglo-italiennes se détérioraient, notamment durant les sanctions et après l'invasion allemande de la Pologne en 1939. Des données archivistiques nouvellement découvertes fournissent une vue plus détaillée des activités de financement du commerce de BCI, indiquant comment la banque multinationale s'est adaptée à des cadres réglementaires et à des pressions économiques différents. De plus, la transformation de BCI-New York, d'une banque traitant principalement des dépôts et des

transferts en une agence correspondante plus conventionnelle, semble refléter les changements observés à la succursale de Londres. Le cas de la filiale Italbanco en Équateur illustre en outre le rôle de BCI-New York dans la restructuration interne du groupe Comit, mettant en évidence des pratiques de prêts internes et de supervision managériale déléguée.

La troisième partie de la thèse a examiné l'imposition et les conséquences des sanctions économiques contre l'Italie fasciste, en se concentrant sur les relations financières anglo-italiennes. S'appuyant sur des documents d'archives inédits provenant des sources britanniques, italiennes et de la Société des Nations, elle explore comment la Grande-Bretagne a fait respecter les sanctions financières par son contrôle du marché financier londonien, semblant utiliser son influence pour réguler non seulement les banques italiennes mais aussi les institutions internationales liées à l'Italie. Les résultats suggèrent que les sanctions économiques ont eu un effet limité, mais que les sanctions financières – en particulier celles ciblant le secteur bancaire – semblent avoir été plus significatives. Les considérations exposées dans cette recherche s'appuient sur les observations antérieures, notamment celles de Nicholas Mulder (2022, pp. 203-211), qui avait relevé des questions similaires, mais sans aborder les complexités détaillées ici concernant la difficile réintégration de l'Italie dans les réseaux financiers internationaux londoniens et la réouverture des lignes de crédit suspendues.

Le chapitre V a également souligné l'usage continu des instruments traditionnels de financement du commerce, tels que les acceptations bancaires, qui semblent être restés importants et soumis à négociation même pendant les périodes de tension financière accrue. La succursale de Londres de Comit, sous la direction de Lovioz, a joué un rôle dans le maintien du dialogue financier et de l'accès à la City. Son implication dans les négociations lors de crises diplomatiques, y compris la crise tchécoslovaque de 1938, indique l'importance politique des réseaux bancaires transnationaux. De plus, les succursales de Londres et de New York ont contribué au financement des compagnies maritimes italiennes, facilitant l'acquisition de navires marchands essentiels à la logistique commerciale et coloniale de l'Italie. Les accords de compensation ont permis à l'Italie d'assurer l'approvisionnement en matières premières, telles que le charbon, sans dépendre des circuits financiers basés à Londres. Il est important de noter, cependant, qu'il n'y avait pas d'embargo formel sur l'importation de pétrole et de charbon, ce qui constitue l'une des principales raisons pour lesquelles les sanctions se sont avérées inefficaces. En outre, l'analyse des relations commerciales anglo-italiennes dans le contexte plus large des années 1930 – une époque marquée par la prolifération des accords commerciaux bilatéraux (accords de compensation) entre divers pays – soulève des questions sur l'ampleur des politiques d'apaisement britanniques. En effet, des discussions et négociations intenses concernant l'importation de matériaux militaires d'Italie vers la Grande-Bretagne ont continué jusqu'à quelques mois seulement avant que l'Italie ne déclare la guerre au

Royaume-Uni. Plus largement, cette étude a cherché à mettre en lumière la nature de la diplomatie financière anglo-italienne à la fin des années 1930. Bien qu'une partie importante des flux commerciaux ait été régulée par des accords de compensation, une part substantielle reposait encore sur des instruments traditionnels de financement du commerce, tels que les acceptations bancaires.
Dans l'ensemble, en intégrant la recherche archivistique, l'analyse des réseaux sociaux et l'étude de la diplomatie financière internationale, ce travail relie le comportement managérial au niveau micro, les aspects opérationnels changeants au niveau méso et les transformations politico-économiques au niveau macro. Le résultat est un cadre analytique cohérent qui éclaire la manière dont une institution financière a navigué à travers les perturbations profondes des années 1920 et 1930 – une période caractérisée par la crise, le protectionnisme et la démondialisation financière accélérée. L'étude a montré que les modèles de gouvernance dans la banque multinationale italienne peuvent être interprétés par l'analyse des réseaux sociaux, qui fournit des variables proxy utiles – telles que la densité, le degré et, surtout, les chaînes relationnelles – pour quantifier la substituabilité managériale. Les carrières de Carlo Lovioz et Guglielmo Reiss Romoli illustrent cette dynamique : leurs trajectoires contrastées révèlent comment la circulation de l'information, l'ancrage social et la substituabilité managériale ont façonné la capacité de Comit à s'adapter à différents contextes institutionnels. De plus, la thèse a approfondi la compréhension de la manière dont les acteurs financiers italiens ont opéré au sein des systèmes financiers britannique et américain, malgré une montée de la tourmente politique et économique. Elle a mis en évidence les mécanismes par lesquels Comit a maintenu ses opérations internationales malgré les sanctions et le renforcement réglementaire, démontrant ainsi la flexibilité et l'adaptabilité des banques multinationales face aux chocs externes, et montrant comment ses succursales de Londres et de New York ont mené leurs activités de crédit dans deux cadres institutionnels distincts et en évolution. D'un point de vue méthodologique, elle a démontré le potentiel de la combinaison de données relationnelles et d'interprétation qualitative pour reconstruire les processus décisionnels et identifier les canaux par lesquels l'information, la confiance et les activités de prêt ont circulé au sein et entre les institutions. Bien que l'analyse se soit centrée sur un seul cas institutionnel, ses implications vont au-delà de Comit. Elle a contribué aux débats plus larges sur les effets des perturbations des marchés monétaires sur le financement du commerce et a montré concrètement comment les crises financières peuvent générer des distorsions dans le financement du commerce ainsi que des effets de distribution entre différents emprunteurs. De plus, les résultats ont souligné que même pendant les phases de démondialisation, les liens financiers transfrontaliers ont persisté – non pas comme des anomalies résiduelles, mais comme des mécanismes adaptatifs essentiels au fonctionnement des économies nationales dans un monde de plus en plus fragmenté. Enfin, cette thèse a révélé que la banque

multinationale italienne durant l'entre-deux-guerres n'était ni isolée ni passive au sein du système financier mondial. Elle a plutôt montré comment elle a activement joué un rôle de médiation entre politiques domestiques et contraintes internationales, naviguant dans un espace où diplomatie, régulation, activités bancaires et action individuelle étaient profondément imbriquées.

3.2. *Les enseignements épistémologiques : une histoire multi-échelle de la finance*

Sur le plan méthodologique et épistémologique, la recherche propose une voie nouvelle pour l'histoire économique de la finance : celle d'une analyse multi-échelle, articulant les niveaux micro, méso et macro dans une même trame narrative. L'approche micro restitue la texture concrète des pratiques : correspondances, routines, décisions quotidiennes. L'approche méso relie ces pratiques à la structure interne des institutions : hiérarchies, procédures, circuits de décision. Enfin, l'approche macro réinscrit ces dynamiques dans les grandes transformations du système international : crises monétaires, politiques de change, sanctions, conflits. C'est cette articulation des échelles qui permet de dépasser le piège du déterminisme économique ou politique. Ni la conjoncture internationale, ni les décisions étatiques ne suffisent à expliquer la survie des agences italiennes : c'est l'interaction entre contraintes structurelles et initiatives locales qui en rend compte. Cette démarche s'inscrit dans la continuité des renouvellements récents de l'histoire économique, attentive aux processus d'apprentissage, aux circulations de savoirs et aux hybridations institutionnelles. Elle illustre également la pertinence de l'interdisciplinarité : emprunter à la sociologie des réseaux, à la théorie des organisations et à la diplomatie économique permet de construire une compréhension plus fine des logiques financières. En définitive, l'étude de la Banca Commerciale Italiana à Londres et à New York dans les années 1930 met en lumière une leçon d'histoire économique plus large : les institutions financières sont des organismes adaptatifs, capables de survivre à la rupture des cadres globaux. Elles s'appuient sur des formes de continuité sociale et relationnelle qui transcendent les régimes politiques et les conjonctures économiques.

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ABBREVIATIONS AND ACRONYMS

Abbreviations

ASI-BCI: Historical Archive of Intesa Sanpaolo.

- FE-NY: New York Branch.
- VCA: Minutes of the Board of Directors.
- VCD: Minutes of the Central Direction Committee.
- CM: Papers of Raffaele Mattioli.
- DAGO: Working papers of Alberto D'Agostino.
- PB-Dolc: Personal papers of Bruno Dolcetta.
- Pers, m: Staff, matricula.
- AD1/AD2: Secretariat of the managing directors Facconi and Mattioli (two series).
- SE, s: Foreign Secretariat.
- SOF: Italian Industrial Financial Holding (Sofindit).

ASBI: Historical Archive of Bank of Italy.

TNA: The National Archives of the United Kingdom

- BT: Board of Trade.

UNAG: United Nations Archives of Geneva.

ADM: Admiralty.

OV6: Overseas Department: Trade and Payments, Files 6.

BCI-NY: Banca Commerciale Italiana Trust Company of New York.

Comit: Banca Commerciale Italiana.

Credit: Credito Italiano

Italbanco: Banco Italiano di Guayaquil.

Bitaliano: Banco Italiano di Lima.

Sudameris: Banque Française et Italienne pour l'Amérique du Sud.

Bulcomit: Banca Commerciale Italiana Bulgara.

Romcomit: Banca Commerciale Italiana Romena.

Comitegit: Banca Commerciale Italiana per l'Egitto.

Comitellas: Banca Commerciale Italiana Greca.

Comit-France: Banca Commerciale Italiana France.

Bicitrust: Banca Commerciale Italiana Trust.

fo.: folder.

f.: file.

sub-f.: sub-file.

Att.: attached.

Acronyms

IRI: Istituto per la Ricostruzione Industriale.

IMI: Istituto Mobiliare Italiano.

ICN: Istituto di Credito Navale.

INCE/Istituto: Istituto Nazionale per i Cambi con l'Estero.

PTA: Preferential Trade Agreement

To my friend, D.

I feel you

INTRODUCTION

Aims and motivation

The expansion of Italian banks abroad gathered pace in the early decades of the 20th century, driven by the activities of Banco di Roma, Credito Italiano and, most notably, Banca Commerciale Italiana. While Banco di Roma established a strong presence in the colonies of the Kingdom of Italy—namely Libya and Horn of Africa—as well as in Egypt[1] and the Middle East, particularly Syria and Palestine, (Puddu 2021; De Rosa 1983), it was Credito Italiano and, above all, Banca Commerciale Italiana that experienced successful growth in the major centres of international finance, including London, New York, and Paris (Di Quirico 2008; D'Alessandro 2001; 1998). Furthermore, both banks expanded across Continental Europe, the Balkan Peninsula, and into South America, which enabled access to markets with large Italian emigrant communities, notably in Brazil, Uruguay, and Argentina. Scholarly literature has examined the banking models employed by Italian institutions abroad, including the "free-standing company" model used in South America (Jones 2005; Wilkins 1998), and has explored the administrative and accounting practices of foreign branches and affiliates. However, it has generally overlooked the specific business activities in which these banks specialised, and has yet to undertake detailed, micro-level analyses of the operations and roles of their directors, linking their activities with macro-level phenomena.

Scholarly literature on both domestic and international Italian banking has so far predominantly focused on the interwar period, usually up to 1936, when banks were prohibited from simultaneously engaging in both ordinary credit operations and long-term investment activities. Moreover, the consequences of the Great Depression—which ushered in a period marked by declining international economic cooperation, the erection of tariff barriers, the introduction of capital controls, and widespread beggar-my-neighbour policies—have led scholars to overlook the latter half of the 1930s. This thesis aims to address this gap by examining in depth how the Italian financial sector, in a country that was increasingly regarded internationally as a rogue state, continued to conduct its business up to the eve of the Second World War. It also seeks to highlight the ambiguities characterising Anglo–Italian economic diplomacy in the aftermath of the 1935 sanctions. In particular, it explores how the British authorities, while taking a leading role in enforcing the sanctions and pursuing a policy of

[1] In this country, the Cassa di Sconto e di Risparmio was ahead of all other banks, establishing a branch in 1887 to meet the needs of the Italian colony made up of small traders, entrepreneurs and workers (Berbenni, Cantù, Colombo 2023, p. 214).
Credito Italiano was also active in Egypt, where it founded the Banco Italo-Egiziano together with Banco di Roma; subsequently, Banca Commerciale Italiana also opened its own branch in the country. Banco di Sicilia and Banco di Napoli established branches in Libya, while the latter, together with Banca Nazionale del Lavoro, opened offices in Somalia in 1935 (Strangio 2009).

appeasement towards the Nazi–Fascist dictatorships, simultaneously sought to maintain economic relations with Italy even as the Fascist regime moved progressively closer to Germany. This tension between political confrontation and economic pragmatism forms an important backdrop to understanding how Italian financial actors navigated the increasingly hostile international environment of the late 1930s. In particular, it explores how one of Italy's most important joint-stock banks sought to mend the ruptures caused by Fascist foreign policy decisions.

This thesis draws on a particularly valuable and underexplored source, which—owing to the high frequency and granularity of the data—enables the investigation of a series of open managerial, sociological, and economic questions in the existing literature. By integrating Comit's micro-level data with meso- and macro-level information from the Bank of Italy, the Bank of England, and the National Archives, the study offers a comprehensive and multidimensional perspective on the period under examination.

At a theoretical level, the thesis engages with three main strands of scholarship. First, through the use of social network analysis, it contributes to the debate on managerial substitutability. Specifically, it intervenes in the literature that seeks to identify proxy variables for measuring substitutability, advancing an analytical approach based on relational chains. This framework distinguishes between institutional knowledge—that is, decision-making processes governed by inter-institutional relations that do not rely on the proactive agency of individual managers—and tacit knowledge, which depends on the relational skills of managers in circulating information and mobilising resources. Second, the thesis addresses the literature that examines how financial shocks can generate short-term disruptions in international trade financing mechanisms. In this sense, the analysis provides a methodological contribution by demonstrating how high-frequency, micro-level data can be mobilised to explore such dynamics. Third, the work engages with research on correspondent banking, contributing to the understanding of how financial institutions may operate across distinct institutional and regulatory frameworks. Moreover, by analysing different types of credit relationships and allocation mechanisms, it adds to ongoing discussions on institutional adaptability and the interaction between organisational practices and regulatory contexts. Fourth, the thesis speaks to broader debates on the reconfiguration of financial systems under external constraints. Specifically, it considers how financial sanctions affected the structure and functioning of the financial system of the target-country, and the strategies adopted to navigate around the financial hubs of sender countries.

The analysis adopts a multi-level perspective centred on Comit's overseas branches in London and New York during the 1930s, situating them within broader political and economic dynamics. The chronological scope deliberately spans from 1912 to 1941 to encompass the full careers of Carlo Lovioz and Guglielmo Reiss Romoli, the respective directors of the London and New York branches,

and the organisational transformations they oversaw during this critical period. Lovioz's trajectory, beginning in 1912, reflects the cosmopolitan banking culture of the "long nineteenth century" and culminated in his appointment as London branch manager in 1934. Romoli, by contrast, embodies the technocratic elite linked to Italy's apparatus of public economic intervention; he assumed leadership of the New York branch in 1935 and remained in that position until its closure in December 1941, following Italy's declaration of war on the United States.

How did multinational banks respond to the rise of far-right regimes at home? Using Banca Commerciale Italiana as a case study, this thesis investigates how a major Italian multinational bank adapted its international operations to the profound political, economic, and regulatory disruptions of the interwar period. It argues that the response of multinational banks to authoritarian turn and international isolation cannot be understood solely through changes in formal governance or state intervention, but must be analysed through the interaction between managerial agency, operational practices, and transnational financial constraints. The analysis is structured around three interrelated dimensions. First, the thesis examines how multinational banks selected, deployed, and replaced their foreign-based managers in a context marked by increasing political polarisation and institutional uncertainty. By focusing on the careers and relational networks of Comit's London and New York branch managers, it explores how managerial substitutability operated in practice, distinguishing between transferable institutional knowledge and tacit, relational forms of expertise embedded in local and international networks. This perspective allows the study to move beyond binary interpretations contrasting cosmopolitan bankers and technocratic elites, highlighting instead adaptive strategies shaped by both organisational needs and political pressures. Second, the thesis analyses the role of multinational banks in sustaining international trade under conditions of financial stress. Drawing on high-frequency archival data, it investigates Comit's involvement in trade finance—particularly bank acceptances and short-term credit—and shows how financial disruptions reshaped the allocation of credit across national and foreign counterparties. In doing so, it provides micro-level evidence on the links between banking crises, trade finance, and international trade flows. Third, the thesis explores how multinational banks navigated economic sanctions and informal financial diplomacy. Focusing on the sanctions imposed on Italy after 1935, it examines how Comit's foreign branches operated within, adapted to, or circumvented restrictive regulatory environments, while simultaneously acting as intermediaries in Anglo-Italian financial relations. Together, these three dimensions offer a unified framework for understanding how multinational banks responded pragmatically to the rise of authoritarian regimes and the fragmentation of the international financial system in the interwar years.

RESEARCH FRAMING AND QUESTIONS

I. *A case study analysis of managerial practices and substitutability*

Part I of the thesis (divided in two chapters) seeks to situate itself at the intersection of historical scholarship on banking and the theoretical framework of managerial substitutability. To support the analysis, it also engages with academic literature on social capital, social network analysis, and the concept of economic action as embedded within social relationships. In this regard, how might the examination of two bank managers, through the lens of social network analysis, offer new insights into the question of managerial substitutability? Furthermore, in what ways can Carlo Lovioz and Guglielmo Reiss Romoli serve as case studies that could give new insights on the evolution of banking culture in Italy across their respective careers? Penrose's reflections on the theory of the firm provide a valuable point of departure for the discussion concerning the literature on managerial substitutability (Penrose 1995). As a firm grows, there is a corresponding and progressive increase in the provision of managerial services within it, accompanied by the transfer of knowledge in two distinct forms:

> One type may be formally taught, acquired from others or through written sources, and, if necessary, articulated and passed on in a structured manner. The other, while likewise the product of learning, is derived from personal experience. It is difficult to draw a clear-cut distinction between these forms of knowledge in abstract terms, nor is there an entirely satisfactory terminology to describe them. The former may be referred to as 'objective' knowledge—knowledge concerning phenomena that, at least conceptually, exists independently of any specific individual or group. […] Experience enhances knowledge of this kind to the extent that its outcomes can be communicated to others. However, experience itself is inherently non-transferable; it results in a transformation—often subtle—within individuals and remains inseparable from the person who acquires it.[2]

To investigate whether managerial turnover during the interwar Italy is better understood in terms of substitutability rather than as a binary cultural divide between cosmopolitan bankers and technocratic experts, this study adopts a twofold empirical strategy applied to two contrasting case studies (London and New York branch managers). First, I reconstruct relational structures linking bank managers, ministries, domestic, and foreign correspondents using archival directories, board lists, private correspondence, and press reports, and apply social network analysis to quantify the number of stable relational ties—defined as at least four documented interactions (correspondence, meetings, telephone calls, or letters)—finding 134 ties for the London manager and 77 for the New York manager, with a Fisher exact test confirming the representativeness of these samples. Second, I trace their relational chains to highlight the institutionalisation of certain lending activities by the bank (including their ties with client and correspondent banks) in order to assess which cases had to be

[2] Penrose 1995, pp. 53-54.

considered as transmission of hard knowledge and which not. Moreover, in the London case, the manger had been employed in the branch since 1912 and, through long-term embeddedness, gradually absorbed the predecessor's relational network. In contrast, the New York manager was dispatched in 1935 to reorganize BCI's troubled U.S. operations and effectively constructed a new network *ex novo*, facing resistance from his predecessor and parts of the board. By combining network analysis with qualitative reconstruction of relational chains, this approach evaluates managerial substitutability through observed patterns of network preservation or reconstruction, without relying on successors' full career trajectories or formal causal identification.

Moreover, Part I also sheds light on the transformation of Italian banking elites during the interwar years, marked by a shift from a generation of internationally oriented, cosmopolitan bankers to one of technocratic administrators closely tied to the governmental authorities. Although the primary analytical focus lies in the second half of the 1930s, the decision to consider a nearly three-decade period stems from the continuity between developments of the 1930s and the political and economic transformations of the 1920s. This was a decade marked by profound change, both in Italy—with the consolidation of the Fascist regime—and internationally, with the onset of the Great Depression and the banking crisis of 1931. These events significantly undermined the gold exchange standard, which served as the foundation for regulating currency exchange rates during the interwar period. The extensive documentation preserved in the Intesa Sanpaolo Historical Archive has made it possible to reconstruct the network of relationships cultivated by Lovioz and Romoli, primarily through a review of the correspondence they maintained with Comit's chief executives and senior managers throughout their managerial careers. Supplementary biographical information was also retrieved from Swiss municipal archives, the archives of cultural associations such as the Dante Alighieri Society, and records held by the Italian Ministry of Foreign Affairs.

II. *Linkages between credit market disruptions and international trade finance*

Part II of the thesis—specifically chapter III—investigates how financial disruptions intersected with Italy's international trade and banking operations during the financial turmoil of the late 1920s and early 1930s, with particular attention to the role of trade finance. The 2008–2009 financial crisis has illustrated how financial frictions can coincide with severe disruptions to global trade flows: liquidity shortages affected short-term instruments disproportionately—around 80% of trade finance in the 2000s was short-term (Auboin 2009)—and letters of credit, which accounted for nearly half of all transactions, proved especially vulnerable to credit tightening because of their interbank structure (Vaubourg 2016; Ahn 2011). Empirical evidence indicates that financial shocks were closely associated with export declines (Watson 2018; Hoefele *et al.* 2016; Schmidt-Eisenlohr 2013; Chor,

Manova 2012). Comparable patterns emerged during the Great Depression, when the crisis was followed by a collapse of short-term credit and bank acceptances (Accominotti 2019, 2012), a sharp halt in capital flows (Accominotti, Eichengreen 2016), and the disintegration of commodity markets as financing costs rose, and credit access narrowed (Hynes, Jacks, O'Rourke 2012). These historical and contemporary episodes suggest that trade finance constraints not only reflected broader financial stress but also accompanied and may have amplified global economic downturns by restricting cross-border transactions. This analysis contributes to the ongoing historical debate on the relationships between financial instability and macroeconomic developments (Bernanke 2023; Frydman, Xu 2023). It also connects with recent research that uses earlier financial crises, such as the Overend & Gurney failure of 1866, to show how disruptions in credit markets can be linked to shifts in global trade patterns both in the short and longer run (Xu 2022).

Using newly uncovered archival accounting records from Comit, this chapter provides a high frequency, city-level perspective on Italy's international trade during this period of financial turmoil. The archival ledgers document the actual amounts of acceptances taken on by Comit's New York branch on behalf of its sister banks and business partners. This micro-level evidence makes it possible to observe some of the concrete interactions between financial constraints and trade flows, offering preliminary indications about their potential channels of connection. Although the analysis focuses on a single institution—Comit, a bank in deep trouble in the late 1920s—the granularity of the data allows for tracing how the bank adjusted its acceptance business, reducing credit lines to Italian traders while maintaining relatively higher levels of activity with foreign ones. Using the microscopic information in the dataset, including the names of importing and exporting firms, the study also examines cotton imports from the United States to Italy, providing initial insights into how the 1931 banking crisis may have coincided with difficulties in the textile sector in several northern Italian cities. Comit was an active participant in the international acceptance market, though it originated from a country not at the epicentre of the summer 1931 banking crisis. This raises key questions: how was it affected by the shock, and to what extent did the crisis reshape the acceptance business of its New York branch?

While the findings presented here are correlational and exploratory, they offer new evidence on Italian multinational banking and trade financing in New York, one of the major financial hubs of the period. In doing so, this work complements a literature that has traditionally relied on aggregate data (Di Quirico 2008) but is now beginning to make use of more granular archival sources (Berbenni 2023).

III. *Cross-border lending activities in different institutional frameworks*

Chapter IV examines how BCI–NY repositioned itself within the international financial landscape of the second half of the 1930s, comparing its activities with those of Comit–London to highlight both similarities and differences in operational practices across distinct financial hubs. The analysis is guided by theoretical questions concerning the ways in which correspondent banks adapt their operations within different regulatory and institutional frameworks, and how micro-level patterns of credit facility reveal the mechanisms through which branches contribute to the broader banking group's international intermediation. While recent scholarship has increasingly highlighted the importance of correspondent banking in shaping twentieth-century financial relations (Molteni, Pala, Schenk 2025; Schenk 2023; Panza, Merrett 2019), detailed empirical studies of how banks actually facilitate credit and organise operations remain scarce. This study contributes to that emerging strand by exploiting newly accessed archival material to reconstruct the credit facilities extended by BCI–NY between 1935 and 1941, providing a fine-grained perspective on how the branch evolved from primarily serving Italian immigrant communities to becoming an integral node in global correspondent banking networks. The branch gradually shifted its core activities from remittances toward financial intermediation for Italian, European, and South American affiliates, reflecting both the strategic directives of the parent bank and the particular regulatory and market conditions of the United States. Quantitative evidence from archival ledgers, tracing credit lines granted to clients and sister banks, is complemented by qualitative analysis of institutional restructuring and comparisons with the London branch, which operated under a different financial architecture and regulatory context. Preliminary findings indicate that after years of crisis and reorganisation, BCI–NY consolidated its U.S. operations by centralising in Manhattan and closing smaller agencies, while simultaneously expanding its role in correspondent banking. In this way, the branch mirrored certain functions of the London office, reinforcing the group's international reach even as global markets contracted, until operations ceased abruptly in 1941 due to the United States' entry into the Second World War.

IV. *Financial sanctions and exit strategies: evidence from a targeted country*

Fourth, what remains underexplored in scholarly literature on sanctions is the in-depth analysis of the financial dimension of sanctions and their effects on the banking sector of targeted countries. While existing scholarship has predominantly focused on assessing the effectiveness of economic sanctions in achieving the political objectives of sender states, much less attention has been devoted to the post-sanctions repercussions on the financial systems of targeted nations and the strategies adopted by these systems in response. Throughout XX century, the financial sector has increasingly been

weaponised by major Western powers such as the United Kingdom, the United States, and the European Union, primarily through restricting access to key markets—London's discount market, the dollar market, and the SWIFT system (Farrell, Newman 2019). Existing research has paid little attention to the ways in which targeted countries have sought to develop exit strategies to reduce their dependence on Western financial structures, a gap this chapter seeks to address, along with the issue of overcompliance by financial intermediaries in sender countries from a qualitative perspective. Most studies examine overcompliance from the senders' standpoint (Besedeš *et al.* 2021), without adequately exploring its consequences for target countries or the financial countermeasures they adopt. Analyses of attempts by third-country banks to circumvent US extraterritorial sanctions have highlighted the heavy fines imposed on institutions such as BNP Paribas, Danske Bank, and Crédit Agricole (Giumelli 2023; Arnold 2016), but no equivalent attention has been devoted to the strategies of targeted financial sectors themselves.

Historical scholarship on the sanctions imposed against Fascist Italy (1935-1936) has concentrated primarily on diplomatic history, military strategy, and the effectiveness of trade sanctions. In this sense, Diplomatic relations and their developments leading to the Abyssinian crisis, the League of Nations' sanctions regime, and military implications such as the non-closure of the Suez Canal have been examined in depth from various perspectives (Rochat 2005; Irwin 1992; Quartararo 1980; Chiavarelli 1969; Villari 1943). In this sense, foreign policy consequences, including Anglo-French caution, US inaction, and German opportunism, have been explored from fresh perspectives, highlighting the lack of effective coordination in implementing restrictions on certain types of imports (Strang 2013; Waddington 2013). The potential impact of embargoes on coal and oil has been the subject of debate (Ristuccia 2000; Kindleberger 1970), while the practicalities and failures of these measures have been reassessed (Strang 2008), pointing out that even in the case of these embargoes there would not have been any certainty of halting Italian military operations. The financial sanctions dimension of the fascist aggression against Ethiopia, however, has been largely overlooked, although some recent insights have emerged, pointing to the London financial centres as chokepoint for countries targeted by sanctions (Mulder 2022).

Little has been written about how British authorities effectively weaponised their banking system, enforcing controls on potentially prohibited transactions and using the threat of exclusion from London's financial markets as a deterrent. There is no systematic historical study of how Italian multinational banks—particularly those with branches in London and New York—responded to the ban on bank acceptances between October 1935 and July 1936, nor how they attempted to restore financial operations after the formal lifting of sanctions. Likewise, the extent of over and undercompliance by sender-country banks, both during and after the sanctions, remains an open

question. Another underexplored area concerns the continuities between the financial sanctions of 1935–1936 and the Defence Finance Regulations imposed by the British government after September 1939, as well as the role of Italy's bilateral clearing agreements in maintaining trade flows and circumventing London's financial restrictions.

Part III of the thesis therefore seeks to fill this historiographical gap by applying analytical tools to examine the strategies used by financial institutions—both in sender and target countries—to cope with the effects of sanctions. By focusing on the operations of an Italian multinational bank with branches in London and New York, it aims to shed new light on how financial sanctions were enforced, circumvented, or adapted to in practice. Drawing on extensive archival sources from The National Archives (UK), the Bank of England Archives, and the United Nations Archives in Geneva, this part analyses also the Anglo-Italian financial diplomacy between 1935 and 1940, a period during which, despite growing diplomatic tensions and Italy's gradual rapprochement with Germany, bilateral financial and trade contacts remained active. These interactions culminated in various trade agreements, including those involving materials later deemed essential for the Italian war effort. In this context, the chapter links clearing agreements to sanctions as an exit strategy offered by the international economic scenario—a mechanism that Italy, along with dozens of other nations, adopted during the 1930s as an alternative to financing international trade through financial instruments mediated by London and New York banks. This new mechanism was also exploited out of necessity, as it allowed Italy to avoid advance payments in foreign currency that could have placed further pressure on the lira, which was already significantly weakened.

V. *Internal coherence, potential limitations, and thesis structure*

Although each of the three parts of this thesis addresses distinct sets of questions, they are conceptually and empirically intertwined, forming a coherent analytical framework for examining the evolution of Italian multinational banking during the interwar period. The coherence naturally derives from the fact that all three parts revolve around a single institutional actor—the London and New York branches of Comit—and situate its activities within the shifting political, economic, and regulatory contexts of the 1920s and 1930s across the United Kingdom and United States. By adopting multiple levels of analysis—managerial, operational, and diplomatic—the thesis integrates micro-historical perspectives with macro-level transformations, thereby offering a layered understanding of how individual agency, institutional structures, and international constraints interacted during a period of accelerating financial deglobalisation. The internal coherence of the thesis emerges from the interdependence between these three levels of analysis. In fact, managerial strategies (Part One) cannot be fully understood without considering the operational pressures and

constraints faced by the branches (Part Two). In turn, both managerial and operational developments took place within a rapidly changing international financial and political environment shaped by sanctions, clearing agreements, and regulatory controls (Part Three). The careers of Lovioz and Romoli run through all three parts, providing a unifying narrative thread. Their trajectories intersect with major turning points in Italian economic policy during the interwar, including the introduction of exchange controls and capital restrictions, the restructuring of trade finance operations in response to crisis, and the adaptation to sanctions and financial isolation. By connecting micro-level managerial analysis with meso-level operational evidence and macro-level foreign policy dynamics, the thesis provides a holistic view of the transformation of Italian multinational banking in the interwar period, through the lens of Comit. It demonstrates that organisational change cannot be explained solely by internal factors such as leadership succession or managerial cultures, nor exclusively by exogenous shocks like the Great Depression or international sanctions. Instead, it was shaped by the interaction between actors and structures across multiple scales.

While the thesis offers new insights by combining archival research, network analysis, and the study of international financial diplomacy, several limitations must nonetheless be acknowledged. The analysis centres on a single institutional case—Banca Commerciale Italiana—and specifically on its London and New York branches. This focus enables an in-depth micro perspective, but it inevitably raises questions of representativeness. Comit was Italy's leading joint-stock bank, with extensive international connections and a central role in trade finance, and its experience may not fully reflect that of the others universal banks and smaller Italian institutions or those without overseas operations. As a result, while the findings illuminate broader dynamics in international banking and financial diplomacy, generalisations should be made with caution. The thesis also relies on archival evidence that, although rich, is not always complete or evenly distributed across the period under consideration. Surviving correspondence and accounting records provide detailed snapshots of managerial networks and branch operations, but significant gaps remain, particularly during periods of crisis. Some decisions and interactions may have left little or no written trace, especially informal diplomatic negotiations or off-the-record financial arrangements. This uneven evidential base requires careful interpretation and, at times, inference, which may limit the precision of certain conclusions.

Methodologically, the combination of social network analysis and qualitative archival interpretation also presents challenges. Network analysis depends on the systematic coding of interactions, which is inevitably shaped by the availability and nature of sources. Although the criteria for defining stable relational ties are explicit, different thresholds or alternative types of evidence might have produced slightly different network structures. The quantitative findings should therefore be understood in close connection with the qualitative material, rather than treated as stand-alone measurements.

Furthermore, the thesis concentrates primarily on Anglo-Italian financial relations across the 1930s. This emphasis reflects both the centrality of London and New York in Comit's international strategy and the dominant position of Anglo-American financial hubs in the global economy of the period. Nevertheless, other contexts—such as Comit's connections with Continental European, South American, or colonial markets—are addressed only in passing. While this geographical focus is analytically justified, it leaves scope for future research to develop complementary perspectives and comparisons.

Adopting a tripartite structure, the thesis is structured as follows: Part One comprises two chapters that investigate the evolution of governance models and managerial substitutability within Italian banking through the careers of Carlo Lovioz and Guglielmo Reiss Romoli at Comit's London and New York agencies. Part Two includes two chapters, focusing on Comit's international trade finance operations and responses to financial crises. The analysis covers the period before and after the banking crisis of the 1931 summer, assessing the strategic reorganisation of the bank's international network. Particular attention is given to the differing institutional environments in the UK and US and how these influenced Comit's specialisation in trade finance and cross-border payments in those financial hubs. Part Three consists of a single chapter focused on the League of Nations sanctions following Italy's invasion of Ethiopia in 1935. It evaluates the comparative effectiveness of financial versus economic sanctions, their enforcing and the monitoring channels exploited by British authorities through formal and informal channels. The chapter also explores the shift towards bilateral clearing agreements and the reconfiguration of Anglo-Italian financial relations during the late 1930s, highlighting Comit's pivotal role in Italy's financial reintegration in the London hub and the role of its Anglo-Saxon agencies in financing and assisting Italian ship companies. Together, these three parts offer a multidimensional account of managerial agency, trade financing, and international financial diplomacy in the context of interwar Italy.

PART ONE

GOVERNANCE MODELS IN ITALIAN BANKING: THE MANAGERIAL CAREERS OF CARLO LOVIOZ AND GUGLIELMO REISS ROMOLI AT BANCA COMMERCIALE ITALIANA (1934-1941)

The first part of the thesis examines the transformation of governance models in Italian banking during the interwar period through an in-depth analysis of the managerial trajectories of Carlo Lovioz and Guglielmo Reiss Romoli at the London and New York agencies of Banca Commerciale Italiana (Comit). Combining qualitative and quantitative methods, the analysis reconstructs their respective networks to shed light on broader institutional and cultural shifts within Italian financial elites.

Chapter I investigates the historical evolution and partial overlap between cosmopolitan banking culture and technocratic managerialism. While existing literature often depicts a clear transition from a cosmopolitan elite (represented by figures such as Lovioz) to a technocratic elite (embodied by Romoli), this chapter argues that the Italian banking landscape was in fact more nuanced. Characteristics typically attributed to each group can overlap and apply to both. Starting from a historical overview of financial intermediaries from national unification to the 1930s, the chapter traces the gradual decline in the influence of transnational bankers and the emergence of domestically trained technocrats more closely tied to state institutions. Lovioz's career reveals a heterogeneous and international network, rooted in traditional relational practices, whereas Romoli's trajectory—especially during his time at Comit's New York branch—illustrates the increasing importance of institutionalised career paths, technical expertise, and elite milieus. Through social network analysis, the chapter reframes this historical transition in terms of managerial substitutability, analysing the degree to which each manager's network overlapped with Comit's central management.

Chapter II shifts the focus to branch-level dynamics and the practical functions of relationship-based governance. Using the framework of relational chains, it examines how both Lovioz and Romoli mobilised personal and professional ties to gather information, access resources, and support clients. Lovioz's network is analysed qualitatively to highlight how embedded relational strategies supported banking operations, whereas Romoli's network demonstrates the technocratic turn in managerial practices. By classifying their ties into seven categories—six of which are shared by both—the chapter identifies the types of resources accessed through their professional networks.

Together, these two chapters offer a nuanced interpretation of continuity and change in Italian banking governance. Rather than relying on rigid typologies, the analysis uses social network analysis to examine how managerial roles and relational structures reflected patterns of potential substitutability in leadership.

CHAPTER I

FROM COSMOPOLITAN BANKING TO TECHNOCRACY: A QUALITATIVE AND QUANTITATIVE ANALYSIS OF THE NETWORKS OF LOVIOZ AND ROMOLI

1.1 *The evolution of financial intermediaries in Italy: from Unity to 1930s*

The aim of this chapter is to investigate the historical origins of cosmopolitan banking and to compare this tradition with the rise of technocrats during the Interwar period, highlighting how the Italian banking landscape was in fact far more nuanced than a simple dichotomy might suggest. While existing literature often draws a clear line between two distinct groups—cosmopolitan bankers on the one hand and technocratic managers on the other—this chapter argues that the characteristics usually attributed to each group can, in practice, overlap and apply to both. By applying social network analysis, I argue that this phenomenon should be understood primarily in terms of managerial substitutability, rather than through rigid typological distinctions. To explore this, the chapter examines the careers of Carlo Lovioz and Guglielmo Reiss Romoli, two fitting case studies for three main reasons: (i) they represent the two different groups of bankers (cosmopolitan and technocratic); (ii) they both served within the same institution; (iii) they held managerial positions during the same period (1935–1940). The working hypothesis is that substitutability can be observed through the degree of shared relationships each manager maintained with the central management of Comit. By removing Lovioz and Romoli from their respective networks, the number of shared ties with central managers reveals their level of substitutability: a high number of shared connections would indicate a manager who is easily replaceable, whereas a low number would suggest that their removal could generate disruptions.

The paradigm developed by Alexander Gerschenkron (1962)[3], which argues that great universal banks were the main drivers of economic development in 'latecomer' nations, has been extensively

[3] Gerschenkron's hypothesis has been extensively debated and examined in the scholarly literature, with numerous studies applying it to different national case studies (Cameron, 1972). It has also inspired a substantial body of work exploring the distinction between bank-based and market-based financial systems, with many scholars highlighting that banks and markets are, in fact, complementary rather than mutually exclusive (Boot and Thakor, 2010; Ugolini, 2021; García-Ruiz, Vasta 2021).
Moreover, as will be outlined shortly, while Gerschenkron's thesis has been debated on the banking side—particularly with scholars highlighting the significant role played by local banks in financing businesses (Conti 2007; Carnevali 2005)—macroeconomic analyses have also challenged the notion of a 'big spurt' in Italy's economy during the Giolittian era (Fenoaltea 2011; 2003). Instead, these studies suggest that Italy experienced a pattern of long-term growth characterised by cyclical fluctuations, largely influenced by trends in international financial markets and, consequently, by the flow of foreign direct investment into Italy, especially in the construction and infrastructure sectors (Incerpi, Pistoresi, Rinaldi 2022; Fenoaltea 2017). Recently, this argument concerning Italy's dependency on international markets has been further developed by highlighting the capacity of the country's central banks—namely the Banca Nazionale until 1893 and subsequently the Bank of Italy—to intervene directly in key markets between Unification and 1913, as well as the strategic role played by foreign exchange reserves in this context (Di Martino 2023; 2022).

debated and re-evaluated over the past few decades, particularly concerning Germany and Italy (Rinaldi, Spadavecchia 2021; Burhop 2006; Fohlin 1998; Edwards, Ogilvie 1996). The experiences of Credito Italiano (Credit) and Comit have been reassessed in terms of their capacity to mobilise capital for the Italian industrial sector (Fohlin 1999, 1998). Antonio Confalonieri (1974-1976, 1982, 1992, 1997), in his work on bank–industry relations in Italy from 1894 to 1933, points out that these two universal banks financed large enterprises in sectors such as railways, electricity, iron and steel, and chemicals; however, they did not have an overall investment plan and limited themselves to specific projects. They also invested in high–cost production sectors like shipbuilding, chemicals, electricity, and metallurgy, but, most outstandingly, not excluding local banks from opportunities and financial relationships, allowing these smaller banks to become associated with textile and steel companies in northern Italy. Michelangelo Vasta and Alberto Baccini's analysis (1997; Vasta *et al.* 2017) underscores the role and importance of these local banks through their study of the boards of directors of companies where these banks had management representation. Their findings, focusing on the years 1911, 1927, and 1936, led to the rejection of Rudolf Hilferding's theoretical model (2011), which suggested that universal banks had exclusive control over companies.

In this overarching scholarly debate on the reassessment of the financial intermediaries in the framework of the economic development in early XX century in Italy, there was a notable evolution in the management of Italian multinational banks, and, in this chapter, I will focus on Comit. This transformation reached its zenith during the Interwar period, when coexisted two distinct generations of bankers and perspectives on the banking profession: the cosmopolitan banking of the 'long XIX century' and the technocrats, or civil servants, who emerged after the end of World War I.

The first banker's 'archetype' was rooted in the *haute banque* of the first globalisation, with the City of London as its undisputed leader. The City stood as the preeminent international financial centre through which most financial transactions—that is, financing foreign governments via bonds and medium–short term trade through bills of exchange—were conducted. Following the end of the Napoleonic wars, banking houses emerged in the City as major financiers of the Coalition that defeated the French army; prominent among these were Barclays, Baring Brothers (Valmori 2023; Austin 2015), and Rothschilds (Liedtke 2006). The latter two belonged to the so–called merchant banks, which evolved from medieval merchants who financed the production and trade of goods (Chapman 1984). The Rothschilds, in particular, exemplified the cosmopolitan finance model (Ferguson 2009, pp. 1-30); originating in Frankfurt, they established themselves in major European financial centres and cities such as London, Vienna, Paris, and Naples, thereby creating a broad

network of banking correspondents they could depend on for reliable information to base their business decisions[4].

Along with others merchant banks, to mention the most famous, Schroeders, Seligman, Lazards, Hambros, Mendelssohn and Morgans, this kind of banker had specific common features that were present not only in the City's *élites*, but also in the Parisian and German *haute banque*. Respectability, trustworthiness, reputation, reliability, and dealings related to international businesses were the ethical and professional load–bearing axes of this financial elite (Berta 2013, pp. 31-37; Cassis 2009; Stoskopf 2000). Especially in the City, financers and bankers shared their high–ranking status with the so–called 'gentlemen capitalists' and were part of the 'landed–gentry'; at some extent, «The City elites […] enjoyed greater freedom from daily cares, higher prestige and better openings for political careers, public activities and the exercise of power than leaders of industry and, to a lesser degree, the same was true of their financial and commercial imitators in the great out sorts of the kingdom such as Liverpool» (Cain, Hopkins 1986, p. 507). The bankers in London of the Victorian and Edwardian eras enjoyed comforts and privileges without realising it, as if they thought they were imperishable and unchangeable (Keynes 1920, pp. 5-6) But, above all, there was a strong German presence both in the management of the most important banking houses of the City, and the foreign branches of German banks established in London, such as Mendelssohn and Deutsche Bank (Plumpe, Nützenadel, Schenk 2020; Cassis 2009; Cameron, Bovykin 1991). German banks featured a significant number of Jewish families, some of whom had converted to Protestantism, although this was not a defining characteristic of the German *haute banque* (Chapman 1984; Stoskopf 2000). Throughout the 19th century, Jewish banking families such as the Königswarters, Bisschoffsheims, Goldschmidts, and Bleichröders expanded their international networks from Berlin and Frankfurt, establishing themselves with foreign branches or with correspondents in places like Rotterdam, Amsterdam (Schijf 2008), and Italy, between Naples, Genoa, and Milan[5].

[4] This banking house was not standing alone: throughout the 19th century, a number of merchant banking families migrated to London from continental Europe, particularly Germany. These included the Hambros, Kleinworts, Seligmans, Schröders, Erlangers, and Lazards (Bruneau 2023, pp. 29-31). The Lazard bank, in particular, was established in the United States by three Jewish brothers of French descent, who later expanded their presence to the three major financial centres across the Atlantic—London, Paris, and New York. For a comparison with the cosmopolitan Jewish bourgeoisie in Italy, see: Maifreda 2021, pp. 112-119.

[5] When discussing private of financial intermediaries, the Jewish presence in that world was highly significant. Rothschilds in five European cities, in the City of London, Seligmans, Lazards, and Raphaels. Then, in Germany with the Bleichröders and Mendelssohns in Berlin, Goldschmidts in Frankfurt, and in Italy and the Kingdom of Sardinia the Morpurgo & Parente, Leoninos, Avigdors, Zaccaria Pisa, and Weill–Schott families (Maifreda 2000). While not a defining characteristic of XIX–century *haute finance*, Jewish origins afforded certain advantages. In fact, minorities not only were able to create networks within their local communities but also belonged to larger regional and international networks. These broader networks shared specific norms and values and had latent connections that can be quickly activated. These connections often provided valuable information about markets, both local and global (Garruccio 2002, p. 86). For instance, Rothschilds relied on a network of banking correspondents, among them Jewish bankers established in Italy (Liedtke 2006, p. 45).

In the Italian peninsula, even before the unification of the various ‘pre-unitarian’ countries under the Kingdom of Italy in 1861, financial intermediaries had been established as far back as the Middle Ages (Karan, Westerman, Wijngaard 2024; Fazzini *et al.* 2016). By the 19th century, their role in financing the productive sector had become increasingly central. During the Restoration era, the distinction between bankers and merchants or ‘grand commissioners’ was still somewhat blurred (Caizzi 1972). In Lombardy, the emerging cotton and silk industries facilitated significant capital accumulation and attracted foreign investment, mainly from Germany, Switzerland, France and Austria. For instance, in 1846, a consortium of banking houses from Frankfurt, Elberfeld, and Basel subscribed to the share capital of a silk industry firm, Abram Schuller & C. (Caizzi 1972, p. 296). Similarly, in Lombardy’s cotton industry, companies had financial dealings with foreign banks. For example, Cotonificio Cantoni engaged with Crédit Suisse and the Winterthur Bank (Romano 1992, p. 187).

Another channel for foreign capital to penetrate Italy was through the establishment of railway construction companies, predominantly financed by French investors. Alongside the creation of these railway companies, several banking institutions emerged, such as Strade Ferrate Meridionali (Bastogi), which relied heavily on the Società Generale di Credito Mobiliare as its principal financier. The Crédit Mobilier of the Pereire *frères* subscribed 50 million to this bank’s share capital to facilitate financial support for Bastogi (Iacoponi 2017; Polsi 1993, p. 29). Similarly, for the Ferrovie Romane railway company, the primary financial institution established to back this effort was the Banca di Credito Italiano, which had significant holdings in the French bank Crédit Industriel et Commercial (Polsi 1993, p. 35).

In the Kingdom of Sardinia, the Rothschilds of Paris underwrote a fifth of the share capital of the bank Banco di Sconto e Sete (1863), which financed the significant project to construct artificial canals in Piedmont. This initiative was sponsored by Camillo Benso, Conte di Cavour, through the company Società dei Canali Cavour (Romeo 2012). The latter subsequently came under the control of the Swiss banker Ulrico Geisser in 1870. Geisser, originally from St. Gallen, headed the Banco di Torino and successfully engaged French, English, German, Austrian, and Swiss institutions in underwriting the bank’s share capital (Polsi 1992, p. 41, p. 272). During the decade when Cavour was the Prime Minister of the Kingdom of Sardinia, Genoese private bankers were integrated into the main European banking circuits, primarily maintaining relations with the Rothschilds in Paris (Maffi 2020, pp. 60–61) and the London financial hub, through which they discounted bills of exchange endorsed by Lombard merchants and importers (Caizzi 1972, p. 238). Among the Genoese financial elite, the Parodi bank was the institution most embedded in international and political networks, having connections with the Papal State, via the Torlonia family, and with the Kingdom of Sardinia,

offering financial advice to its Minister of Finance, Vincenzo Ricci (Maffi 2020, pp. 90-94). This private bank conducted its operations through informal channels and relational networks among the Jewish cosmopolitan bankers and other local banks, who were active in the Savoy Kingdom. This network included the Avigdors of Nice, who guided the Avigdor, Aîne et Fils Bank, and had connections with Barings, Hambros, and certain London branches of German banks. Additionally, the Leonino family was another banking house established in Casale Monferrato, engaging with both the government of the Kingdom of Sardinia and the Rothschilds. Hereafter, an example of the networks of these banks:

- The bankers–politicians' network, which tries to arrange in 1848/1849. It includes Vincenzo Ricci (finance minister of Genoese origin, bitterly opposed by Cavour); a group of Genoese bankers; Carlo Bombrini, manager of *Banca Nazionale*; the banker Henry Avigdor; and some members of the international *haute banque*.
- The bankers–politicians network, which organizes the 1849 loan. It includes: the King of Sardinia; Giovanni Nigra, finance minister: some private bankers from Turin; Carlo Bombrini, who has strong connections with Genoese private bankers; Gustave Landauer; and James de Rothschild.

Two other networks regard bond listings:

- The network which deals with listings, made up of: James de Rothschild, on the Paris Stock Exchange; Gustave Landauer, who coordinates the network in the north of Italy; the banker [Luigi] Bolmida, whom Nigra wanted as a representative in Turin; the bankers Parodi and Spigno–Gastaldi in Genoa; and the Ulrich-Brot bankers in Milan.
- The network, which is not explicitly involved in the listings, made up of: Genevan bankers operating in the Kingdom of Sardina, namely De La Rüe in Genoa and the bankers De Fernex and Mastrezat in Turin. Each of them, through personal and business relations with Cavour, tries to participate in the listing, but they are not directly involved by the Rothschilds.[6]

The interactions between banking and politics, as explored by scholarly literature (Valmori 2023; Cassis, Cottrell 2009; Maifreda 1997; Cassis 1994; Mosse 1987), have aimed to provide an interpretative framework for the social history of banking. This has been done to uncover the channels through which nineteenth–century cosmopolitan bankers conducted their business and formed relationships that extended their network beyond their 'inner circle' of acquaintances. These ties outside their banking sphere allowed their network to grow with diverse members, thereby enriching it with a variety of information and business opportunities that would otherwise have been inaccessible. Before the Unification, the Rothschild banking houses, spread across Vienna, Frankfurt, Naples, and Paris, maintained dominance in financing governments and enterprises in the pre–unitarian Italian states, while, throughout the second half of XIX century, the «fight for financial supremacy» (Einzig 1931) in Italy saw the struggle between the Rothschilds of Paris, Crédit Mobilier, and other French bankers in acquiring financial stakes of Italian affairs (Conti, Schisani 2011, pp.

[6] Maffi 2020, p. 113.

145-153; Polsi 1993, p. 267, Landes 1956)[7]. Overall, private bankers played a crucial role both prior to the reorganisation of the credit system in the 1890s and following the emergence of the universal bank model in Italy. In fact, from the latter half of the nineteenth century, they had developed a specialisation in financing emerging industries and railway infrastructure (Segreto 2009, pp. 177-204; Volpi 1997). Moreover, their trustworthy and long-standing clientele would have eventually enabled Comit and Credit also to broaden their client base.

In the analysis of the financial intermediaries in Italy depicted so far, there has been a recurrent presence of German and German–speaking banks and bankers, alongside with its French counterparts aforementioned, involved in Italian affairs and in close relationship with Italian politicians (Toniolo 2013, pp. 16-17). As early as 1871—though it was not a fortunate experience—the Banca Italo–Germanica was founded by two private banking houses from Frankfurt, which were later joined by Deutsche Bank, Berliner Handelsgesellschaft, and Mitteldeutsche Kreditbank. In the same year, Banca Generale was founded, with Wiener Bankverein subscribing to a quarter of its nominal capital of 30 million lire (Hertner 1991, p. 346). The financial relations between Germany and Italy were further deepened after the ratification of the defensive military treaty that gave birth to the Triple Alliance, with the Austro–Hungarian Empire completing the triad. Therefore, there was no by chance that German financial interests grew up throughout the 1880s, which led to the establishment of a consortium for italian businesses in 1890[8].

[7] Between 1820s and 1870s, Rothschilds dominated the world finance and, since their banking houses and network of correspondent was spread all over Europe and Americas (Liedtke 2006, pp. 53–54, pp. 168–186), they embodied the archetype of cosmopolitan banker. Five banking houses headed by the five sons of Mayer Amschel Rothschild established in Frankfurt, Vienna, Paris, London, and Naples, keeping business relations and overcoming wars and political rifts amidst European nations. For instance, the Italian independence wars or the Franco – Prussian War of 1870–1871. Moreover, their network of correspondents, among many others, included Bleichröder Bank of Berlin, Morpurgo & Parente of Trieste, and Parodi Bank of Genoa.

[8] For a first glimpse of German banks' participations in 'Italian loans', see Appendix A.

The struggle for financial supremacy in post-unification Italy, marked by the competing interests of French and German capital, found in Domenico Balduino a pivotal figure who sought to assert national financial autonomy. Although ultimately unsuccessful in freeing Italy from foreign financial dependence, Balduino's efforts represent a key chapter in the development of the country's modern banking system.

Domenico Balduino was a central figure in 19th-century Italian finance. Originally a merchant in Genoa, he rose to prominence as a banker and financier during Italy's unification. In 1863, he restructured the Cassa del Commercio e dell'Industria di Torino into the Società Generale del Credito Mobiliare, initially under French influence via the Crédit Mobilier. Balduino gradually asserted control, transforming it into one of Italy's foremost credit institutions, active in financing major public works, railway expansion, and state operations. His strategy centred on reducing reliance on foreign capital, fostering a close relationship with the state, and privileging stable capital over volatile public deposits—an approach shaped by the 1866 financial crisis. He played a significant role in financing the southern railways, managing state loans and monopolies, and investing in maritime and colonial infrastructure, particularly in Tunisia and the Red Sea region. Despite his vision and influence, Balduino's authoritarian leadership and speculative tendencies, coupled with mounting foreign competition—especially from German banks—and shifting domestic politics, gradually diminished his influence. Nevertheless, his legacy remains critical to understanding the evolution of Italy's financial architecture in the decades following unification (Confalonieri 1979, Nitti 1963).

In this backdrop and after the banking crisis of 1893, Comit was established in 1894 by a consortium of German, Austrian, and Swiss banks[9]. The two individuals selected to lead this new banking institution were Federico Weil and Otto Joel, both German bankers of Jewish origin. Having immigrated to Italy, they already held significant banking positions at the time of their appointments: Weil at the *Crédit Mobilier* in Palermo (Toniolo 1994, p. 31) and Joel initially at Banco dei Fratelli Bingen in Genoa (Garruccio 2002, p. 176). Consideration had to be given to Weil and Joel's role in relation to the network of international connections that Comit benefitted from right from the outset, largely due to their influence. Weil was a cousin of the Weill–Schott brothers, who owned a banking house in Milan that established a branch in Florence in 1867, then the capital of the Kingdom of Italy. He trained at the Milan headquarters of his cousins, and thanks to Alberto Weill–Schott, he was introduced to Francesco Crispi. His cousins built a close relationship with Crispi during the 1870s and 1880s (Maifreda 1997). Crispi instructed Weil to maintain relations with the German bankers, who would later be involved in founding Comit (Maifreda 2000, pp. 140-143). A key aspect of Joel's banking career was his Israeli heritage and familial connections. Joel was related to Levin Goldschmidt, his maternal uncle, who belonged to a Jewish family of merchants and bankers from Danzig. His family had established their own private banking institution, Goldschmidt, in Frankfurt, which was part of the Rothschild network of correspondents. Consequently, if one assumes a maternal link to the Goldschmidt bankers of Frankfurt, this connection would have significantly influenced the early career choices available to the young Joel. After completing a three–year apprenticeship with his uncle in Frankfurt, Joel began his professional career in Genoa at the bank Banco Fratelli Bingen, under the supervision of its Jewish manging director Adolfo Bingen. Another factor that facilitated Comit's immediate establishment of significant connections in the international banking sector was the German financial penetration that began in Genoa and Italy around 1871, the same year Joel started his career. Joel's appointment as deputy managing director of the Banca Generale's branch of Milan in 1886 marked the beginning of his managerial career. This advancement was facilitated by a collaboration between the Bingen bank and Banca Generale, which jointly founded the Società Italiana per le Strade Ferrate del Mediterraneo[10] in 1885. This venture brought Joel to the attention of Banca Generale, leading to his joining the institute's Genoa branch the following year (Garruccio 2002, pp. 159-176; Hertner 1977, p. 259). This biographical sketch of Joel and Weil illustrates their

[9] The nominal capital of 50 million lire was subscribed in equal parts by the six largest German banks participating in the consortium (78.86%): Berliner Handels-Gesellschaft, Deutsche Bank, Bank für Handel und Industrie, S. Bleichröder, Disconto–Gesellschaft, and Dresdner Bank. 13.4% of the capital was subscribed by Österreichische Creditanstalt and in equal parts to the three founding institutions of Swiss nationality: Basler Bankverein, Union Financière de Genève, and Schweizerische Kreditanstalt of Zurich. The remaining 0.5% was subscribed by Count Sanseverino Vimercati (Toniolo 1994, p. 25; Hertner 1977, p. 263).

[10] Italian Society for Mediterranean Railways.

rise of standing within the European banking scene, and it was due to their reputation and extensive network that they were appointed general managers of Comit in 1894. They were the ideal interlocutors to starting a new banking activity that would have dealt with its German counterparts. A year later, a similar operation was carried out by another consortium of German banks in establishing another joint–stock bank, Credit: Robert Warschauer & C., National bank für Deutschland, and Basler Handelsbank.

Despite the rapid withdrawal of German shareholders from these two banks and the simultaneous increase in the 'Italianisation' of their share capital, Comit and Credit retained a significant presence of German, Swiss, and Austrian managers in their staff (Toniolo 2022, p. 211; Hertner, Pino 2000, p. 181; Hertner 1977, p. 268). Excluding the nationalist and interventionist propaganda attacks that targeted Comit in 1914, leading to the resignations of Joel and Weil in 1916, this thesis is further supported by what will be thoroughly discussed in the next paragraph: the director, deputy director, and various agents of Comit's London branch in 1914 were all of German or Swiss origin, including Carlo Lovioz. The outbreak of the World War I led to a stark upheaval for Comit, as most of the German–speaking staff was forced to resign due to the pressure from the Italian interventionist front and its accusations of Comit being a bank colluding with the Central Empires (Telesca 2010, pp. 63-65). In this sense, Lovioz was spared as, despite being born in Switzerland, he obtained Italian citizenship by virtue of his father, who was originally from the Italian region of Val D'Aosta[11].

The breaking upheaval of the World War I marked the beginning of London's inexorable decline as the 'capital of capital' (Cassis 2006). Since the early XIX century the City was the major world financial hub where the commerce revolved around[12], the borrowers sought investors to raise capital, and merchant banks issued bonds to finance entire countries. The outbreak of the war led to multiple consequences: first, the business turnover aforementioned underwent a huge setback (Cassis 2011, pp. 18-23). Second, German banks were wiped out from the City and any loan in favour of German and Austro–Hungarian beneficiaries was blocked, leading to a suspension of payments and a consequent liquidity distress for British banks. The suspension of the gold standard itself would not have inevitably resulted in a loss of financial power for Britain. However, its implementation by the Bank of England marked the beginning of this decline, as the United States, under the leadership of Treasury Secretary William G. McAdoo, capitalised on the situation. McAdoo's decisions helped the U.S. fill the gap left by the British financial system by maintaining the dollar's convertibility to gold, closing the New York Stock Exchange to prevent capital drains to European countries needing

[11] Historical Archive of Intesa Sanpaolo bank, heritage of Banca Commerciale Italiana (henceforth ASI-BCI*), Personale, matricola* (henceforth Pers, m), file Carlo Lovioz; Register of birth and baptism records of the Diocese of Aoste and the Parish of St. Pierre, 'Acte de naissance et baptême de Joseph Lovioz' (1858).

[12] For instance, South–American exporters were paid in British pound at the London branch of their banks when they shipped goods to Spanish, Italian, or German importers (Silber 2007, p. 90).

liquidity for their war efforts, and promoting U.S. exports like grain and cotton (Silber 2007, pp. 1-7). This was the legacy and third major consequence of the outbreak of the war.

In Italy, the shift in alliances by its government led to upheaval in both the universal banking and the electric companies. The former, besides the already considered connection to German banks, had directors and delegates in the management of companies operating in the Italian electricity sector[13]. The latter was an area of investment and economic interests for German banks, financial holdings, and industries, and their subsidiaries in France, Switzerland, and Belgium (James, O' Rourke 2013, pp. 55-57; Mori 1977, pp. 151-158). In addition to the significant presence of German engineers and managers in Italian electric and hydroelectric companies, there was also a strong reliance on German components and machinery for the operation of hydroelectric plants (Barbiellini Amidei, Cantwell, Spadavecchia 2013 pp. 381-384; Mori 1977, p. 152). Therefore, in 1914, Comit—and to a lesser extent Credit—was likened to a German bank by the 'interventionist' press and later had to fend off attacks from industrialists, politicians, and bankers eager to get rid of a cumbersome player in the Italian economy to take its place and its huge shares in the productive sector. Among them, to name a few, there were the Genoese iron and steel company Ansaldo, guided by Perrone brothers, who bounded themselves to the bank Banca Italiana di Sconto (BIS), which was established in 1914 as 'antagonist' of Comit (Falchero 1991)[14]. Alongside sugar companies, they bankrolled magazines and newspapers that advocated for entering the war on the side of the Entente and played a key role in the smear campaign against Comit[15]. Overall, these companies (Ansaldo, Breda, Piaggio, Eridania, etc.) gained momentum, securing significant stakes in the Italian economy, which was entirely geared towards supporting the war effort. However, they set in motion a process that eventually led to the separation of universal banks from the interests of industrialists, culminated with the liquidation of the BIS in 1921 (Dandolo, Sbrana 2015, p. 121), and, later on, from the political economy of the fascist government.

Industrialists and financiers who thrived during the war, in light of their substantial profits reaped from wartime orders by the Italian government—such as Riccardo Gualino[16], the Agnelli's FIAT, and the Perrone's Ansaldo—sought to drum up liquidity to back post-war reconversion efforts.

[13] Comit established in 1898 a financial holding to manage its shares in electric companies, whose board of directors had as chairman Otto Joel and as members the vice chairman and five managers of the Allgemeine Elektrizität Gesellschaft, one of the most important German electricity companies (Mori 1977, p. 160).

[14] Originally established in Milan by Alberto Weill Schott as a banking firm, the institution was reorganised in 1904 as the Società Bancaria Italiana. A decade later, in 1914, it underwent a further transformation, becoming the Banca Italiana di Sconto (Falchero 1991, Confalonieri 1982).

[15] To mention the most influential: *Idea Nazionale*, established by Giovanni Preziosi.

[16] Gualino commenced his career in the import and trade of timber from the United States to Italy. During the war, he became engaged in the transport of US aid to support the war effort, during which he made the acquaintance of Giovanni Agnelli, owner of the motor company FIAT. Alongside Massimo Bondi, another financier who accrued considerable wealth during the war, he also endeavoured to take over the electric company of Edison (Barucci 2021, p. 107; Chiapparino 2003; Bonelli, Barsali 1969).

Between 1918 and 1920, they attempted to buy out the majority of the shares in Comit and Credit. This process saw, on one side, BIS and Perrone brothers attempting a hostile takeover of Comit, and, on the other, the industrial group Agnelli–Gualino trying to achieve a similar outcome against Credit. However, the two groups, which made repeated attempts to take over the two largest universal banks in Italy, were definitively ousted from their controlling syndicate in 1920, leading to the collapse of BIS and a downsizing of Ansaldo and Ilva (Barucci 2021, pp. 106–118; Telesca 2020, p. 833). From the ashes of the BIS and the financial holdings of Credit and Comit, Compagnia Finanziaria Nazionale and Consorzio Mobiliare Finanziario, which were established to face the industrialists' attacks, a divergence of views began to come up among Italian economists, politicians, and even other bankers, contrasting with those of universal banks and their managing directors. In particular, Giuseppe Toeplitz[17], the sole managing director of Comit since 1915, was still culturally rooted in the *haute banque* world of the pre-war period[18], where, especially for the Milanese context, skills, practical know–how, and personal networks carried more weight than a degree in economics and finance (Piluso 1998, p. 451). Influenced by the banking culture of his mentor and cousin Otto Joel, Toeplitz did not hesitate to tie up Comit's account holders' deposits in long–term loans to companies, given the limited scope for capital mobilisation in Italy (Romano 1997, p. 16).

However, in December 1921, the scholar and economist Luigi Einaudi (Faucci 1993) began to express criticism of this banking model, warning of potential dangers even after the BIS crisis:

> Today's crisis highlights the accuracy of those 'theorists' who have consistently expressed concern over the successes of the German–style banks' investment policies. The theorists used to say, «Banks should not use deposits to grant long–term loans to industries». The 'ultra–modern' system of engaging in industries through shareholdings and stock purchases may be the pinnacle of modernity, but it is fraught with danger [...]. The experience of the Banca Italiana di Sconto, with its colossal financing of Ansaldo and others, should serve as a lesson for the future. Banks, which receive short–term deposits, must exercise extreme caution when advancing funds to industrialists for the construction of facilities or the purchase of machinery.[19]

This caution was echoed by the economist Piero Sraffa (De Vivo, Naldi 2018) a year later, who highlighted the risk banks faced by having immobilised a significant portion of the short–term deposits entrusted to them (Sraffa 1922, p. 194). In 1924, Finance Minister Alberto de' Stefani expressed similar concerns to the Italian Banking Association (*Associazione Bancaria Italiana*),

[17] Jòzef until January 1912, when he obtained the Italian citizenship and "Italianised" his name (Bertilorenzi, Telesca 2016, p. 255).

[18] Toeplitz biography and banking apprenticeship relied on the professional careers of the cosmopolitan bankers. He was born in 1816 in Zychlin, near Warsaw, from a Jewish merchant banker, and he was a perfect polyglot, fluent in six languages (Telesca 2010, p. I–II). Moreover, his father guided Rau Bank in Warsaw, which was part of the correspondent network of the Rothschilds of Frankfurt, while his uncle, along with other partners, established in the same city the private institution 'Handlowy Bank'. Additionally, Toeplitz's cousin was Otto Joel, who welcomed him at the Banca Generale in Genoa, where he gained practical experience in the banking profession (Montanari 1995, pp. III-V).

[19] Einaudi 2016, p. 97.

advising those present not to forget the importance of managing the deposits entrusted to them by savers (Dandolo, Sbrana 2015, p. 123). Furthermore, the director and later president of the Banco di Napoli, Giuseppe Frignani, described savings as «a great collective interest» (Frignani 1937, pp. 23–24; Dandolo 2011, pp. 110–111). Toeplitz, however, stood in complete opposition to these emerging trends and principles, even going so far as to antagonise the Governor of the Bank of Italy, Bonaldo Stringher[20]. This was evidenced by the series of loans he arranged for foreign governments, including those of Poland, Brazil, and Yugoslavia (Asso 1993, pp. 130-196) In the mid–1920s, the Polish–Italian banker had Comit engaged in these ventures, seemingly to emulate the Rothschild model of international expansion of the XIX century (Telesca 2010, p. 248). In those years, Raffaele Mattioli, professor of political economy at Bocconi University of Milan and future head of Comit (1933) perceived the role of the banker differently from Toeplitz. According to the young economist, the bankers ought to proceed with thoughtfulness in their lending practices, taking into consideration the constraints imposed by deposits and maintaining a close relationship with the productive sector with which they were engaged (Pino 2023, pp. 64-65). Moreover, with the Bank of Italy's regulatory activity engaging in 1926 (Toniolo 2022, pp. 477-483), the leeway for bankers like Toeplitz began to dwindle. As a son of an era that would have never returned, he attempted to put his demands across, joining forces with Italian industrialists such as Gualino, Agnelli, and Alberto Pirelli. Along with European and US bankers, financiers, and industrialists, they signed a manifesto advocating for the 'economic disarmament' of nations, calling for the slashing of customs duties, cuts in tariffs on goods transport, and a revival of an international credit system that fostered cooperation[21].

However, in the 1920s, a new generation of bankers and so–called "technocrats" began to replace the "cosmopolitan" bankers in Italy. Figures like Alberto Beneduce, Donato Menichella, Giuseppe Cenzato, Agostino Rocca, Raffaele Mattioli himself, Oscar Sinigaglia (Pinchera, Sinigaglia 2012, vols. I–II), Giovanni Malagodi (Orsina 2006), and many others, who were at the forefront of public intervention in Italy, held degrees in mathematics, engineering, economics, and law. This background gave them a higher level of technical expertise compared to those, like Toeplitz, who had learned their trade on the job. This made the new technocrats better equipped to handle an international economic landscape that demanded fresh sensibilities and technical skills (Piluso 1998, p. 242). In this new generation of bankers, civil servants, and politicians, common features included a higher level of specialisation in their fields, a focus on protecting national economic interests, and a

[20] The relationship between Toeplitz and Stringher was quite poor, primarily due to these disagreements, which gradually intensified throughout the 1920s. Moreover, another reason may rely on the fact that Stringher and his collaborating officers «came from the civil service rather than the world of finance and 'were more sensitive to the goals and concerns of the Italian state's political. and administrative leadership than they were to those of the financial a community» (Feldman 1991, p. 16).

[21] *Un Manifesto per il disarmo economico firmato da 180 banchieri e industriali*, «Corriere della Sera», 19 October 1926.

preference for technical expertise over experience and intuition. While these latter were certainly valued, they were not seen as substitutes for technical know–how (Felisini 2015, p. 137).

Beneduce was undoubtedly a pioneer of this elite group, having collaborated in 1911 with the Italian Minister of Agriculture, Francesco Saverio Nitti, to establish the *Istituto Nazionale delle Assicurazioni* (National Insurance Institute). This public institution aimed, according to Beneduce's own intentions, to attract savers' investments, pulling them out of the hands of universal banks (Magnani 2019, p. 104). In the post-war period, his interventionist vision for the state's role in the economy was further reflected in the creation of two other institutions: the Consorzio di Credito per le Opere Pubbliche (Credit Consortium for Public Works) in 1919 and the Istituto di Credito per le Opere di Pubblica Utilità (Credit Institute for Public Utility Works) in 1924[22]. During the 1920s and 1930s, technocrats replaced also politicians in ministerial roles. For instance, Giuseppe Volpi's diplomatic skills proved useful in negotiating war debts and new loans with Great Britain and the United States, but he lacked the technical specialisation to analyse the state budget and implement economic policies to address the balance of payments issues (Segreto 2019, pp. 24-25, p. 39). Mussolini later ensured that the Ministry of Finance was led by someone with expertise in international economics and finance, appointing Guido Jung, who was adept at navigating the challenging 1930s economic landscape. Additionally, Mussolini heavily relied on highly educated and expert politicians. Besides Jung, there were Alberto de' Stefani, who served as Minister of Finance from 1922 to 1925, Alfredo Rocco, the Minister of Justice from 1925 to 1932, and the aforementioned Beneduce, the prominent figure in state economic intervention during the 1930s (Cassese 2010, p. 15).

This shifting process of the Italian financial elites was also underscored by the growing presence of civil servants at international finance conferences in Brussels and London between 1920 and 1933. In the Belgian capital, the private sector was well–represented by several key figures, including Leo Goldschmied from Comit, Mario Solza from Credit, and Carlito Rosa from the *Banco di Roma*. However, by the time of the London conference in 1933, these bank managers of the private sector had been edged out, making way for politicians and technical experts instead (Piluso 2018, pp. 85-88). Within Comit, this shift was most notably exemplified by the replacement of Giuseppe Toeplitz with Raffaele Mattioli in 1933[23]. Mattioli's credentials as a technocrat were bolstered by his economics degree and his intellectual sparring with eminent economists of the time, including Piero Sraffa and Luigi Einaudi (Pino 2023, pp. 74-81). His proposals for reorganising Comit, which he put

[22] See Magnani, Franzinelli 2009. Beneduce was also the founder of the Istituto per la Ricostruzione Industriale.

[23] This replacement signalled the end of a banker who, during the 1920s, had been subjected to attacks, including personal ones, from Fascist officials and journals. Among these were the political and economic journal «Echi e Commenti» and Roberto Farinacci (Pardini 2007, pp. 352-354), both of whom called for greater government control over Comit, arguing that it had become too influential to be regarded as merely a private institution (Di Porto, 1995, pp. 82-84).

forward to Jung and Beneduce between 1931 and 1933, won him the regard of the IRI founder himself and helped him fend off the Fascist regime (Pino 2023, pp. 151-153; Rodano 1983, p. 89).

The professional and managerial careers of Carlo Lovioz and Guglielmo Reiss Romoli stand out within Comit, which was navigating this extensive transformation of the Italian financial elite throughout the Interwar period. Their experiences could provide new insights on this evolution, as they represent the two aforementioned generations of bankers, which still coexisted in the late 1930s. On the one hand, Lovioz exhibited the common features of a 19th–century cosmopolitan banker, evident through his Italian–Swiss origins, his training in the field, and his diplomatic manner of engaging with bank managers in the City of London. On the other hand, Romoli belonged to that generation of technocrats who firmly established themselves during the 1930s. However, he did not conform to the traditional standards of that emerging elite, having failed to complete his university studies due to the outbreak of war in 1914. Instead, he embarked on his career in the field, initially working in two private banking institutions, before moving into the public sector, where he was commissioned by Comit (in account of IRI) to turn around several failing companies in the Italian region of Piedmont.

Additionally, scholarly literature has examined the relational networks of bankers but has often overlooked the theory and methodology for investigating these networks, such as social network analysis and its ancillary disciplines (egocentric networks, whole networks, and relational chains). In the investigations into the Rothschilds (Liedtke 2006), the Parodis of Genova (Maffi 2020; Maffi, Romani 2019), and the relational networks of Comit managing directors such as Joel (Garruccio 2002) and Toeplitz (Telesca 2010), considerable attention has been given to describing the social milieus in which they operated and developed new knowledge. However, these studies fall short of quantifying empirically the composition of their networks, the shape, and the concrete economic yields derived from them.

1.2 *Cosmopolitan bankers: traces of a banking culture in Lovioz's career*

Of Italian descent, Carlo Lovioz was born in Biel in 1887, a city located at the linguistic border between the Romandie and the German–speaking region of Switzerland. After completing his education at the *Progymnasium* and obtaining a classical high–school diploma[24], he spent three years

[24] Among his classmates, there was Ernest Luterbacher, who became deputy manager of the Swiss Bank Corporation, Maurice Vaucher, chairman and vice–chairman of two Swiss watchmaking firms; moreover, Lovioz's brother, who attended the same school, became manager of the Swiss Bank Corporation in Bâle/Basel. See: Archives municipales de Bienne/Biel, *Schuellerkontrollen*, *The Swiss Observer*, 13/01/1967, and the online database on the Swiss *élites* at the following link: https://www2.unil.ch/elitessuisses/personne.php?id=52556, consulted on 05/07/2023. Regarding the classical formation of the German *élites*, see: Garruccio 2002.

working at a manufacturing company in Biel[25]. Successively, he moved to a firm specialised in tools and products for kitchens, where he worked for a year and a half[26]. This company had a branch in Genoa, where Lovioz likely spent some time, as he was employed there for four years at a local company called Calame & Matthey, which acted as an intermediary in the carbon coke industry[27]. Finally, in March 1912, he joined the London branch of Comit, thanks to Giuseppe Toeplitz, who hired him.

His career trajectory may seem unconventional for someone who would assume the role of branch manager thirty years later. However, his arrival to Genoa aligns with the broader paths of German and Swiss economic expansion, which gained pace from the 1880s onwards. This expansion was accentuated after the inauguration of the Gotthard Tunnel, which transformed Genoa into an appealing hub for both Swiss and German entrepreneurs and bankers. The economic elites of these two nations directed investments through their banks operating in Genoa, with Swiss investments of ₤7,154,750 and ₤1,630,500 of German ones. Notably, between 1871 and 1873, German investments became predominant. Additionally, new banks were established by the German colony in Genoa, including Banco Fratelli Bingen, and later, the Banca Generale, which had many German members on its board of directors (Doria 2008, pp. 371-373; Garruccio 2002, pp. 173-174). Therefore, the *bildung* process of Lovioz aligned with the traditional path of a German banker/entrepreneur who started his career on both sides of the Alps. This path typically involved attending a German–style *gymnasium*, moving to Italy, and ultimately establishing in a region influenced by German economic activities (which allowed to preserve the ties with the homeland). At Banca Generale, both Joel and Toeplitz embarked on their careers as managers, therefore it is reasonable to speculate that Toeplitz's Genoese professional network may have encompassed the Calame & Matthey company[28], establishing a connection with Lovioz in his hiring process. This *iter* took a distinctive trait, which had been sporadic in the procedures for the recruitment of bank employees, as it was the Central Director in Milan, Joel's *protégé*, who directly recruited Lovioz, disregarding individuals who primarily owed their selection to familial connections linked to prospects in London. This suggested that, beyond any potential connection to Lovioz, Toeplitz considered a range of factors, such as personal sentiments, informal connections, and affinities, which are scarcely documented in archival

[25] Swiss Official Gazette of Commerce Archives (SOGC), *Commercial register/mutations*, A. Jordi-Kocher A.G., Biel (BE).

[26] Kaiserliches Patentamt (ed.), (1914), *Warenzeichenblatt–XI. Jahrgang 1914*, Berlin, Verlag und Druck von J. Stankiewicz, p. 1766; Bureau fédéral de la propriété intellectuelle de Berne (ed.), (1907), *Liste des brevets*, Berne, Eidgenöss. Amt, p. 135.

[27] Annuario italiano (1941), *Guida Generale dell'agricoltura – industrie – commerci – arti e professioni d'Italia e Impero coloniale*, Milano, Casa editrice dell'Annuario italiano, p. 805. Overall, this information is reported in the resume of Lovioz, ASI-BCI, Pers, m, f. Carlo Lovioz.

[28] See: Archivio Storico della Camera di Commercio di Genova, *Registro Ditte*, files RD 01507 and RD 02927, «Calame & Matthey».

sources. Overall, besides informal factors, Lovioz's hiring may have depended on his apprenticeship paths—from Switzerland to Genoa through a German firm—and the circumstance of his proficient command (at least in the spoken word) of three languages, particularly German[29], possibly constituted an essential prerequisite for gaining entry into a microcosm characterised by a significant concentration of *Deutsche* bankers. Lovioz's recruitment was also favoured due to his Swiss origin, a common trait among Comit's management staff, alongside Germans and Austrians (Hertner 1977, p. 268). These three groups shared a common language, German, which was a significant factor in the integration of a new recruit into the banking sector.

The first two years of his banking career (March 1912-August 1914) were deeply immersed in the economic culture of the *Belle époque*, in the decades at the turn of the XIX and XX century. Main characters of that world—that within a few years would be hopelessly disrupted by the outbreak of the First World War—were the so-called cosmopolitan bankers, in other words, the owners and the mangers of the merchant banks[30], namely Barings, Lazard Brothers, Kleinworts, Rothschilds, Schroders, Hambros… etc[31]. Their main expertise area was the acceptance of the bills of exchange, with which they managed to channel large amounts of capital, enhancing the international commerce. Barings and Rothschilds were the main investors in the economies of Argentina and Brazil and, regarding the formers, also the ones who provoked the eponymous crisis in 1890, due to the Argentine government's inability to repay the loans received. It's widely known that merchant bankers had a long tradition as financial intermediaries of aristocratic descent, thanks to the trading fortunes of their ancestors[32], and once established in London in the XIX century (only the Barings started their business in the City in the XVIII century, along with the Berenbergs), and set a new standard of banking business.

They belonged to an exclusive circle of individuals whose social status equated to that of a member of English Parliament, carrying with it a set of social responsibilities to fulfil in order to be recognised as such. A prominent banker of the time was not only well–versed in international politics and economics, but also a dedicated philanthropist, in addition to possessing exceptional banking and managerial skills. Lovioz embarked on his journey in the financial sector amidst a community of German bankers, who were his superiors and had honed their expertise within the *milieu* of European and American financial institutions. The managing director of Comit's London branch, up to the

[29] Although, his school marks in language–related subjects were not so brilliant! See: Archives municipales de Bienne (AMBB), 'AB. 81.6.13 Schülerkontrollen Progymnasium Biel', Kontrolle der Austritts-Zeugnisse.

[30] Financial institutions of the British banking system, which derived their denomination from the foreign merchants who moved in the United Kingdom from XVII/XVIII Centuries and, later, became financial intermediaries.

[31] For the complete list of banking houses, Cassis 2009, pp. 30-31.

[32] To retrace the steps of these banking houses, Roberts 1992; Wake 1997; Bramsen, Wain 1979; Austin 2015; De Rougemont 2010.

outbreak of the First World War, was Siegfried Bieber, hailing from Gdansk. His career lied within the context of a cosmopolitan banker, as he worked for many banking houses, such as Crédit Lyonnais, Disconto Gesellschaft, Kleinworts, and Goldman Sachs[33]. His informal networks were an expression of the *haute banque*'s tradition of the Continental Europe, as he often gathered with other bankers on holiday in Ostend and Merano (holiday location of the Austrian and German financial *élites*)[34]. Therefore, Lovioz began his career, his social network, and develop his banking culture under Bieber's direction and many others Swiss and German branch's staff. The German factor had a significant presence within the City's banking landscape, and this influence extended to the financial networks across continental Europe. Therefore, It is not by accident that the managing director of Comit at that time opted for an experienced banker of German origin. His decades of service in financial institutions equipped him with a network of acquaintances, enabling him to be a valuable intermediary in financial affairs and the dissemination of information. A brief excerpt from Lovioz's private diary reveals the extent of Bieber's connections:

> He possessed a profound knowledge of foreign exchange and stock markets, earning high esteem among his peers in Vienna. Vienna, at that time, excelled in arbitrage, thanks to its longstanding interactions with astute partners in the East. He was also a sought-after consultant in Berlin, enjoying close friendships with key figures such as Fürstenberg from the Berliner Handelsgesellschaft, renowned for both his expertise and his witty sarcasms. He had connections with the partners of Mendelssohn, the Warburg family in Hamburg, and numerous high-ranking managers of major institutions in the capital and Frankfurt. Not to be overlooked was […] Oppenheim from the Banque Internationale in Brussels. Indeed, Biberone's [Bieber] network was vast. He facilitated accounts and business dealings with various banks in Tsarist Russia, including those with evocative names like Volga-Kann and Azov-Donn, as well as more benign entities like the International Bank of St. Petersburg and the Bank of Moscow. His reach extended even to the renowned Wissotzky trading house in Moscow. [35]

Where the good exchanged, besides—and equally pivotal—information and reputation, was a pledge of payment, having a clique of acquaintances implied opening a set of resources non–reachable in other ways (for instance, jointly participating in a loan). For a banker, being part of a broad network, whose members held an apical position in firms and banks, meant having access to information about financial markets. The members of Bieber's network were spread in high–standing banking houses (such as a managing director of the Kleinworts)[36] and were tied with him in a relationship of mutual recognition, trust, and esteem, in addition to a set of shared professional and social norm, which stood for upholding a high reputation, honouring its own commitments, and maintaining confidentiality. There were traits in the know–how of a banker that fell outside the professional perimeter, such as having interests and curiosities on philosophical/ literary fields, or on political/historical matters

[33] ASI-BCI, Pers, m, f. Sigfried Bieber, and *Carte di Raffaele Mattioli* (hereafter CM), folder 162, f. 5, no. 2.
[34] ASI-BCI, CM 162, f. 5, no. 2.
[35] *Ibidem*, translated from Italian.
[36] ASI-BCI, CM 155, f. 3, no. 53.

(Berta 2013, pp. 84-95). For instance, the Bieber's deputy–manager, Enrico Gollmer, was an expert *connoisseur* of Immanuel Kant[37] and Lovioz himself proved to have a wide knowledge of European political matters. These factors played a significant role in conferring the social status upon the generation of merchant bankers in the Victorian and Edwardian era and those who operated in the Interwar financial sector, yet received his formation in the *Belle époque*, Lovioz inherited the legacy of those cosmopolitan bankers in their interpretation and practice of the banker's profession. Moreover, those aspects were crucial to build relationships with bank managers occurred in both professional context and less formal ones, including occasions such as lunches, dinners, or private meetings held outside the professional context.

The concerns of the Comit's managing directors around the first foreign branch were also mirrored in determining where to place in London the new siege. The urban geography of the City co-located executives and managers from both British and foreign banks, including Comit, fostering daily and expeditious interactions[38]. The meticulous attention devoted to the planning and execution of an urban business district stemmed from a comprehensive undertaking initiated during the latter part of the XVI century, under the stewardship of the Mayor of London, Richard Gresham (Calabi 1993, pp. 217-222). This environment facilitated the nurturing and enrichment of trust and esteem, pivotal elements in social relationships (Maifreda 2011, pp. 36-42). The more frequent these encounters and exchanges occurred among the individuals involved, the further these fundamental social qualities were renewed and augmented (Rivera, Soderstrom, Uzzi 2010, p. 99). «It was a world unto itself [the City of London], where people met continuously and where contacts were made orally among businessmen whose offices were a couple of minutes away from each other» (Cassis 2006, p. 84). This geographical proximity greatly facilitated the maintenance of their interpersonal connections, thereby enhancing the prospects of further cultivating these relationships (Rivera, p. 105). It is not by chance that Comit's London offices, initially located on Old Broad Street, were placed in Threadneedle Street near the headquarters of the Bank of England, the Stock Exchange, and Lombard Street, where merchant, private, and joint–stock banks were located.

Once Lovioz was promoted as Comit–London's managing director, along with Reginald Hibberd, he effectively applied all the training he had received over the years at the branch and his cultural background emerges clearly whenever there is an encounter with a member of the London's financial elite. In fact, Lovioz proved his knowledge of London's *haute banque* customs and habits through comments in his correspondence with Mattioli, particularly regarding the depopulation of the City in August: «It is fashionable, almost *de rigueur*, for a self-respecting City 'gentleman' to go to Scotland

[37] *Ibidem*. 20

[38] The formation of the financial and business districts across Europe has been broadly analysed by historians, like John Summerson and later Donatella Calabi and Elisa Panato; Summerson 1977; Calabi 1993; Panato 2011.

at this time to hunt grouse»[39]. Furthermore, during a meeting with Augusto Castiglioni, the manager of the *Credit* London branch, where he asked Lovioz why Italian immigrants in London preferred his bank over Credit, it became evident his perception and approach to the banking profession:

> I explained to him that this was the result of the care we have always devoted to our community, our interest in its well-being across all social classes (not just the diplomatic or aristocratic ones), the active participation of many of our young people in its events, and the general camaraderie with our Italian or Italo-English staff (many of whom come from modest families that have been established here for at least two generations), and so on. We consider the community not just as clients, and many in the community see us not just as bankers, but as friends they can turn to—especially through those who have been in charge of the West End branch over the past 20 years—for advice and various forms of assistance. Just recall the precautions you authorized me to take when, during the sanctions period, we were concerned about what might happen to many compatriots in the event of complications[40].

Lovioz also demonstrated his close relations with the fascist's authorities, both in London and in Italy: as it emerges from a meeting with the Fascist party secretary in London, in which this latter commented how he could rely on Comit and its fascist soul[41]. For what concerns Lovioz's political relations in Italy, in July 1937 he reported in an epistolary exchange with Mattioli a meeting he had in a trip to Rome with the Ministry of Foreign Affairs' general director Piero Parini, who praised Lovioz to continue his collaboration with the new secretary. Lovioz's propaganda efforts also extended to his relationships with British journalists, as will be detailed throughout the chapter. For example, he had an extensive conversation with William Ewert Berry, the former Italian correspondent for the Financial Times and the owner of a media holding company that included several British newspapers like the Daily Telegraph and the Morning Post. They discussed the appointment of a new correspondent for the Financial Times in Italy. Given Berry's strong influence within the editorial staff, Lovioz encouraged him to persuade his colleagues to choose someone with a deep and complete understanding of the Italian economic context. As Lovioz reported: «For us [Comit], this choice is infinitely preferable to that of any young man from Cambridge or the London School of Economics, who, due to political prejudice or professional ambition, might be inclined to show excessive zeal and... spout nonsense»[42]. This propaganda activity undertook by Lovioz passed also through his debunking of fake news in his meetings with banking managers, such has the one who reported an alleged attack of an Italian submarine towards an English mercantile ship which was carrying equipment for the Republicans in the context of the Spanish Civil War[43]. The moderation of

[39] ASI-BCI, CM 155, f. 2, no. 6
[40] ASI-BCI, CM 156, f. 1, no. 9
[41] ASI-BCI, CM 156, f. 1, no 9/att. Whether it was real or apparent is all to be proven, even if these words were a personal consideration of the Fascist secretary. Actually, Comit was indeed a bank subjected to fascist authorities, but there were managers of the bank who indirectly opposed fascism, such as Raffaele Mattioli himself (Pino 2023, p. 192). For instance, he protected Antonello Gerbi, the head of the bank's research office, by sending him to a Comit affiliate in Lima to escape the racial laws of 1938 (Perassi, Pino 2007).
[42] ASI-BCI, CM 156, f. 1, no. 22.
[43] *Ivi*, no. 29.

fascism's more aggressive aspects within London's financial elites may have occurred through meetings where Lovioz persuaded his professional peers to reconsider the clichés and exaggerations prevalent in British newspapers. For example, the foreign manager of the National Provincial Bank engaged Lovioz in a philosophical discussion about the contrasts between democracies and dictatorships. However, Lovioz successfully convinced him that the distinctions between English and Italian customs and social norms were less significant than initially perceived[44]. With the Midland Bank's president, Reginald McKenna, Lovioz replied to his attacks on the Italian foreign policy in early 1939:

> When you Italians demand the cession of Corsica, a genuine loss of French territory that has never been Italian and whose people are deeply attached to France, you must realize that you're overstepping the mark. At this point, I interrupted him with a brief historical overview and necessary corrections to the journalistic reports. I explained that, in some ways, Corsica might be even more historically Italian than my own Val d'Aosta, which is also deeply attached to Italy. I also highlighted the geographical context, drawing a hypothetical parallel with an Isle of Wight under French occupation or the old German Isle of Heligoland near Germany—an argument that has been effective in recent weeks and seemed to resonate here as well.[45]

Overall, being hired in 1912 and not having fought in the First World War meant for Lovioz a completely different professional path, as he was firstly introduced to international banking when the generation of bankers of the first financial globalisation was still operating. Moreover, he climbed the ladder in his banking career by staying with Comit–London, allowing him to build up a social network over 20 years. Throughout his managerial career, he often visited the holiday spots favoured by City bankers on the Ligurian Riviera, between Genoa and Menton, where, since 1918, these bankers had started to spread and invest (Jones 1982, p. 189). Thus, even though there's no direct evidence of the informal meetings Lovioz had there, he mingled in the same social circles as those in British finance, helping to maintain and expand his network[46].

1.3 *Technocrats and grand 'commis de l'état': the rise of a new financial elite in Interwar Italy*

Scholars such as Luciano Rapone and Alberto De Bernardi have pointed out that Antonio Gramsci identified the petty bourgeoise and the big landowners as the social classes targeted by fascism (Rapone 2023). Most of the people of this prior social group participated in the war and, during the subsequent years, experienced a sense of abandonment by their own liberal political leaders. They found themselves unable to advocate for their interests at the 1919 Paris peace conference. The *Arditi* and those who had aligned with the interventionist faction of the Italian parliament all suffered the loss of their loved ones during the war and saw their ideals betrayed by the political ruling class.

[44] *Ivi*, no. 50.
[45] ASI-BCI, CM 157, f. 4, no. 25.
[46] The following document confirms that Lovioz went on holiday to the Ligurian Riviera: ASI-BCI, CM 156, f. 1, no. 43.

Indeed, the confidential Treaty of London, which Italy, France, and Great Britain signed in 1915, faced rejection by President Wilson of the United States. Consequently, the territory of Dalmatia (excluding the cities of Zara and Lagosta) and the city of Fiume were not included within the boundaries of the Kingdom of Italy. The myth of 'mutilated victory'[47] weakened the liberal governments during the post-war years. On this matter, the politician, and historian Gaetano Salvemini remarked how that myth was the «gelatine in which the microbes of fascism were breeding» (Vivarelli 1974, p. 417); moreover, he stated that the slogan was not the exclusive property of the nationalist and the new–born fascists, but the neutralists, clerics, and Giolittians participated as well in its creation.

During the Interwar, there was a generation of civil servant, enterprise, and bank managers—protagonists of the Italian economic 'miracle' (Cova, Fumi 2011)—that arose from the ashes of Word World I (where they fought as volunteers). People like Cesare Sacerdoti, Alberto D'Agostino, Vincenzo Azzolini (in addition to the ones mentioned in the introduction) started their managerial career at the peak of the upheavals brought by fascism[48]. Some of them, like Menichella—the IRI's managing director and governor of the Bank of Italy—or Mattioli—head of the Banca Commerciale Italiana since 1933—did not endorse fascism by whole. The latter showed solidarity towards people persecuted by the antisemitic laws in 1938 (Gottarelli, Pino 2009), while the former, although he was a member of the Italian fascist party, belonged to those civil servants who «were neither available nor usable if they were not allowed to operate free of any interference from biased or non-public interests» (Cuccia 1986, p. 289)[49]. Others, like Sinigaglia, played a different role and embraced Mussolini's claims and shared at some extent the Dictator's political views, which dovetailed perfectly with their irredentist and nationalist ideals. Howbeit, after the Second World War these men kept in occupying managerial position in the economic sector of the democratic Italy, led by the same economic culture. For this generation of industry and banking managers, the term 'patriot' did not carry any negative connotations it might evoke today. Instead, it was rooted in their youthful experiences, which culminated in the brutal reality of the First World War. After the war, they transitioned to active involvement in public life, with their dedication to defending Italy economically being a natural progression of their personal journeys (Felisini 2015, pp. 132-133; Bottiglieri 2012, p. 723).

In this context, the figure of Guglielmo Reiss Romoli comes into focus. Born in Trieste, Italy, in 1895, he attended the Dante Alighieri Classical high school and earned the diploma (Felisini 2016; Bottiglieri 2012, pp. 721-722). Son of a Jewish merchant from Polish Galicia, he joined the Italian

[47] Expression coined by the Italian poet Gabriele D'Annunzio, politically sided to the Italian nationalist fringe.

[48] The list, given as an example, does not include other personalities closer to (and part of) the leading political group of that period like Giuseppe Volpi, Guido Jung, and Felice Guarneri.

[49] Beneduce as well was detached by such interferences, despite having a cordial and mutually respectful relationship with Mussolini.

National Association (Associazione Nazionalista Italiana) in 1914 and actively participated in World War I alongside his brother, who was killed during operations against the Austro–Hungarian army (Giovannini 2019). Romoli lost many other friends in the 10th Battle of Isonzo on the Karst Plateau, an experience that remained in his soul throughout his life. After the war, he worked at Banca Italiana di Sconto (BIS), and later in Banca Nazionale di Credito (BNC), which was established after the liquidation of the BIS in 1921. At BNC, he initially served at the Palermo branch, where he likely reconnected with Guido Jung, whom he had met during the war[50]. He then moved to the Rome branch, where he oversaw the staff and internal branch organisation, and later to Trieste, where he served as joint managing director[51]. In 1930, Jung recommended Toeplitz to take Romoli on at Comit, where Romoli worked in the financial holding company Società Finanziaria Industriale (Sofindit). Romoli was appointed by IRI to reorganise the telecommunications enterprises of northwestern Italy. During his tenure as a liquidator on behalf of the government, Romoli had the opportunity to collaborate with notable figures such as Alberto Beneduce, Giorgio Di Veroli, and Giuseppe Cenzato. He also shared similar professional trajectories with other key players in state intervention in the Italian economy, including Oscar Sinigaglia and Agostino Rocca (Rugafiori 2012; Fatica 2012; Bonelli 2012; Felisini 2011, pp. 201-205). Romoli worked closely with Beneduce and, indirectly, with Cenzato's collaborators in reorganizing the Piedmont hydroelectric company, Società Idroelettrica Piemontese (SIP). In 1940, he collaborated directly with Cenzato on financial operations concerning bonds of Italian enterprises in New York[52]. Although there is no direct evidence of correspondence between Romoli and Sinigaglia or Rocca, it is likely they knew each other. Rocca was involved in Sofindit's reorganization of Terni, an iron and steel company, and SIP. Both Rocca and Sinigaglia were also financially involved in the refugee assistance foundation "O*pera per l'Assistenza ai Profughi Giuliani e Dalmati*" in the 1950s, for which they offered financial support[53]. This common feature, philanthropic, at some extent may suggest a shared value with the generation of the cosmopolitan bankers, thereby suggesting that there was not a defined boundary between who was a technocrat and who was a XIX–style banker if we additionally consider that Romoli did not

[50] Historical Archive of the Bank of Italy, *Carte di Guido Jung,* first series, file 23.6. Guido Jung, before his appointment as Minister of Finance of the Italian Kingdom in 1932, he collaborated with Finance Minister De' Stefani on numerous economic diplomacy missions abroad (between London, Washington, and Paris) in the 1920s. Additionally, he and his brother owned an export–import company based in Palermo, which they inherited from their father (Raspagliesi 2012; De Ianni 2009).

[51] Historical archive of Unicredit (henceforth ASU), patrimonial archive of Banca Nazionale di Credito, *Fascicoli indidivuali*, first series «Sede di Roma»', no. 463.

[52] ASI-BCI, CM 245, f. 1, no. 16; f. 8.

[53] *Ivi*, f. 3, no. 6/att.–att. This document hails from 1955, when Sinigaglia was already dead (1953), but he was the founder of this charity association, and it is highly likeable that he had the chance to know Romoli before his death. Moreover, in the correspondence between Romoli and Giorgio Di Veroli (Comit's central manager and former managing director of Sofindit, a Comit financial holding), the surname 'Rocca' crops up. Romoli mentioned Rocca while expressing his hope to leave New York for Italy. This could serve as indirect evidence that Agostino Rocca and Romoli were acquainted. ASI-BCI, *Società Finanziaria Industriale Italiana* (Sofindit), (hereafter SOF), folder 404, f. 2, no. 6.

obtain his law degree (Bottiglieri 2012, p. 722). However, albeit there is no direct evidence of his technical skills, the reorganisation activities of telecommunications companies in Piedmont passed the close examination of Beneduce, thereby validating the Romoli's technical expertise.

Due to his experience as an overseer and reorganiser of companies between 1930 and 1934, Romoli was appointed as managing director of the New York branch of Comit, Bicitrust–New York. His primary task was to reorganise the American subsidiaries, which were in disarray due to the consequences of the Great Depression. The balance sheets of the Comit's Philadelphia and Boston branches were consistently losing money, and their business involved only collecting deposits from local Italian communities. Romoli, along with his collaborators, faced significant challenges. As we shall see in the course of this chapter, he was viewed by the old management staff and some board members of the New York branch as the liquidator sent from Italy to remove them from their positions of leadership. Throughout his five years at the helm of the branch, his professional background came to the fore whenever there was a financial operation to settle, a business opportunity for Comit, or an economic report to prepare in favour of a colleague. For instance, in his correspondence with Comit's managing director, Alberto D'Agostino, Romoli mentioned his efforts on behalf of FIAT, including the complete cancellation of confirmed credits amounting to over $1,135,000 in December 1940. Additionally, Romoli concluded the negotiations with FIAT's suppliers and secured arrangements for the transport of alum to Italy, again on behalf of the Turin–based automobile company[54]. Four months before, in August 1940, in another operation involving the shipment of goods from New York to Santos, Brazil, by the US FIAT subsidiary Euramerica, Romoli and his team handled the paperwork and negotiations on behalf of Vittorio Valletta, FIAT's managing director:

> You will now be aware that the consignments of goods stored at Luigi Serra Inc. [scrap iron] here have arrived in Santos and are being stored there on behalf of the European American Trade Development Corporation, under the name of the forwarding agent Alberto Bonfiglioli, as per the instructions given to us by Euramerica. From our previous communications and those you have received from other sources, you will have understood the difficulties, if any, that had to be overcome to set up this operation. The dossier, at least concerning the dispatch of the goods from New York to Santos and their storage, can finally be considered settled. It is now up to the forwarding agent Bonfiglioli, with whom Euramerica has a direct relationship, to handle all customs operations and ensure that the goods remain in Santos for as long as possible while awaiting the destination you deem best. You will also have noted from our dispatches that our correspondent in Santos, within the limits imposed by the special situation that advised against requesting direct official intervention, actively supported the various phases of the operation. Just yesterday, our correspondent informed us that it might be possible to reduce the duty on the temporary import of goods into Santos by about $15,000. We have communicated this to Euramerica, and we are confident that such a significant saving can indeed be achieved on the total expenditure originally budgeted.[55]

Regarding new business opportunities for Comit, Romoli, along with his team, proposed to Comit's executive committee on several occasions a new service that Bicitrust–New York could offer its

[54] ASI-BCI, *Carte di lavoro di Alberto D'Agostino* (henceforth DAGO), folder 12, f. 2, nos. 21, 21/att.
[55] DAGO 12, f. 13, no. 28/att.

customers between April and December 1936. This service involved granting personal loans ranging from $50 to $3,000. The proposal was reviewed by the central manager, Giuseppe Zuccoli, at the meeting on 18 December 1936:

> As a guideline, I can add that Bicitrust–New York, which we authorised last April to grant personal loans up to a total maximum amount of $250,000, had, as of the end of November last year, about $80,000 in personal loans, on which it had already made a profit of approximately $375, deducting $175 set aside to cover potential losses on this service. There are no reports of delays in the repayment of the prescribed monthly instalments by the beneficiaries of these loans, except for one case of a borrower who was one month late in making a $13 payment. I would like to remind you that the amount of these loans ranges from $50 to $3,000. The advance is made against the issuance of promissory notes signed by the client and endorsed by at least two comakers. Our risk, in the event of the death of the principal debtor, is covered by a special insurance policy on their life.[56]

In August 1936, Romoli, in collaboration with Walter Niklaus, a manager at Bicitrust–New York, compiled a comprehensive report on the economies of South American nations. This report also detailed the business dealings between Comit's New York branch and the branches of Banque Française et Italienne pour l'Amérique du Sud (Sudameris), in which Comit held a 49% stake along with Banque National de Paris et des Pays Bas (Paribas), as well as other Comit affiliates like Banco Italiano di Guayaquil and Banco Italiano di Lima. The analysis included a descriptive overview highlighting the intense competition in South America, driven by the significant presence of US and British banks with vested interests in the region. Romoli's reports, which provided Malagodi with statistical and budgetary data on dealings with South American subsidiaries and local banks, are detailed in documents[57].

Overall, Romoli was considered a spurious technocrat when compared to figures such as Raffaele Mattioli, Alberto Beneduce, or Donato Menichella, all of whom possessed degrees pertinent to their fields. However, his profile was not unique among those defined as technocrats. Indeed, another banker, Alberto D'Agostino, followed a similar path to Romoli in his managerial career. In 1904, D'Agostino arrived in Trieste, where he attended a commercial high school. After serving in the war, he commenced his career at Banca Italiana di Sconto and subsequently worked at the Rome branch of Banca Nazionale di Credito as deputy managing director between 1922 and 1924 (Montanari, Molino Lova 2009, pp. 168-169), where he likely met Romoli. In the 1930s, D'Agostino was hired by Comit to manage their Romanian subsidiary in Bucharest. In 1935, the superintendent of Trade and Currencies (Scambi e Valute), on behalf of Mussolini, appointed him as a 'technical' manager at the Institute for Foreign Exchanges (Guarneri 1988, p. 111). He later served as managing director of Comit between 1940 and 1942. This brief biographical sketch provides another instance of a technocrat without a degree in economics, engineering, or law, as D'Agostino's highest level of

[56] ASI-BCI *Verbali del Comitato della Direzione Centrale* (henceforth VCD), vol. 32, meeting of 18 December 1936.
[57] CM 46, single file, nos. 1/att. 6–13.

education was a high school diploma. Nonetheless, Romoli earned recognition as a technician in the field due to his efforts in reorganising the energy and telephone companies in north-eastern Italy on behalf of IRI. His ability in administering and managing industrial and banking companies stemmed from his experiences throughout the 1920s, complemented by considerations of his wartime experience and social commitment, exemplified by his founding of the Association for Refugees from Venezia Giulia (Spaini 1961), a commitment that was motivated by the loss of his brother. Moreover, examining the successful liquidation of Comit's Boston and Philadelphia branches, the effective negotiations for the sale of the buildings housing these branches and the city agencies in New York to the Manufacturer Trust Company, and the profitable balance sheets of Bicitrust–New York from 1937 to 1940[58], provides further evidence of Romoli's management and reorganisation skills.

1.4 *Evaluating the transformation of Italian banking elites through Lovioz and Romoli's networks*

1.4.1 *Theory and methodology*

The concept of managerial substitutability—the extent to which managers can be replaced without harming firm performance—has been addressed across organisational economics, labour market studies, strategic management, and social network analysis. Existing scholarship has explored how firm structures, managerial skills, industry conditions, and social relations shape the replaceability of executives. Building on this body of work, this study analyses the careers of Lovioz and Romoli to examine managerial substitutability in the context of cosmopolitan banker-technocrats' turnover. By applying the analytical tools of social network analysis to managerial careers, it shifts the focus away from formation and training alone, and towards how network structures influence replaceability. Lovioz's heterogeneous network, which connected his social milieu to the Comit Head Office and other managers, rendered him less substitutable than Romoli, whose acquaintances largely overlapped with his superiors.

In organisational economics, managers are situated within systems of routines and structures that condition their individual impact. Routinised processes and codified knowledge increase substitutability, whereas tacit knowledge and organisational complexity reduce it (Aghion *et al.* 2021; Gibbons, Henderson 2012; Garicano, Rossi-Hansberg 2006). Empirical studies show that flatter hierarchies with broader spans of control standardise managerial roles, thus enhancing interchangeability (Rajan, Wulf 2006). Managerial labour market research highlights the tension between idiosyncratic and transferable talent. Some managers exhibit consistent decision-making 'styles' across firms, reducing substitutability (Bertrand, Schoar 2003). Over time, however,

[58] ASI-BCI, *Segreteria Estero* (henceforth SE, s), folders 46-47.

executive roles have become more standardised and external recruitment more common, pointing to rising substitutability (Erel *et al.* 2021; Frydman 2019). Exogenous shocks, such as sudden CEO deaths, reveal that the performance impact of managerial turnover depends on firm complexity and executive centrality (Bennedsen, Pérez-González, Wolfenzon 2020).

Human capital theory differentiates firm-specific from general skills: the former lower substitutability, the latter increase it (Chen *et al.* 2021; Custódio, Ferreira, Matos 2013; Kaplan, Klebanov, Sorensen 2012; Zhang, Rajagopalan 2004; Becker 1964). Strategic management scholarship traditionally emphasised firm and industry-level effects as dominant performance determinants, implying high managerial substitutability (McGahan, Porter 1997; Rumelt 1991). By contrast, upper echelons theory highlights how executives' cognitive styles and backgrounds shape strategic variation (Quigley, Hambrick 2015; Peters, Wagner 2014; Hambrick, Mason 1984). Natural experiments on CEO turnover further support the idea that some managers exert unique effects, particularly in complex or opaque firms.

Social network analysis adds a relational dimension to these perspectives. Managers in central or brokerage positions hold privileged access to information and coordination channels, making them less easily replaceable (Burt 2018, 1992; Jackson 2020; Rodan 2010; Latora, Nicosia, Panzarasa 2013; Krackhardt 1990; White, Boorman, Breiger 1976). Structural equivalence—when multiple actors occupy similar network positions—facilitates substitution, while dense, trust-based internal networks generate firm-specific social capital that constrains substitutability (Debicki *et al.* 2020; Carr *et al.* 2011; Nahapiet, Ghoshal 1998). By contrast, strong external networks, such as interlocking directorates or elite affiliations, increase portability and, from the firm's perspective, substitutability (Lazega, Pattison 1999; Useem 1984). Network redundancy—overlapping relational ties—further eases replacement by providing alternative relational channels (Burt 1992).

In contexts of imperfect markets and uncertainty, actors with specific social connections in hierarchical positions gain privileged information on otherwise inaccessible opportunities. Influential network ties recognised within organisations facilitate the mobilisation of social resources and the acknowledgement of interpersonal skills, enhancing both identity and standing within social groups. Decades of sociological research have shown the close association between social capital and interpersonal networks (Bourdieu 2015; Lin, Cook, Burt 2001; Burt 2000; Putnam 1993; Granovetter 1995, 1985, 1982). Bonds rooted in trust, collaboration, and information exchange make network position a valuable resource: social capital. Grounded in embeddedness theory (Granovetter 1985; Polanyi 1957), this concept highlights how economic action is embedded in social relations.

Entrepreneurship research has further explored how entrepreneurs leverage social relations to enhance performance, underscoring social capital's role (Wigren-Kristoferson *et al.* 2022; Jonsson,

Lindbergh 2013; Shane 2003; Baron, Markman 2000; Schumpeter 1961, 1947). Social capital becomes crucial when personal bootstrapping strategies are insufficient, enabling entrepreneurs to mobilise networks to secure financial resources. Economic sociology has examined embeddedness extensively in financial–economic organisations and interfirm networks, highlighting its interplay with behavioural decision-making (Jackson, Rogers, Zenou 2017; Brailly *et al.* 2016; Mizruchi, Stearns 2001; Uzzi 1997). Studies of embedded economic transactions have shown, for example, that 1990s Chicago lenders offered lower interest rates to closely connected firms (Uzzi 1999). Knowledge transfer has similarly been analysed through multilayered interpersonal, intra-organisational, and interorganisational networks (Phelps, Heidl, Wadhwa 2012). Within these, relational properties—divided into strong and arm's-length ties—shape knowledge flows: weak ties transmit public information, whereas strong ties provide access to private or strategic information (Uzzi, Lancaster 2003).

Another strand of research explores interfirm networks to test assumptions on governance (Zona, Gomez-Mejia, Withers 2018; Harjoto, Wang 2020; Fracassi 2017; Gulati, Lavie, Madhavan 2011; Fracassi, Tate 2012; Fich 2005; Mizruchi 1996; Stiglitz 1985). Much of this work focuses on interlocking directorates and their effects on firm performance. This method has informed economic history as well, particularly in reassessing the role of universal banks in the economic development of latecomer countries such as Germany and Italy. Earlier interpretations emphasised these institutions as central to economic growth (Vasta *et al.* 2017; Rinaldi, Spadavecchia 2021; Fohlin 2007, 1999, 1998; Hall, Soskice 2001; Vasta, Baccini 1997; Gerschenkron 1962). More recent scholarship has challenged this orthodoxy, downplaying their centrality. Examining the presence of bank and firm managers on other boards also reveals how social ties affect career advancement and managerial selection (Lamb, Roundy 2016).

Finally, the "ability to do network" of firms has been widely examined. Early modern trade relied on personal ties and mutual trust (Andreoni 2024, 2019; Trivellato 2014; Gervais 2014; Greif 2006; Marzagalli 2005), often mediated through kinship, religion, or ethnicity to mitigate uncertainty. While nineteenth and twentieth-century economic relations were long viewed as impersonal, recent historiography has nuanced this view, demonstrating a gradual transformation rather than a sharp personal–anonymous divide. Studies with focus on France highlight the agency of attorneys and merchants in evolving relational systems (Eloire, Lemercier, Santarosa 2019; Bartolomei *et al.* 2019, 2017).

The analysis proposed here sits at the intersection of historical banking literature, managerial substitutability, studies on interlocking directorates, and the sociological literature on social capital and the embeddedness of social relations in economic activity. These two case studies aim to assess

the extent to which the two directors were substitutable, highlighting how network structure mediates this feature. While the literature on managerial substitutability generally associates low substitutability with high-density networks, the cases examined here show the opposite. Lovioz, at the central direction of Comit, occupies a highly central position connecting the bank's Milanese headquarters with the social milieu of London, making his role strategically important and less substitutable. In contrast, Romoli maintains a denser and more interconnected network with largely shared ties, which, despite its cohesion, renders him relatively more substitutable within the organisation. Furthermore, this work also aspires to offer a further outlook in the analysis of the networks of Lovioz and Romoli, exploiting the methodology of the research strand around egocentric networks (Perry, Pescosolido, Borgatti 2018; Freeman 1982; Frank, Snijders 1994). Before any further consideration, it should be made clear that this work does not aim to offer a study on personal networks per se, primarily because the population in the two case studies analysed is too small to support such analyses. Moreover, the empirical examination of alter-alter ties is not conducted in full, being limited to the directors of the head office. Starting from a thorough analysis of the documentation contained in several funds of the Historical Archive of Intesa Sanpaolo, it has been selected all the episodes in which a connection between Lovioz and members of his network was. These individuals have been subsequently correlated with the board of directors of Comit, thus establishing which common acquaintances they have had with the director of the London branch. In order to determine when a connection should have been considered as such, the number of meetings, phone calls, and exchanges of letters—with confirmation of the receipt of the letter or telegram—have been counted in the selected sample, thus establishing a threshold value within which the connection could have been considered acceptable. A similar operation has been carried out for Romoli and his network.

As summarised in table 1, from a total number of 134 and 77 alters of the Lovioz and Romoli's networks, once a threshold value had been assessed to establish the validity of the tie, 3,7 and 3,6 (rounded up to 4), the outcome showed a decrease by half in the alters' number. Several members of the network of Lovioz and Romoli, although not exceeding the established threshold, were listed as close contacts of theirs, according to the documents, as they were encountered much more frequently than disclosed by the archival sources. Therefore, concerning these members, their number of meetings was adjusted to the threshold value of 4—as the threshold values calculated with and without these members had a negligible difference—in order to include them within the acceptable ties.

Table 1. Dataset metrics derived from ASI-BCI.

Ego	*Total alters*	*Threshold value (weighted mean by link)*[59]	*Alters above the threshold*
Carlo Lovioz	134	3,7	54
Guglielmo Reiss Romoli	77	3,6	33

Understanding the structural configuration of managerial networks is crucial for assessing the substitutability of key actors within organisations. Network characteristics such as density, centrality, and betweenness provide valuable insights into how information and resources circulate, and how easily individuals can be replaced without undermining overall cohesion. From the perspective of the managerial substitutability literature, examining these structural properties helps to determine whether managers occupy redundant or unique positions, which has direct implications for organisational structure and information circulation. The following analysis compares the Lovioz and Romoli networks, illustrating how variations in network structure influence the strategic importance and replaceability of individual actors—particularly Lovioz himself. The shared links between the Comit Head Office (red nodes), the network-alters, and the two directors were included following the same principle applied in constructing the two networks. This information was retrieved from the Intesa Sanpaolo historical archive by identifying correspondences, meetings, and telephone conversations that exceeded the threshold of four exchanges.

[59] The threshold for encounter frequency in the asymmetric distribution representing interactions between the two bank managers was set at 4, based on a reasoned preference for the mean over the median. A median-based threshold would have excluded numerous encounters that, as evidenced by qualitative analysis of archival sources, were of significant relevance to both Lovioz and Romoli. While interactions below this threshold were not included in the primary network mapping, they were systematically examined in Chapter Two through an analysis of relational chains, thereby preserving the interpretive value of weak ties. This methodological choice ensures coherence between the quantitative structure of the data and the qualitative insights drawn from it.
A Fisher's exact test was conducted to assess the representativeness of the samples exceeding the threshold value. In the case of Lovioz's network, the test yielded a *p-value < 2.2e-16*, indicating a statistically significant difference between the two groups (those included in the network and those excluded). The alternative hypothesis—that the true odds ratio differs from 1—is thus supported, suggesting a non-random association between network membership and the variables under consideration. The 95% confidence interval further confirms the robustness of this result. Similarly, for Romoli's network, the test produced a *p-value of 1.59e-22*, reinforcing the presence of a statistically significant difference between members and non-members of the network. These findings underscore the structured and selective nature of both networks, rather than being the product of random variation.

***Table 2**. Centrality measures and density of Lovioz-Romoli's networks.*

Ego	*Average Degree*	*Closeness*	*Betweenness*	*K-Coreness*	*Density*
Carlo Lovioz	1.2	134	3377.897	7.0	0.02
Guglielmo Reiss Romoli	3.577	154	1942.943	7.0	0.092

As outlined in table 2, Lovioz is characterized by low density (0.02) and a low average degree (1.2), indicating a sparse structure with limited interconnections among nodes. Despite this, the network displays high betweenness centrality values (3,378 on average), suggesting that a few nodes act as critical bridges linking otherwise disconnected parts of the network. This structure implies that the overall cohesion of Lovioz depends heavily on his intermediary node. Consequently, Lovioz is more vulnerable to fragmentation if he is removed, and his position is likely to be less substitutable due to his brokerage role. In contrast, Romoli has a higher density (0.092) and a higher average degree (3.58), pointing to a more cohesive and interconnected network. Nodes in Romoli also display higher closeness and eigenvector centrality, indicating shorter average path lengths and more prominent connections to other central actors. Notably, Romoli's betweenness centrality is significantly lower than Lovioz's (1,943 vs. 3,378), reflecting a more redundant structure in which multiple alternative pathways exist between nodes. This redundancy increases the network's robustness and makes individual nodes more easily substitutable, as the loss of a single node is less likely to disrupt overall connectivity. Although both networks share a similar k-core value (7), indicating the presence of a cohesive core group (Comit's central direction), their global structures differ substantially. Lovioz resembles a sparse network with a few strategic brokers, whereas Romoli reflects a denser, more integrated configuration. Overall, Lovioz's sparse network renders it more vulnerable and reduces his substitutability, whereas Romoli's denser and more redundant structure enhances robustness and increases the substitutability of individual nodes, including him.

Figure 1 represents the networks of Romoli and Lovioz (up-triangle labels): the first one on the right and the second one on the left, with the board of central managers at the centre. Each clique of the Lovioz egocentric network depitcs a group of people who knew each other for being part of the same organisation. The visualisation of the plot shows the presence of structural holes in the two egocentric networks. However, a marked difference also arises if we compare the alters accessible to Lovioz and Romoli, respectively, 46 and 10. Furthermore, Lovioz has exclusive links with the three cliques in the bottom–right part of the plot, which were the managers of Midland Bank (fuchsia), the Italian embassy's officers in London (yellow), and the Bank of England's managers (light cobalt blue),

which were a high–reliable source of political, financial, and economic information to Comit. Since social capital could be also defined as a set of social norms which are shared by people belonging to the same social group, its presence in dense and cohesive social networks may facilitate sanctions for deviant behaviours and promote cooperation, while the sparsity of links in a network could generate opportunistic behaviours and phenomena of moral hazard (Li, Yi Lu, 2021; Hasan, Hoi, Zhang 2017; Arkelof 1980). Moreover, it should also be noted that a cohesive network sets up a clear normative framework that enables individuals to optimise their performance. In contrast, a disconnected network exposes individuals to conflicting preferences and allegiances, making optimisation considerably more difficult (Coleman 1990; Podolny, Baron 1997). In the next paragraph, I will provide concrete examples of these theoretical assumptions.

Overall, what both the quantitative and graphic analyses seek also to highlight, on the one hand, the heterogeneity of Lovioz's network of contacts, demonstrating how this characteristic of cosmopolitan banking remained relevant in the late 1930s for practising the banking profession. On the other hand, it emphasises how Romoli's network was more homogeneous, with many ties shared with the central management of Comit.

1.4.2 *The heterogeneity of Lovioz's acquaintances*

Applying these theoretical assumptions to Lovioz network, it clearly appears how the board of directors' clique—red "things", and circles—was less interconnected with the ego's alters and characterised by non–redundant ties, thus preventing the flow of same information within it. As reported in figure 1, Lovioz had a heterogeneous typology of alters, gathered in groups by their job position: managers of British banks and firm; reporters, editors and press advertisers of English newspapers; Italian bankers and firm managers (either state–owned or private). This heterogeneity of acquaintances has to be analysed group by group, because from each group (and sometimes even from each alter), the type of the relation and its force can vary. The relationship between Comit and Midland Bank dated back to 1918, under the direction of its managing director Edward Holden, who gave it a strong international connotation by establishing its overseas branch (Green 2017, pp. 54-56) and striking up a tight relationship with Comit. In the foreign branch manager's words, Frederick Bunker, the relationship was quite special: Frederick Bunker as he referred to Comit as «one of his institution's oldest friends» (Green 2017, p. 103). Once Lovioz arrived at the directorship of Comit–London, he could benefit from this institutionalised bond, nevertheless he put lots of effort into the relations with Midland managers, bridging, maintaining, and reinforcing the relation with them whenever he had the occasion. It is not by chance that those managers had the highest mean of encounters over the five–year period studied (16,6), and, among them, the member with the highest

number of meetings, calls, and letters with Lovioz, notably Arthur Jackson, the Midland's joint general manager[60].

Regarding the group of journalist, Lovioz was able to collect information related to the City rumours towards Italian economy and foreign policy, as well as denouncing to the advertiser of the 'Financial News', Baron von Stackelberg, the contradictions of its journal to sign advertising contracts in favour of Italian financial institutions, while publishing articles in which they harshly criticised them and Italy.

> However, when you bring controversy to a periodical in the name and on behalf of its owners, after soliciting a large advertising contract in Rome, you are being dishonest. That is all I have to say. I have the right to say it because the money you collected partly came out of my own pocket. I must tell you that I already felt like a 'fool' when I disbursed it. I don't want to feel like a 'fool' by letting you think I'm unaware or lack the courage to confront you about it. Put that in your pipe and smoke it.
> I added that since they seemed to have illusions about you and your periodical in Rome, I will dispel them (and I will write to Count Vitetti, to whom Stackelberg always refers).[61]

Amidst the Manchester Guardian's journalist, Lovioz knew its financial editor, Cecil Sprigge; they usually met at breakfast[62] and often discussed the economic policy of the United Kingdom, thanks to Sprigge connections in the British institutions. For instance, in a meeting of early July 1938, Sprigge informed Lovioz of a recent meeting he had with the Board of Trade's general director, about the efforts of British authorities to limit the expansion of German influence in the Balkans countries.

> Regarding British credits in the Balkans, he [Sprigge] informed me that Nixon, general director of the Overseas Credit Department (Board of Trade), after the credit to Turkey, summoned financial journalists. He told them, among other things, that this was the first step on a new path leading to further developments in the same regions. It marked the first time England openly and intentionally mobilized its economic forces on a large scale to counteract political influences in that area.[63]

The group of "UK merchant bankers" is separated from the "UK banking managers" one because the managers of the former belonged to a different social milieu within the English financial elites. Their ancestors played an active in the 'golden era' of the London's financial hub, throughout the 'long' XIX Century, which allowed them to settle in the British society and occupy a relevant niche in the financial sector. Merchant banks made their fortunes in issuing and accepting bills of exchange. Rothschilds, Barings, Seligman, Kleinworts, Schroeders, Morgans, Hambros, Lazards, Erlangers, etc., all these wealthy financial families made their fortunes in the pre–1914 and merged in marriages with the 'landed gentry', sending their children to Eton College, and then on to Oxford or Cambridge universities. This allowed them to enter in the inner circle of British political and financial elites,

[60] 24 encounters with Frederick Bunker, 17 with the president Reginald McKenna, 8 with Herbert A. Astbury (Cottrell 1994, p. 1225), managing director since June 1938, and 6 with Frederick Hyde, managing director until June 1938.
[61] CM 156, f. 1, no. 47.
[62] This little detail shows the informal context in which those encounters took place.
[63] CM 157, f. 1, no. 4.

receiving noble titles (Daunton 1992; Cassis 1994). These banks were «governed by the golden rule of banking in general and private banking in particular, namely trust, based on estimates, reputations, rumours, and even non-banking criteria» (Cassis 1994, p. 31). In this social milieu, Lovioz usually had meetings with Henry Frederick Tiarks III, junior partner at J. Henry Schroeder & Co. and son of Frank Cyril Tiarks, its senior partner and director at the Bank of England[64]. The subject of their discussions also revolved around on topics such as international politics, anti-Semitism, the future of democracy, besides banking issues[65]. Ernest Franklin, senior partner at Samuel & Montagu & Co., G. K. Logie, partner at Lazard Limited, Leo D'Erlanger, partner at Erlangers Limited, and Mr. Cadogan, attaché of Baring Brothers, engaged in similar political discussions with Lovioz, as their connections extended into the political circles of Whitehall[66]. Lovioz's relationship with the attaché at Hambros Bank, Mr. Beloff, was strictly businesslike and did not involve any non-business discussions.

Within the context of Bank of England, Cameron Cobbold was the strongest relationship amidst its managers—18 meetings and phone calls—followed by the managers of the foreign department, and the Cashier George L. F. Bolton. The relationship that bonded Lovioz with these managers was quite institutionalized, given that a bank established within London's financial center naturally had the Bank of England, the head of the City's financial sector, as its 'mandatory' partner (Cassis 1994). However, the relation should not have been taken for granted, but it had to be constantly strengthened and maintained according to the unwritten rules of the City's financial elite, notably trust, reputation, and professionalism. For instance, during the first few months of 1940, both Cobbold and Bolton asked Lovioz to split a hemp import credit evenly between his bank and the London branch of Credit[67]. This was to avoid rumours of a one–sided relationship with the Bank of England, which had previously granted a similar credit to Comit under instruction from the Board of Trade, leading to complaints from Credit[68]. The step forward made by Lovioz had not been overlooked by Bolton:

[64] CM 156, f. 1, no. 11.
[65] *Ivi*, no. 41.
[66] *Ibidem*; CM 157, f. 4, no. 8; CM 156, f. 1, no. 64; CM 154, f. 1, no. 29. Although not falling within the threshold value of the encounters (3 instead of 4), Lovioz had also several meetings with the managing director of Lazard Limited, Robert H. Brand. G. Stirling Karck, partner of Kleinwort Sons & Co., and with the senior partner of Morgan Grenfell & Co., Francis J. Rodd, whose father was the former ambassador of the United Kingdom in Rome. See: CM 156, f. 1, nos. 37-38; f. 2, no. 1; CM 157, f. 1, no. 4; CM 158, f. 1, nos 3, 31; CM 159, f. 1, no. 43/att.
[67] Another Italian bank, direct competitor of Banca Commerciale Italiana, both in Italy and in London.
[68] CM 159, f. 2, no. 3.

> We adjourned to Mr. Bolton, to whom I gave an outline of the arrangement both for the hemp credit and for future credits in general.
> Mr. Bolton was very grateful and, incidentally, on the doorstep when we were leaving, thanked me personally very much for having taken what he evidently understood to be a very active part in bringing the matter to a conclusion.[69]

The Italian embassy in London, and its officers, Lovioz had a tight relationship, especially with its commercial attaché Giovanni Battista Ceccato. They exchanged information on economic matters and worked together to promote Italian goods. For example, Lovioz assisted Ceccato in discussions with managers from Mitsui Bank to facilitate the introduction of an Italian sulphur shipment into the Japanese market[70]. Overall, the discussions included economic topics directly or indirectly relevant to Italy, such as the status of the French franc, economic ties between the UK and Japan, the emission of travellers' cheques, overdrafts grants, and the relationships between the City and Italian banks[71]. Regarding the execution of financial transactions in favour of the Italian embassy and its officers, notably the ambassador, the commercial and the naval attachés, the relation was rather institutionalised. The process for channelling these resources was standardised, so any bank or bank manager could handle the requests. However, when Lovioz used his personal connections to meet the embassy's requests, it was a different situation altogether, because of his *tertius iungens* role.

The group of 'UK banking managers' is sorted by the managers of English Clearing banks, foreign banks, and of discount and stockbroker houses. With these two latter, Comit-London had a stabilised and long-lasting relationship due to its financial transactions with them, notably the placement on the discount market of the bills of exchange (or acceptances)[72]. However, among these discount houses, Lovioz also proved of being able to exploit his acquaintances in order to gain further information in favour of people with whom he had previous talks on business matters. This is the case of a partner at the discount house Nathan & Rosselli (N&R), who had a close relationship with the merchant bank Robert Benson & Co. Limited. The Bensons informed the N&R's partner about an incoming expropriation involving an English firm owned by Giuseppe Volpi, the former Italian Treasury Minister. Simon then relayed this information to Lovioz, asking also to have connected him the partners of Volpi to settle the expropriation[73]. Furthermore, Lovioz had a close tie with Robert Callender Wyse, managing director of the Union Discount Company. Their meetings were not only focused on financial matters, but they also strayed into political discussions, underscoring a confidential relationship between them.

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[69] *Ivi*, n. 45/a/all.
[70] CM 154, f. 2, no. 24.
[71] *Ivi*, f. 1, nos. 34, 45; CM 157, f. 3, no. 3; CM 159, f. 1, nos 2, 18; f. 2, no. 52/a; *Segreteria degli Amministratori Delegati Mattioli e Facconi* (hereafter AD2), folder 7, f. 3, no. 16.
[72] CM 158, f. 1, no. 12.
[73] *Ibidem*.

> He [Wyse] wasted no time and began with a direct question: "Why do you allow the Germans to constrain you like that? It goes against your interests and doesn't seem to align with your preferences. [sic]" After covering the standard topics, from the 1935 sanctions to the upcoming Italian-English football match, he suddenly interjected, "But why such intense anger towards your Jewish population?".[74]

Within the subgroup of the Clearing banks, Lovioz had a strong tie with E. Babcock, the Martins Bank's foreign manager, with whom he met 23–times over five years. In their meetings, Lovioz leveraged this relationship to gather information on matters directly affecting Comit. They also discussed political issues relevant to Italy, including public opinion on the European situation at the time and the impact of Germany's *Drang nach Osten* on Comit's subsidiaries in the Balkan Peninsula and Hungary[75]. Lovioz also had acquaintances in the foreign branches of Westminster Bank and Barclays Bank, with which the discussions were likely to divert in international politics once the financial matters had been concluded. For instance, the Westminster's foreign manager, A. J. F. Ruch, inquired Lovioz about information on the German political economy in Hungary, where Comit had a subsidiary. Ruch was hopeful that Lovioz could offer some fresh insights/reassurances, which immediately arrived once he started to ask questions:

> "What is true among all the rumours I have heard about the significant German influence?" Apart from the local chatter, he [Ruch] mentioned a recent visit from a prominent Hungarian. This visitor, after briefing him on Hungary's stance with regard to the Axis, expressed concerns relayed by his Italian associates in Budapest. They were worried about the extent of German infiltration, particularly in the industrial sector, where numerous German figures, posing as technicians, now hold influential positions. I shared with him what I knew about this matter, and he seemed relieved, vehemently denouncing the spread of false information and fearmongering that is rampant in the City these days. He recounted numerous instances of heightened anxiety and extreme pessimism among his circles, noting how this prevailing mindset, which has intensified since March, has begun to severely impede business operations, a development that is truly alarming.[76]

What emerges from this document is the soft power's engagement amidst the City's financial elites, which Lovioz carried out on behalf of his bank, but also on behalf (indirectly) of Italy. This was not the first time Lovioz executed this propaganda 'meetings' at Westminster, after carrying out financial businesses on behalf of his network's acquaintances outside the United Kingdom. On 19 October 1937, he was approached by a Westminster manager, who asked him:

> "What is going on? What are you doing? Do not you realise that the British Fleet is a much tougher opponent than Abyssinia?" he continued, muttering, "Have they lost their minds in Rome? Don't they understand they have more to lose than the rest of us?"
> Despite his initial astonishment at my deliberate calmness, a certain sense of peace eventually prevailed. I had to endure a round of questions about the public's attitude in Italy towards England—not necessarily towards its government, but the nation as a whole. By the end, we were convinced that the deep-rooted and traditional Anglo–Italian friendship would ultimately prevail.

[74] *Ivi*, no. 4/att. 1.
[75] CM 156, f. 1, no. 49; CM 157, f. 3, no. 6.
[76] *Ivi*, no. 15/att. 2.

> [...] I was pleased to have the chance to reassure them [the Westminster's managers]. Throughout the conversation, they repeatedly expressed their sympathy for our Bank and for Italy.[77]

The similar discussions that occurred with Barclays Bank's assistant general manager, F. Cecil Ellerton, as well as those with Midland Bank's managers, notably Arthur Jackson, Frederick Bunker, and Reginald McKenna, shared a common thread, linking all the meetings within the subgroup of Clearing banks. The practice of discussing political matters before or after business, along with Lovioz's distinctive approach to his contacts, reflects an understanding of the banker's profession that remained at the end of the Interwar period, even as the era of technocrats and civil servants began. In the last subgroup of the 'foreign banks', which included the managers of Japanese, Swiss, and US banks in London, Lovioz had a close relationship with Hisaakira Kano, the manager of the Yokohama Specie Bank's branch. Italy and Japan faced similar impacts on the London financial hub due to their aggressive foreign policies. In this context, Lovioz and Kano discussed the precautions and exit strategies implemented after their exclusion from the acceptance market between November 1935 and July 1936[78]. With Albert Nussbaumer, the manager of Swiss Bank Corporation, Lovioz not only had business meetings but also debated Anglo–Italian relations following the Easter agreements. He also had similar discussions with Giovanni Pagnamenta, the Bankers Trust's manager of its London branch, and John M. Wallace, the manager of Chase National Bank[79].

In the groups represented graphically in the circles labelled "Firm managers in the UK", "Italian bankers" and "Italian firm managers", Lovioz had relations more institutionalised and based quite exclusively on business matters. Nonetheless, having relationships centred only in the professional sphere did not mean a less-demanding commitment in their nourishment. This is the case of the London's representative of the Italian Coal and Metals Monopoly, Giovanni Mastrocinque, and the managers of two English hemp importers firms, which is thematically related to the abovementioned one concerning the Bank of England. This institution, through its cashier Bolton, requested Lovioz to explore the possibility of dividing the credit facilities granted to Comit with Credit. Meanwhile, Cameron Cobbold personally reached out to some of Comit's clients to see if they might be open to also working with the other Italian bank. This task proved challenging, as the Coal and Metals Monopoly and the British hemp firms were all hesitant to share their business relationships with another bank. Cobbold personally contacted Mastrocinque, but as Lovioz noted:

> When Commendatore Mastrocinque came to London in 1935, he found himself immersed in dealings with all sorts of banks, with enormous difficulties arising out of the situation then prevailing and discovered that such business as the was doing with us was going so very much more smoothly than anywhere else, that he gradually eliminated all other channels. The fact is that the Monopolio's business has these past few years

[77] CM 156, f. 1, no. 39.
[78] *Ivi*, no. 53. Kano also held a position of advisor at the Bank of International Settlements of Basel.
[79] ASI-BCI, CM 158, f .1, nos. 12, 20/att.

> been almost 100% concentrated with us. The Credito has made previous attempts in London and in Naples, but our Shipping Department has become such an intimate part of Commendatore M.'s organisation that, as far as he is concerned, nothing will persuade him to leave us [Comit]. […] I am personally on terms of the greatest confidence with him. [80]

As for the English hemp company, its own representatives, during a meeting with Credit's managers, had the occasion to observe how they were «bankers who kept on piling complications on complications, with the result that they went away thinking that the business could not be arranged»[81]. The group "Italian bankers" was formed by the managing director of Credit, Giovanni Stringher, its London branch manager Augusto Castiglioni, the Bank of Italy's representative in London, Luigi Capodanno, and the Special administration of the Holy See's representative, Bernardino Nogara[82]. Within this clique, the encounters Lovioz fell into the category of 'institutionalised relations', as they happened in contexts in which any other banker could have been in Lovioz's place. For instance, he was summoned by the managers of Istituto Nazionale per i Cambi con l'Estero (INCE)[83], along with Castiglioni, on issues related to Italian fruit and vegetables exportations[84]. Another example that supports this argument is linked to another similar meetings, where the Italian ambassador in London, Dino Grandi, convened both Castiglioni, Capodanno, and Lovioz to discuss the attitude of the City's financial elites towards the Italian banks at the dawn of the invasion of the Ethiopian Kingdom[85]. Further insights supporting these considerations come from an epistolary correspondence between Nogara and Raffaele Mattioli of July 1939. In it, Nogara commissioned Lovioz to deliver the safety deposit boxes of the Holy See to Morgan Grenfell & Co., via Midland Bank, to avoid their seizure in the event of war between Italy and the United Kingdom[86].

The last group named "STEM graduates" contains an Italian lawyer based in London, Filippo Del Giudice, and an Indian physicist, Eric Edward Dutt. Lovioz had various disinterested encounters with the former in early 1939, in which he discussed with Del Giudice about his taking charge of the legal issues related to the succession of Sultan Abdul Hamid[87]. Regarding Dutt, he approached Lovioz to inquire him and his bank on a recent discovery of his, claiming he had found a method to produce gold synthetically. However, the deal collapsed when it was revealed that the Indian physicist was in debt and a fraudster[88].

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[80] ASI-BCI, CM 159, f. 2, no. 18.
[81] *Ibidem*.
[82] Nogara had previously managed a financial holding company controlled by Comit, called Società Commerciale d'Oriente, since its founding in 1907. In the years following the First World War, to face hostile takeover attempts by the Genoese industrial group Ansaldo, he actively collaborated with Comit's managing director at the time, Giuseppe Toeplitz
[83] National Foreign Exchange Institute, an Italian governmental institution (Caleca 2022, p. 113, pp. 208-211).
[84] ASI-BCI, CM 156, f. 2, no. 19.
[85] ASI-BCI, CM 154, f. 1, no. 34.
[86] ASI-BCI, CM 213, f. 5, no. 24; Caleca 2022, p. 314.
[87] ASI-BCI, CM 158, f. 2.
[88] ASI-BCI, CM 155, f. 1.

Overall, a public acknowledgement of Lovioz's skill in social relation was given in the following article of the 'Financial News':

> Mr. Lovioz has contributed to the friendly trading and financial relations between Great Britain and Italy. [He] came to London when his bank was first established here in 1913 [erratum, 1911] and has a profound knowledge of every branch of British banking. His popularity in financial circles in the City testifies to ability and charm of manner».[89]

This official recognition from one of the City's most respected financial and economic press outlets highlights that the cosmopolitan banker model from the *belle époque* was still able to run and manage one of the Comit's key branches. Despite operating in a world demanding greater specialisation than before, Lovioz managed to get on with his role as branch manager during a time of significant international rifts that also directly impacted Italy.

1.4.3 *Relying on a pre-existing social milieu: Romoli's journey at the Comit agency of New York*

Guglielmo Reiss Romoli was appointed manager of the Banca Commerciale Italiana Trust (Bicitrust) to reorganise the US Comit branches, which had been in financial distress since the beginning of the Great Depression. Raffaele Mattioli and Giorgio Di Veroli[90] entrusted this task to Romoli due to his extensive experience as an officer in Comit's financial holding of Sofindit and in the public holding of Istituto di Ricostruzione Industriale. Once Romoli arrived in New York in 1935, he had to rely on its colleagues already established in the financial centre. However, they were quite hostile to the technocrat sent from Italy to bail out the North American trusts. The joint–manager of the Bicitrust, Francesco Saroli[91] and its legal counsel, Paolo Gerli, who also owned of a silk firm, were particularly unfriendly towards Romoli. In this sense, a member of the Bicitrust New York' board, Arnaldo Vedovi, gives the proof of this hostile environment:

> Mr. Vedovi, a Trust director […], confidentially informed me that Saroli told him Milan [the Comit head office] decided to assign Romoli to the Trust for the 1935 to advance his career because he was a fighter and a fascist. Romoli had always worked as a liquidator for the government but had never been a banker, did not know U.S.A., and did not know North Americans. However, Gerli did not know Romoli and trusted Saroli more. "Romoli is one of those who receive orders from Milan to make the councillors carry out tasks for which they are later held accountable by the Banking Department". Gerli suggested to Vedovi that they hold a private meeting with the non-officer directors, invite Saroli, and decide on a course of action, threatening to resign if Saroli was not appointed president or chairman of the Trust.[92]

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[89] *Ivi*, no. 43/a.

[90] The relationship Romoli had with Di Veroli was quite special, as reported in a letter sent by the latter to the new managing director of Bicitrust New York: «I consider you somewhat as a part of myself seated in New York, keeping me informed about matters of interest to me». ASI-BCI, SOF 404, f. 2, no. 16.

[91] Saroli kept his managerial position until December 1937, when he was substituted by the new joint–manager Francesco Ferrajolo. ASI-BCI, CM 243, f. 3, no. 15.

[92] ASI-BCI, SOF 404, f. 2, no. 15.

Moreover, Saroli had several discussions with the managers of Chase National Bank and Guaranty Trust, during which he complained about being persecuted because of his Swiss origin and criticised the new joint–managers: Romoli was portrayed as the Head office's *protégé* and impure because of his Jew grandmother, while Ferrajolo was depicted as an unprofessional 'yes man'. Saroli also undermined the new managers in his talks with INCE's representative, Luigi Podestà[93]. Consequently, Romoli's task was twofold: he needed to maintain and expand his own network of contacts, while also defending himself and the Trust against Saroli's unethical attacks and his henchmen.

The Romoli's network was much more cohesive and denser, as his superiors had common acquaintances within his alters. On the grounds that a denser network depicts a higher presence of sanctions when there are episodes of unethical behaviours, a particular episode, occurred between Romoli and its acquaintance, outlines the worth of the theoretical concepts aforementioned. The manager of Comit's subsidiary in Ecuador, known as Banco Italiano di Guayaquil (Italbanco), was found by Romoli—in charge of Italbanco's control—to have engaged in cronyism, favouring the economic elites of Guayaquil by extending advantageous loans to them, even when they were unable to repay[94]. Thanks to Romoli, its subordinates and the final appaval of the Comit's managing director (Raffaele Mattioli), the Italbanco's manager relieved of his duties and forced to cooperate with his substitute and other Comit's officers. This peculiar case study also gives a concrete example of the positive outcomes that interlocking directorates could bring about (Mizruchi 1996), as Romoli was present in Italbanco's board of directors. The other members of Italbanco's group are represented in the plot with a sea green 'circle-in-a-box' label. Among them are the previously mentioned managing director, Federico Saporiti, a board member, and Corrado Del Vecchio, who replaced Saporiti as the new manager of Italbanco in 1940. Additionally, there are two former Bicitrust New York officers, Ottavio Delle Donne and Emilio Mayer[95], who were sent to Ecuador to resolve the bank's economic and financial issues. Emilio Mayer, who returned to New York after the succession at the head of Comit's subsidiary, is represented with a down-triangle label. This latter, in its green feature, represents the officers and partners of Bicitrust New York and the Manhattan's agency, with whom Romoli worked along. They were institutionalised acquaintances of Romoli, as he was introduced to them once he took office at New York.

[93] Saroli, in his talks with US bankers, sketches also a belittling portrait of the new managerial class at Bicitrust: «As long as I was there, I could ensure the good quality of the acceptances; but now, they have to cater to those who are desperate for liquidity [INCE]». Moreover, while this may not be the place to pass definitive judgement, it is interesting to note that, 20 years after the anti–German and anti–Swiss campaign aimed at creating an all–Italian Comit, Saroli felt targeted by the new policies of the Comit Head Office because of his Swiss origins. SOF 404, f. 4, no. 19. Luigi Podestà was also the Bank of Italy's representative in New York (Toniolo 2022, p. 549).

[94] ASI-BCI, CM 247, f. 3.

[95] ASI-BCI, Pers, m, files 'Ottavio delle Donne', 'Emilio Mayer'.

Within the clique of the managers of Comit's South American subsidiaries, the relationships they had with Romoli were taken in his network on the basis of the ones already established in the Bicitrust. Gino Salocchi and Ernesto Magnani were the managing directors of the Banco Italiano di Lima (hereafter Bitaliano). Salocchi had frequent epistolary exchanges with Romoli on financial matters, regarding Bitaliano, and on the reorganisation of Italbanco, while Magnani had only correspondence related to the Bitaliano's affairs, like the following one:

> We kindly request that you open a daily, revolving, non-cumulative line of credit for us at Bicitrust New York in favour of Banco Hispano Americano in Barcelona and Banco Hispano Americano in Madrid. This line of credit should be for the amount of $5,000 (five thousand dollars) for each bank, valid until December 31, 1939, unless revoked.
> We would appreciate it if you could honour the instructions from these Banks up to the specified limit, debiting the respective amounts from our Current Account with you, and notifying us accordingly. Please note that we will not confirm the instructions from these Banks unless the amounts exceed the stated credit limit.[96]

This kind of correspondence was also similar with regard to Giovanni Serventi, the Sudameris–Bogotá's director[97]. In fact, Romoli discussed in the letters exchanged with Serventi about the credit lines that the Sudameris' branches in Colombia should and should not have opened at Bicitrust New York[98]. In financial matters, Romoli could also rely on his collaborator and Bicitrust manager, Walter Niklaus. Niklaus made several trips to South America to address issues directly with the Sudameris managers in Buenos Aires and São Paulo regarding their acceptance discounts at Guaranty Trust (via Bicitrust New York), and with the Bogotá manager concerning the reorganisation of Italbanco's operations[99].

The group of 'US banking managers' includes managers of banks, discount houses, and banking authorities. Romoli had to rebuild relationships with the managers of Guaranty Trust and Chase National Bank from scratch. These relationships had been damaged by Saroli's belittling behaviour during meetings when Romoli first arrived in New York. Eventually, Romoli managed to establish a good business–like relationship with these managers, which was mainly based on his repeated proofs of professionalism. In July 1935, he discussed their decision to limit acceptances in favour of Comit and their intention to stop this credit facility if Italy invaded Abyssinia. Additionally, in late 1939, Romoli met with them to discuss the credit facilities that Sudameris' South American branches had opened at Chase and Guaranty[100]. Overall, Romoli's meetings with the remaining managers in this

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[96] ASI-BCI, CM 244, f. 2, no. 10/att. 2.
[97] *Banque Française et Italienne pour l'Amérique du Sud*, a bank in which Comit owned the 49% of the shares, while the remaining part was held by *Banque de Paris et de Pays-Bas.* Its head office was established in Paris, while its branches were in Argentina, Uruguay, Chile, Brasil, and Colombia.
[98] ASI-BCI, CM 244, f. 2, nos. 31/att., 35/att. 6.
[99] *Ivi*, f. 3, nos. 25/att. 1-2, 33/att. 3.
[100] ASI-BCI, CM 244, f. 2, no. 31/att. 1; AD2, fo. 7, f. 3, nos. 5, 7, 9, 13/a.

group were strictly business–oriented. The discussions primarily focused on Comit's credit arrangements with US banks and the settlement of the Boston and Philadelphia's branches after the reorganisation carried out by Romoli and his officers. For instance, Romoli negotiated with Harvey D. Gibson, the vice-president of Manufacturers Trust Company, regarding the sale of Bicitrusts in Philadelphia and Boston to his bank[101].

Romoli's relationships with the other groups—Italian firm managers, Italian diplomats in the US, and firm managers in the US—were generally business–like. All this kind of relations were quite institutionalised, with Romoli acting as intermediary on business matters for various managers of Italian and US firms who sought his assistance. For instance, Dario Zaffiropulo, the central manager of the Italian insurance company Riunione Adriatica di Sicurtà, corresponded with Romoli to place some bonds and obligations on the New York financial market on behalf of his company[102]. Similarly, Romoli held various meetings with the managers of International General Electric and Italian Superpower Corporation. The latter, owned by the Istituto di Ricostruzione Industriale since 1933, aimed to place the obligations of Italian electric companies on the New York Stock Exchange. These meetings and epistolary exchanges mainly focused on the placement or purchase of bonds in New York's financial hub[103]. However, Romoli's relationship with Fulvio Suvich, the former deputy secretary of the Italian Ministry of Foreign Affairs and successively the Kingdom of Italy's ambassador to Washington DC from 1936 to 1938, was an exception. Due to their personal connection, Suvich introduced Romoli to Gaetano Vecchiotti, the Italian consul in New York, to help his settlement when he arrived in the United States[104].

With the clique of Comit's Head Office, relations were not always smooth. Although he shared past professional experiences with several of the central managers, mutual understanding and cooperation were often strained, reflecting underlying personal and strategic frictions. These difficulties became particularly evident in his relationship with Raffaele Mattioli, the bank's managing director, whose authority and vision dominated the inner circle of the institution (Felisini 2016). Divergences in outlook and decision-making styles contributed to a climate of tension, limiting trust and making collaboration with the central management increasingly complex.

[101] CM 247, f. 1, no. 18/att.
[102] CM 244, f. 3, nos 7/att. 1-7/att. 5.
[103] CM 245, f. 7, nos. 1-2, 4, 6, 10; f. 8, nos. 9-10, 23/b.
[104] Historical Archives of the Ministry of Foreign Affairs and International Cooperation (henceforth ASMAE), *Archivi di Personalità: Fulvio Suvich*, folder 47, correspondence with Guglielmo Reiss Romoli.

Table 3. *Plot legenda*.

	Symbols	
	Colour	Shape
Carlo Lovioz (CL)	pastel pink	up triangle
Guglielmo Reiss Romoli (GRR)	light blue	up triangle
UK press	light cobalt blue	rounded square
Firm managers in UK	olive green	rounded square
UK merchant bankers	light orange	rounded square
UK banking managers	orange	rounded square
Comit Managing directors	red	thing
Comit executive board	red	circle
Officers of Italian embassy in London	yellow	rounded square
Managers of Bank of England	blue electric	rounded square
Managers of Midland Bank	orange	rounded square
Managers of Comit's South American subsidiaries	light violet	diamond
Managers of Banco Italiano di Guayaquil	sea green	circle in a box
US banking managers	black	rounded square
Firm managers in U.S.	fuchsia	rounded square
Bicitrust officers and partners	dark green	down triangle
Managers of Bicitrust and Banco Italiano di Guayaquil	sea green	down triangle
Italian diplomats in the U.S.	pink	rounded square
Managers of Istituto Nazionale per gli Scambi con l'Estero	brown	rounded square
Italian bankers	burgundy	rounded square
Italian firm managers	light green and grey	rounded square
STEM graduates	sky blue	rounded square

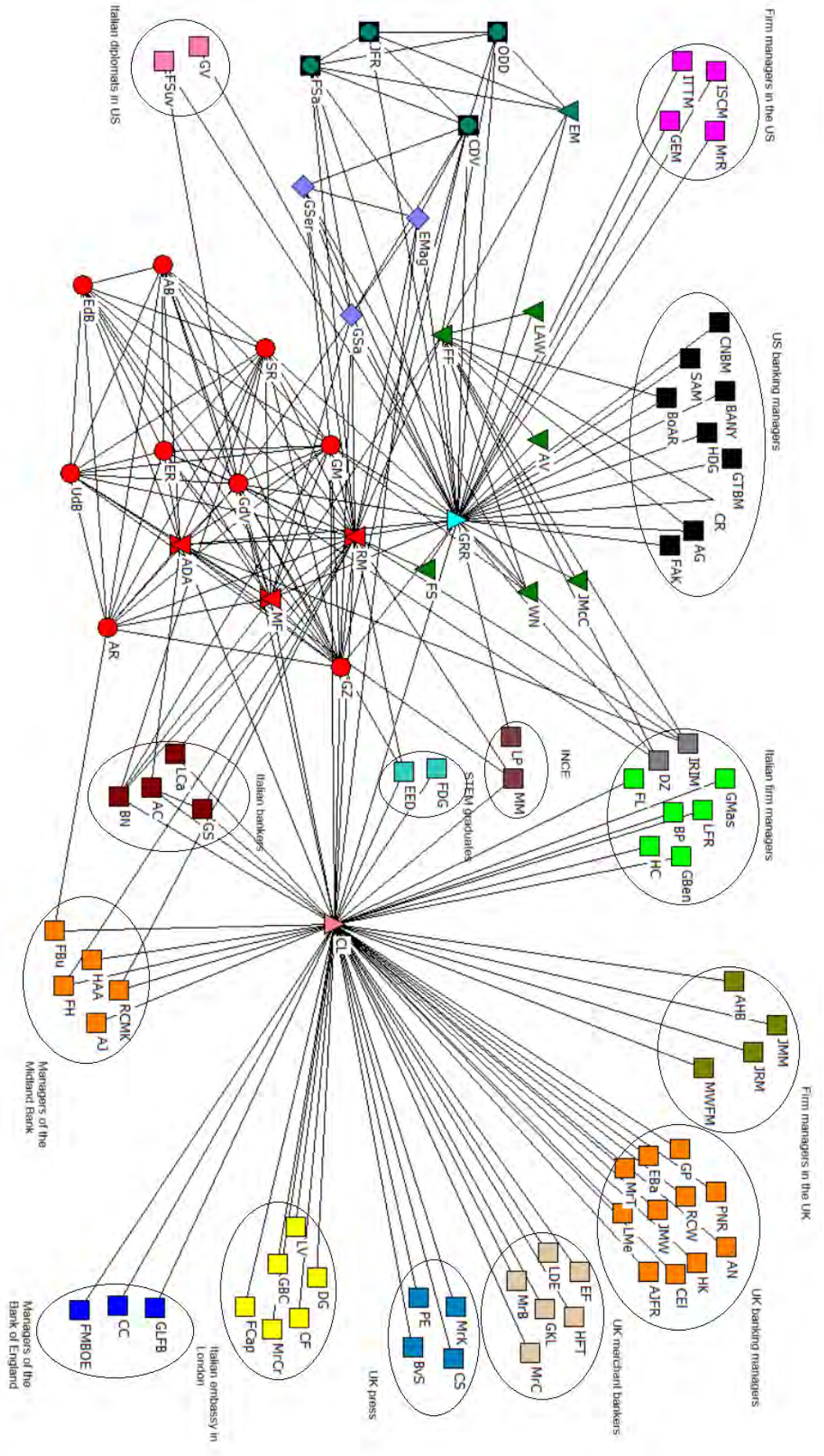


Figure 1. Own elaboration with NetDraw (Borgatti, Everett, Freeman 2002).

Figure 2. Network shock induced by the removal of Romoli's node and its associated connections.

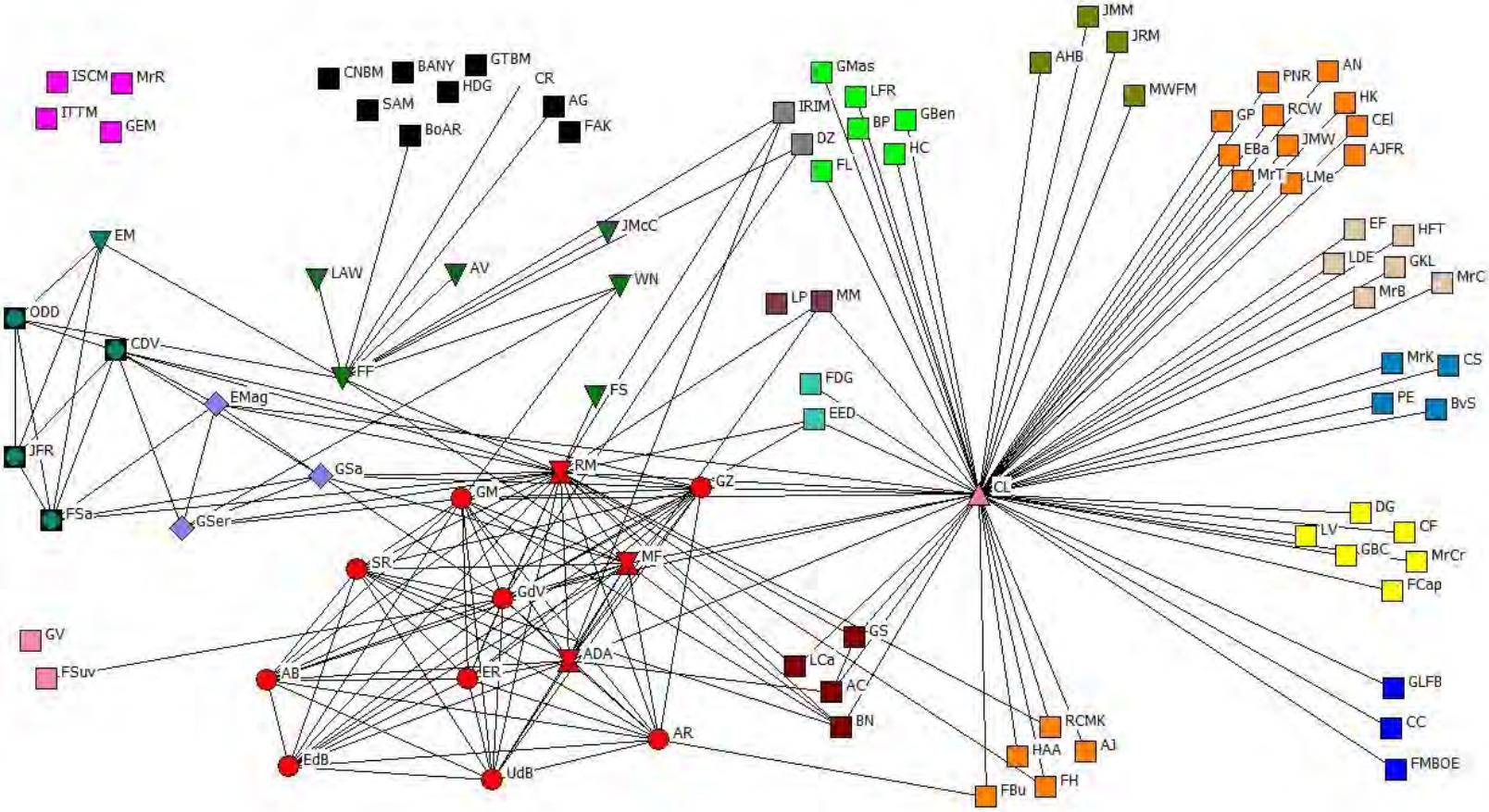
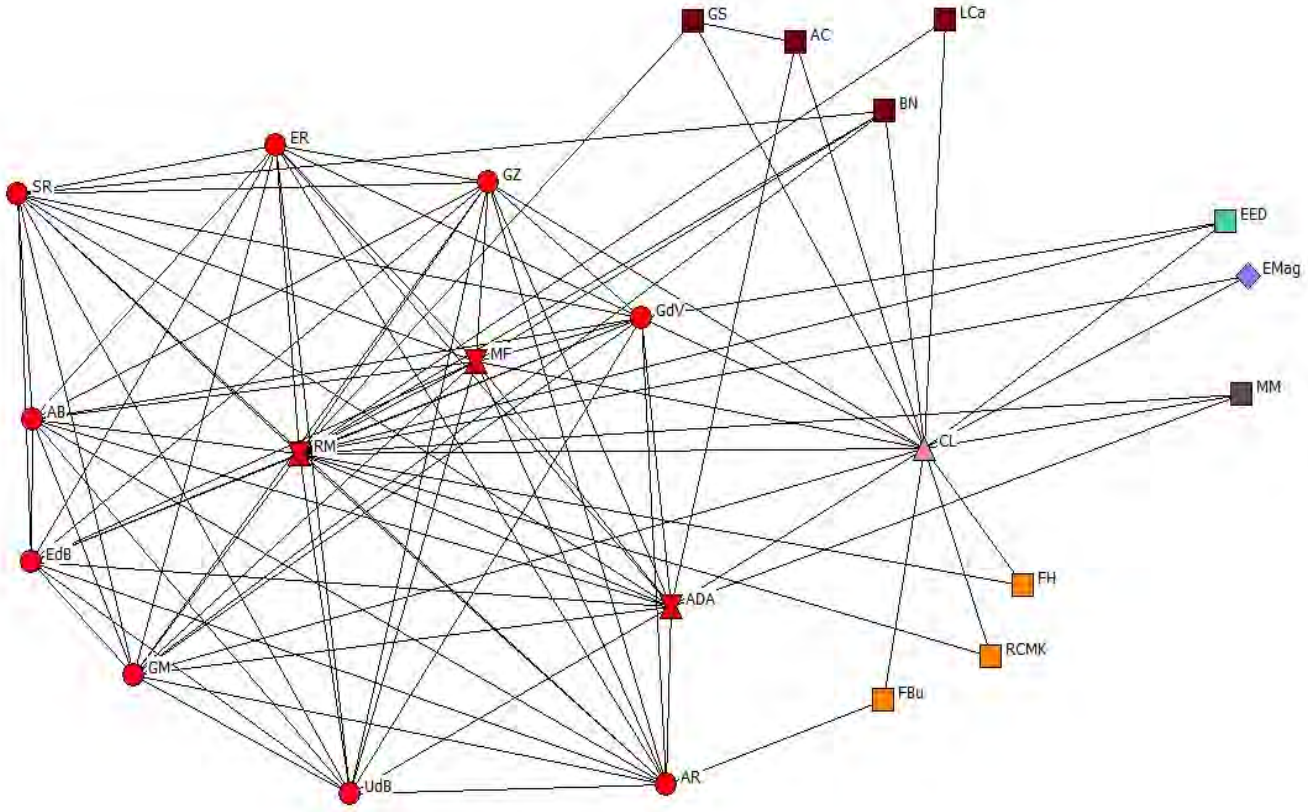


Figure 3. Zoom in on the Comit executive board, Lovioz, and their common acquaintances.



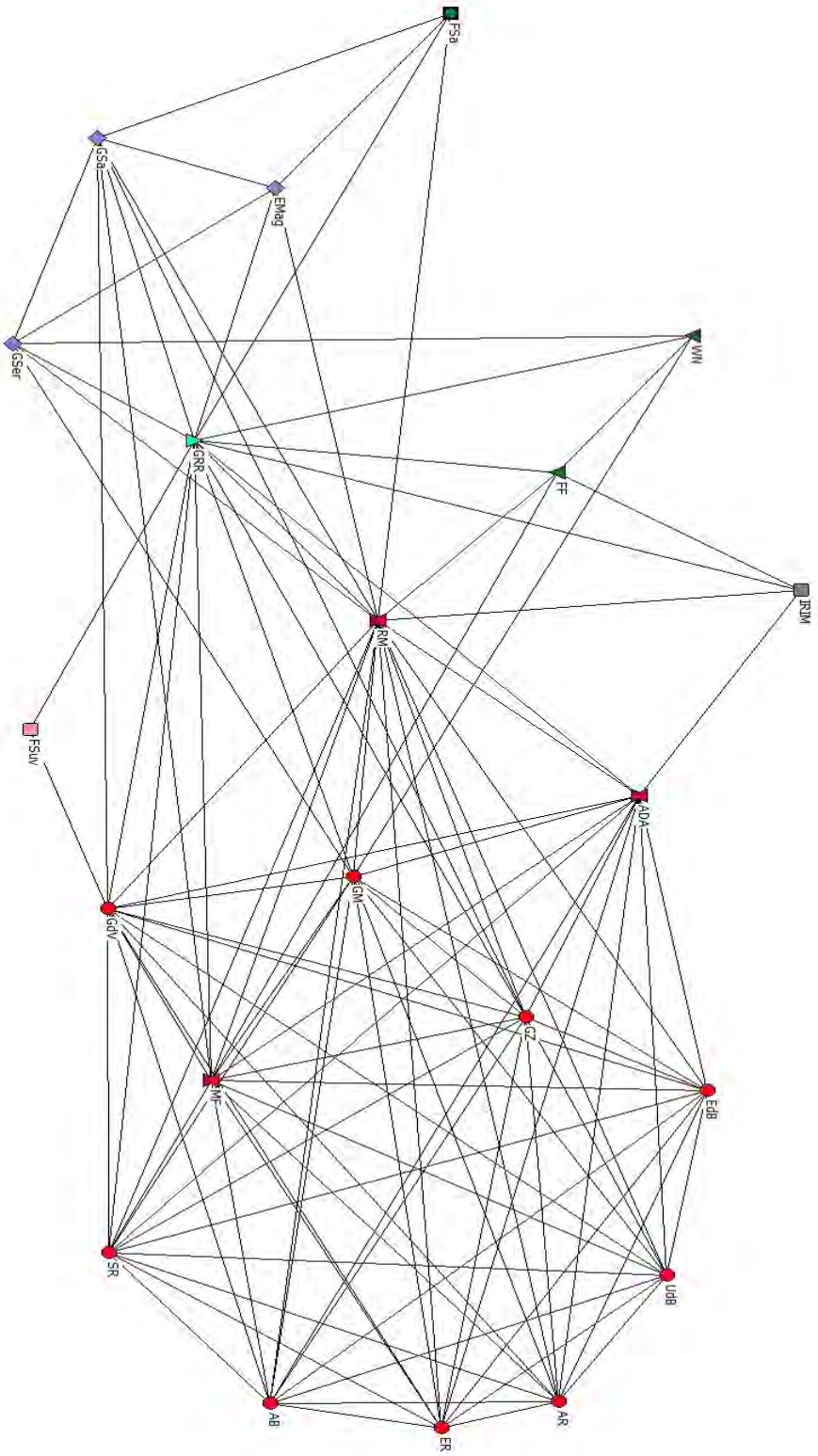


Figure 4. Zoom in on the Comit executive board, Romoli, and their common acquaintances.

1.5 *Concluding remarks of the chapter*

This chapter has used the historical evolution of financial intermediaries in Italy as a contextual foundation to apply a comparative methodology, analysing two archetypes of bankers: the cosmopolitan banker and the technocrat. As in the broader European context, the emergence of joint-stock banks in Italy in the late nineteenth century disrupted the longstanding dominance of private bankers (Landes, 1956). During the interwar period, Italian finance experienced a paradigmatic shift in managerial approaches, reflecting broader transformations in governance structures within the banking sector. The study engages with a rich and interdisciplinary body of scholarship on managerial substitutability, drawing on organisational economics, strategic management, and—most critically—social network analysis. This literature collectively suggests that the substitutability of managers is highly context-dependent, shaped not only by individual competencies or firm-level routines but also by the structure and dynamics of the networks in which managers are embedded. Structural features such as network centrality, redundancy, and equivalence play a crucial role in determining whether a manager can be replaced without compromising organisational performance. Building on this theoretical foundation, the empirical findings of this research—based on archival material from the Historical Archive of Intesa Sanpaolo—provide new insights into how social embeddedness influenced managerial substitutability in interwar Italian banking. Specifically, the network mapping of Carlo Lovioz and Guglielmo Reiss Romoli enables a detailed reconstruction of their respective social structures and governance models.

The analysis reveals that Lovioz's network, centred in the financial hub of London, assumed a star-shaped configuration in which he occupied a highly central position. His relationships radiated outward, connecting him directly to key figures within Comit's Head Office in Milan. This structure, developed and maintained over two decades, indicates a low degree of managerial substitutability. Lovioz's position was not easily replicable, as it reflected a long-standing, carefully cultivated relational architecture characteristic of the cosmopolitan banking culture of the time. This model placed considerable emphasis on interpersonal relations and trust-based governance, underscoring the importance of what contemporaries called hard knowledge in managerial activities.

By contrast, Romoli's network in New York exhibited a higher degree of structural redundancy, with many of his ties overlapping with those of other managers at Comit's Head Office. This pattern points to a greater level of potential substitutability. While Romoli proved capable in fulfilling the tasks assigned to him—most notably the reorganisation of Comit's U.S. network during a critical phase—his effectiveness derived less from unique relational positioning than from institutional alignment and technocratic competence. It is therefore reasonable to speculate that another manager with similar

training and experience, particularly one shaped by the managerial culture of IRI in the early 1930s, could have performed comparable functions under similar conditions.

This interpretation is further supported by the visual evidence provided in figures 1–3. Figure 1 clearly shows that Romoli shared a greater number of ties with Comit's Head Office and his managerial colleagues than Lovioz did. Figures 2 and 3, which zoom in on the shared links between Comit's Head Office and each manager, highlight that Romoli's network was proportionally more interconnected than Lovioz's. This finding is confirmed by figure 2: once Romoli is removed from the network, the remaining structure remains largely cohesive, illustrating a high degree of redundancy. By contrast, Lovioz's removal would have produced more significant disruptions, reflecting his unique relational centrality within the London branch network.

In conclusion, the analysis of Lovioz's and Romoli's networks illustrates that the distinction between cosmopolitan bankers and technocratic managers was far less clear-cut in practice than often suggested in the literature. Rather than representing two rigid and mutually exclusive types, their careers reveal overlapping characteristics shaped by both relational and institutional dynamics. By applying social network analysis to their managerial trajectories, this chapter has shown that differences between these two figures can be more effectively interpreted through the lens of managerial substitutability, as reflected in the structure and redundancy of their respective networks. Lovioz's unique, star-shaped network configuration in London signalled a lower degree of substitutability, whereas Romoli's more interconnected and redundant position within the New York network pointed to a higher potential for replacement. These findings demonstrate that network structure offers a powerful analytical tool for reassessing established typologies of financial elites, revealing a more nuanced and dynamic picture of managerial cultures within interwar Italian banking.

CHAPTER II

COLLECTING INFORMATION, EXPLOITING RELATIONSHIPS, AND GAINING RESOURCES: THE ACTIVITIES OF COMIT-LONDON AND BCI-NY BRANCH MANAGERS

2.1 *The theoretical framework of the relational chains*

The use of social network analysis as an ancillary discipline enables researchers to navigate complex, complete networks without the need to define strict analytical boundaries in advance. In this case study, the availability of archival material that clearly identifies the various actors within the relational chains, as well as their intermediaries, makes it possible to bypass many of the theoretical questions that typically precede sociological network analysis (Neal, Watling Neal 2022, pp. 41-42).

The central aim of this chapter is to use the reconstruction of relational chains as a proxy variable to assess the degree of managerial substitutability of Carlo Lovioz and Guglielmo Reiss Romoli. By examining the intermediations that enabled the two branch managers—and, indirectly, Comit—to access information and resources, this analysis distinguishes between institutionalised pathways for obtaining information or extending credit and those that required proactive relational action on the part of managers. All intermediations mobilised by Lovioz and Romoli beyond their immediate inner-circle networks will be qualitatively presented and then classified according to specific categories, allowing for a quantitative assessment of the types and number of resources accessed through their relational strategies. The objective is twofold: first, to trace how managers relied on different relational mechanisms to perform their functions; and second, to demonstrate how the structure and activation of these relational chains reflect different degrees of substitutability, depending on whether resource acquisition depended on institutionalised routines or on unique, manager-specific network ties. Moreover, by examining the professional trajectories of Lovioz and Romoli, the chapter also aims to show that if the cosmopolitan–technocrat distinction is based solely on educational background or formal training, it risks oversimplification. Indeed, one encounters cases of technocratic managers who did not hold university degrees. This observation reinforces the argument advanced in Chapter I: rather than relying on education as a categorical discriminator, the alternation, and overlap between cosmopolitan and technocratic banking cultures is more effectively analysed through the lens of managerial substitutability.

In examining the impact of social relationships within economic contexts, the relational chains approach offers a valuable method for distinguishing whether relationships arise from pre-existing circumstances or from individuals' ability to cultivate new connections. This approach enables researchers to map personal network compositions across different stages of a professional

trajectory—identifying which ties facilitated entry into the professional sphere, promotion to managerial roles, and oversight of company operations. It serves as a robust analytical tool for studying the careers of figures such as Lovioz and Romoli, allowing reconstruction of the relational pathways through which they accessed Comit and advanced to branch management. As an often-overlooked methodology, the relational chains approach enables qualitative, long-term analysis of how relationships are mobilised to access resources, in contrast to the predominantly quantitative study of social networks (Grossetti, Barthe, Chauvac 2011, p. 11). Initially, this method focused on personal relationships and the likelihood that two individuals from different backgrounds could connect through indirect chains of acquaintances. Milgram's experiment sought to link a target person in Nebraska to someone in Boston via intermediary contacts, revealing that the average chain length was five intermediaries (Milgram 1967, p. 64; Travers, Milgram 1969, p. 441). Building on this, Granovetter (1995) examined recruitment processes in Massachusetts, showing how relational networks shaped career trajectories from the recruitment stage onward. Subsequent studies have analysed the role of sponsors in recruitment (Fernandez, Weinberg 1997) and considered both employers and candidates as key actors at either end of the relational chain, demonstrating that recruitment is an economic relationship embedded in social networks (Chauvac 2013). Relational chains are therefore essential to understanding how individuals and organisations access resources through networks. Weak ties are particularly significant, linking otherwise separate clusters and enabling the flow of non-redundant information (Granovetter 1973, 1982). Triadic closure, first theorised by Simmel (1908) and formalised by Easley and Kleinberg (2010), explains how triads consolidate relational chains and enhance information flow. Economic geographers have further highlighted that proximity—not only geographical but also cognitive, institutional, and social—fosters collaboration and shapes tie formation (Balland *et al.* 2015; Broekel Boschma 2012; Boschma and Frenken 2010; Boschma 2005).

A comprehensive review by Halevy, Halali, and Zlatev (2019) integrates these dimensions, providing a conceptual framework to examine how members of economic, financial, and political organisations influence others' relationships. More recent literature has turned to brokerage mechanisms, distinguishing between embedded and unrooted interactions (Quintane, Carnabuci 2016). Brokers pursuing tertius gaudens strategies mediate outside their inner circle, whereas tertius iungens strategies involve linking embedded ties. From an alter-oriented perspective, Ritala, De Kort, and Gailly (2023) identify four broker roles that explain how alters perceive brokerage benefits. However, this strand often overlooks social network analysis and its qualitative approaches—particularly egocentric networks and relational chains (Grossetti, Barthe, Chauvac 2011; Granovetter 1995; Travers, Milgram 1969). The latter is the foundation of the present work, which examines brokers

and alters within triads to conduct qualitative analyses. Within this framework, the interfirm knowledge classification applies directly to the ongoing case studies, serving as a basis for analysing information and resource-gathering processes among Comit managers in London and New York. Knowledge networks rely on individuals capable of brokerage roles in interorganisational settings. Building on Simmel's triadic model (1950), scholars have explored how brokers act as tertius gaudens, tertius iungens, or tertius dividens. In the first case, brokers link alters to pursue shared goals or disseminate knowledge (Grigoriou, Rothaermel 2014; Lingo, O'Mahony 2010). In the second, brokers act as conduits without interfering in alters' interactions (Obstfeld 2017). In the third, following Simmel's 'divide et impera' logic, brokers adopt a disruptive role, preventing alters from forming alliances (Posner, Spier, Vermeule 2010).

2.2 *Investigating career trajectories through the lens of relational chains: a qualitative analysis of Lovioz's banking career*

To begin with, upon revisiting prior discourse concerning Lovioz's employment with Comit and his journey from Switzerland to Genoa around 1908–1909, it is clear that he possessed a connection to Toeplitz, Comit's central director, via the intermediation of his firm, Calame & Matthey, which had close economic ties with the Milanese bank[105]. This relation was exploited by Lovioz to obtain a job interview with Toeplitz, leading him to the London branch of Comit in December 1912. Once arrived in the banking world, after eleven years of experience, in March 1923, Lovioz was promoted to deputy-manager of the branch and joint-manager in March 1931[106]. Throughout this decade, he actively engaged in the bank's propaganda travels in England and France, namely in Manchester, Roubaix, and Tourcoing[107], expanding his bank's network among Anglo–French firms. When Lovioz became joint manager, with twenty years in which he penetrated the depths of the British banking and economics elites, he began little by little to occupy key positions in his relational chains, bridging connections between the Central management and his own acquaintances.

For instance, in September 1931, Lovioz played a direct role in assisting the endeavours of Mario Montanari (bearer of Mattioli's letter of presentation), which involved introducing him to a Comit–London staff member well-versed in silver trading—an area of particular interest to Montanari[108]. In April 1932, Lovioz assisted Bruno Dolcetta—Comit's foreign branch manager—in facilitating the

[105] ASI-BCI, Con, f, accounting register of 1909; CM 162, f. 5. ASCCG, f. RD 01507, f. RD 02927.
[106] ASI-BCI, Personale, matricola (hereafter Pers, m), f. 'Carlo Lovioz'.
[107] ASI-BCI, "Carte personali di Bruno Dolcetta" (henceforth P-BDolc), folder 27, f. 3; fo. 30, f. 2. The first city, home to numerous cotton manufacturing enterprises with commercial ties to South America, particularly Brazil; the latter two, hosting renowned wool manufacturing firms, in the same geographic area of the Flanders, region historically held significance in the textile industry and food production, as well as being the primary area of continental Europe affected by the First Industrial Revolution in the 19th century (Baycroft 2017; Devijlder, Schoors 2020).
[108] ASI-BCI, CM 154, f. 1, no. 8.

delivery of a letter of recommendation on behalf of an acquaintance of Dolcetta to the managers of the chemical company Murex Welding Processes Limited, leveraging 'a friend' (misused *in lieu* of professional acquaintance)[109]. Two months later, he facilitated an introduction, endorsing a friend of Dolcetta, Piero Luraschi—who was looking for employment in London following his dismissal from an Italian company—to the general manager of the export department at Dunlop Rubber Company Limited, whom Lovioz personally knew[110]. In July 1933, the chairman of a Sardinian land drainage company (Società Anonima Bonifiche Sarde), Pietro Casani, via Mattioli, got business assistance from Lovioz, who resolved an issue that the company came across in London[111]. Once appointed as branch manager on 31 March 1933, he positioned himself as an intermediary between Giovanni Malagodi—who was already a manager at Comit's head office and later managing director of the Sudameris' Buenos Aires branch—and a cotton company broker from Liverpool in November of the same year. During Lovioz's journey to Liverpool, he got information regarding the new interest of cotton importers of Lancashire in purchasing Brazilian cotton, where Sudameris had economic interests, especially in extending acceptances in favour of Brazilian exporters. These insights were useful to Malagodi in order to have a deeper understanding in matter of cotton commercial trades between South America and England[112].

In late May 1935, on the recommendation of a Lazard Brothers' senior partner, René Pleven—manager of Automatic Electric Company in Chicago and of the International Automatic Telephone Electric Company in London—was introduced to Lovioz, who connected him with Giuseppe Zuccoli, the central manager of Comit, to support Pleven's business interests in Italy[113]. Underscoring the standing of alters of Lovioz's network, on 11 June 1935, he met Basil G. Catterns, formerly chief cashier of the Bank of England and executive director since 1934 (Wormell 2000, p. 745), which requested to not accept any sort of loan against gold, in order to prevent speculations on the London market. It is noteworthy this insight, because it was transmitted to Mattioli one day before the letter of Bank of Italy's governor to Comit's managing director on the same matter[114], proof of an exclusive source of information held by this latter in London. Lovioz's activity in London was twofold, as he could both to gather different kinds of information in favour of his superiors and to link his acquaintances with other people able to meet their aims. For instance, in August 1935 the son of the branch's stockbroker, Oliver Messel, secured his aims by obtaining Mattioli's sponsorship via Lovioz. In other words, Comit's managing director commissioned the Verona branch to guide Messel

[109] ASI-BCI, P-BDolc 40, f. 3.
[110] ASI-BCI, P-BDolc 41, f. 2.
[111] ASI-BCI, CM 154, f. 1, no. 12.
[112] AD2, fo. 29, f. 1, sub–f. 8, nos. 1-2, 2/att. 2.
[113] ASI-BCI, SE, s 1, f. 1, p. 170.
[114] ASI-BCI, AD2, f. 14, nos. 1-3, 3/att.

throughout the city, its palaces, museums, and exhibitions. The purpose was to collect information about the customs and traditions of the Shakespearian era, essential for the production of the film 'Romeo and Juliet', commissioned by the American media company Metro-Goldwyn-Mayer[115].

Over roughly five years, commencing with the economic sanctions against Italy in November 1935—due to the invasion of Ethiopia—and culminating in its declaration of war against the United Kingdom and France on 10 June 1940, seventy–nine episodes has been underscored. In these episodes, Lovioz assumed an intermediary role, leveraging his network within the financial elites of the City, the central managers of Comit, officials of fascist economic institutions, and managers of Italian companies. They sought an expert well–versed in the meanders of one of the two main capitals of international finance and economics. Starting from the beginning of the period under analysis, the imposition of economic and financial sanctions by the League of Nations—in which British and French decision–makers dominated its policies—resulted in negative consequences for Italian banks in London. Amidst City's financial circles and in the public debate on this matter the situation became more and more gloomier near 8 November, the date when sanctions were implemented:

> The position of the London agencies of the Credit and the Banca Commerciale Italiana is particularly awkward. Being Italian companies working under British law, they get the worst of both worlds. In their capacity as Italian companies they will be unable to accept new deposits from Italian residents in Great Britain since the latter are treated as British for the purposes of the law. The existing deposits can be retained, but, if someone reduces his balance, he cannot replenish it. [...] At the same time, since the agencies are under British law, they will have to abstain from granting credits to Italians[116].

Reassurances that the Italian branches in London would remain open emerged in two ways, both of them rather tame. Financial News, on 1 November, reported the fears of English banking community to face a loss of standing in the world finance, similar to what had been resulted from the breakout of the World War I:

> The position of Italian banks agencies in London is particularly unenviable; their difficulties are viewed with sympathy by the whole banking community. It is to be hoped that the present situation will not lead to the liquidation of these agencies, and that the experience of German branches whose activity was transferred to Amsterdam after the war will not repeat itself. Their disappearance would be a loss to the London market and would weaken London's position as the world's banking centre[117].

In this context of thorny international relations, on the same day of the imposition of sanctions, Lovioz gained confidential information on that matter in a meeting with Cameron Cobbold, adviser of the Bank of England's governor[118], successively transmitted to Mattioli. This latter expressed the desire

[115] ASI-BCI, CM 154, f. 1, no. 21.
[116] ASI-BCI, CM 154, f. 1, no. 60/att. 3, article of the Financial Times, 31 October 1935.
[117] *Ivi*, no. 60/att. 4, article of the Financial News, 1st November 1935.
[118] He was introduced by Montagu Norman in 1933 and in 1938 he became executive director of the Bank (Matthew Harrison 2004, p. 278).

of the "Old lady of Threadneedle Street" of not having shuttered Comit–London due to sanctions—seen mostly as a political measure—but instead collaborate in their implementation. This indicated London's banking elites were seeking a return to normality in relations with Italian banks and, on the other hand, it gave some guarantees to Comit's head office about the fate of its branch. Throughout the sanctionist parabola, Lovioz exploited his links in favour of Italian economic institutions, that is the Department for selling of Italian sulphur (Ufficio per la Vendita dello Zolfo Italiano). Its general manager, Carlo Faina, managed to obtain an endorsement from Mitsui bank to sell Italian sulphur on Japanese market. Mitsui's managers had been met by Lovioz on that matter and suggested him to advise Faina on moving sales to the Australian market once the sanctions were lifted[119].

In August 1936, the managing director of an English coal firm was introduced to Lovioz by the Lloyds Bank's joint general manager. In that meeting, they discussed the settlement of a payment to be done under the Anglo–Italian Clearing agreement[120]. On 2 September 1936, Lovioz informed Bunker about Mattioli's instructions about credits and exchanges on delivery between Comit and Midland Bank Comit's central manager. In the same day, Lovioz assisted Arturo Apollinari, managing director of Sudameris–São Paulo, by resolving with Bunker an issue related to bills discount with Midland in favour of the branch led by Apollinari[121]. After five days, Lovioz obtained information concerning an individual of interest to Giorgio di Veroli from the Calcutta branch of an Italian export-import firm, revealing the unreliability of the said person[122]. On 11 September, Giuseppe Zuccoli, on behalf of head office committee, was provided of financial information secured in a meeting between Midland Bank's managers and Lovioz, in which the latter stated that their institute would have discounted at the rate of one percent the acceptances issued by the Italian Consortium of Oleaginous Seeds (Consorzio Italiano Semi Oleosi). These same respondents were also certain the market would have indeed embraced those acceptances and Lovioz would have ensured their allocation to borrowers in London. In this case the activity of the Swiss–Italian banker is threefold, that is the information passed to the central managers' board in Milan, the bills discount grant at Midland, and his commitment to find borrowers for the acceptances[123]. One week later, Lovioz submitted a report to another manager of central direction board, Antonio Rossi, detailing his investigation into payments made in England by Italian exporters in favour of Comit-London to National Institute of Foreign Exchanges (Istituto Nazionale per i Cambi con l'Estero, henceforth INCE) into the Anglo-Italian Clearing account. According to the government agency, it was unable to give an exact amount as the payments had not been reported to them. Successively, he conveyed his findings to Rossi following

[119] ASI-BCI, CM 154, f. 3, no. 24.
[120] ASI-BCI, CM 155, f. 2, nos. 10-10/att.
[121] *Ivi*, no. 20.
[122] ASI-BCI, CM 155, f. 1, nos. 46-46/att.
[123] ASI-BCI, VCD 31, meeting of 11 September 1936.

his discussion with a manager of the Bank of England concerning the lack of notification to INCE regarding advances made on behalf of Comit–London into the Anglo-Italian Clearing account. This latter informed Lovioz that Ince had not officially acknowledged the Clearing account and was unwilling to transfer the corresponding sum of payments made in that account to Italy. Consequently, on 18 September 1936, the Controller of the account opted not to inform Istcambi about those payments[124].

Another document exemplifying the bidirectional flow of information and the networking of individuals from diverse backgrounds is the data collected by Lovioz concerning business managers in search of credit and subsequently relayed to his superiors. Furthermore, it delineates how these managers were then facilitated in establishing contact with the central directors of Comit to assess on the requisite conditions for expanding their business in Italy. This is the case of the US stock−dealer Giovanni Carloni-Sofio—managing director of John R. Sofio & Partners—that via the intermediation of Comit–London's manager, in December 1936, obtained a meeting with Mattioli and Zuccoli to discuss the possibility of opening chain−stores in Italy. In Great Britain, similar business resulted in good yields for Sofio, which promoted and sponsored the activities of British Home Stores[125]. It is also interesting to emphasise the information searched by Lovioz before his personal meeting with Sofio and transmitted to Mattioli in order to make him assess the good standing of the American firm. The managers of the Lloyds bank of the Bradstreet British Limited, an import-export firm (Hillyer 1937, p. 46), and the colleagues of Comit's New York branch granted to Lovioz all necessary insights to establish the creditworthiness of Sofio[126]. Moreover, in October Giuseppe Zuccoli presented to his board the proposal of a Belgian company of the extension of a guarantee in favour of is English subsidiary, to be issued by Comit–London. In depicting this request, it emerged that Lovioz actively aided Zuccoli in determining the extent of the credit given to the British company. The former, in contrast to which the board of the Milanese bank deliberated, proposed an advance payment of £50,000 blocked at six months, instead of the one proposed by the company of £100,000 at 12 months[127].

During the whole month of January 1937, Lovioz's mediating role ratchet up the linkages between his superiors and Italian/British firms. On the matter of competitiveness with other Italian banks, the director of the Italian Consortium of Oleaginous Seeds sent over an information on Banco di Roma's activity in London to Lovioz, who in turn transmitted it to Mattioli on 1 January. After the removal of economic sanctions, in July 1936, Lovioz put lots of efforts in reinstating the credit lines opened

[124] *Ivi*, meeting of 18 September 1936.
[125] *Ivi*, no. 67.
[126] *Ivi*, no. 67/att. 2-3. Those insights were collected in July 1936.
[127] ASI-BCI, VCD 32, meeting of October 2nd, 1936.

to those Clearing banks—especially Midland and Martins—which accepted and endorsed Comit–London's bills. The information proved that Banco di Roma had granted acceptance credits in favour of the Consortium, leading to Lovioz's inference that these credits—which he was still negotiating their reinstatement at Midland and Martins—had been reinstated by some English clearing bank[128]. On 4 January, after having met the managers of the Japanese Sumitomo bank, Lovioz reported to Zuccoli that times were ripe to open a 60/90–day acceptance credit in favour of Comit's subsidiary in Alexandria (Comitegit) for shipments of cotton to Japan. On the advice of Lovioz, the agreed upon total credit sum by Zuccoli and the others central managers ranged between £25,000–30,000[129]. The day after, Mattioli introduced to Lovioz a friend of his, Adolfo Tino, so that he could receive assistance and not lose his job. The goal was of keeping Tino onboard as a legal consultant at the Società Nazionale del Grammofono a subsidiary of Electric and Musical Industries Limited. Lovioz got in touch with Francis J. Rodd, manager of the Morgan Grenfell Bank, which was involved in restructuring the share capital of the London firm. To ensure proper communication, Rodd arranged for Lovioz to brief a director of his bank about Tino's situation. Consequently, the Morgan's director met with Lovioz, who informed him on Tino's circumstances and, successively, passed along Mattioli's endorsement letter supporting Tino to Louis Sterling, the managing director of Electric Music Industries. This latter showed willingness to welcome Tino in London to settle his issue[130]. On 8 January, a partner of the discount house Allan, Harvey & Ross informed in a meeting Lovioz about a potential loan from Hambros Bank to the Italian government for the export of wheat in favour of the latter. Subsequently, Lovioz was notified by a regular of Whitehall that, after the ratification of Gentlemen's Agreement on 1 January 1937, there were ongoing talks related to concessions to be made to English firms in Abyssinia, having as counterpart wheat shipments made by the British government in favour of Italy and financed through acceptances, in which Comit could facilitate a part of them. Both financial information were passed to Mattioli[131]. The manager of Comit–London in mid–January proposed to Giuseppe Zuccoli to reinstate two credit lines issued before the implementation of economic sanctions, in favour of two French woollen companies established in Tourcoing and Roubaix—Segard & Cie and Masurel Fils. The Comit's central manager, on behalf of the Head office committee, approved Lovioz's decision to reinstate those credits, £25,000 in acceptances[132]. In this sense, Lovioz secured in favour of an Italian shipping company—Società Giuliana di Navigazione—the reinstatement of its courier credit of £15,000 that was suspended after

[128] ASI-BCI, CM 155, f. 3, no. 1. Midland's manager was unaware of those credits opened in favour of Banco di Roma, or he possibly turned a deaf ear when Lovioz inquired him on that matter; see CM 155, f. 3, no. 4.
[129] ASI-BCI, VCD 33, meeting of January 5th, 1937.
[130] ASI-BCI, CM 155, f. 3, nos. 3, 6.
[131] *Ivi*, f. 3, no. 5.
[132] ASI-BCI, VCD, meeting of 15 January 1937.

the sanctions[133]. Between 13 and 14 January, Lovioz assisted two Mattioli's friends, the first in need of recommendations amidst the *milieu* of the iron and steel companies' managers in London, while the second was once again Adolfo Tino in need of keeping his job position[134]. Hence, Lovioz arranged a meeting between the London's firm manager which controlled its Italian subsidiary—where Tino's was employed—and Mattioli in order to settle his friend's issue.

In early February 1937, Lovioz inquired with Frederick Bunker, the overseas branch manager of Midland Bank, about the delayed resumption of endorsing Comit's acceptances after the removal of the sanctions. Bunker responded, indicating that the reconsideration of restoring credit relations to Italy through Comit had been deliberated by the board, prompting him to undertake another journey to Italy for a current assessment to present to the board with the intention of recommencing relations. Afterwards, Mattioli wrote a memorandum on the Italian economic landscape for Bunker, which was translated and passed to him by Lovioz, that had a second meeting with the Midland's manager after his return to London, which ended positively. The impression Bunker got from his trip to Italy was that of «a country that works, that goes about its business without worrying too much about what is happening and what is said abroad». Mattioli's efforts were rewarded as, on 1 March, Bunker conveyed the news that Midland's board had authorised the reinstatement of former credit facilities amounting to £250,000. This allocation could be employed for initiating new lines of credit for goods intended for Italy. Furthermore, as reported by Lovioz: «Bunker told us that in compliance with previous promises, this was the first credit that Midland Bank restored in Italy»[135]. Formerly, Lovioz engaged with the foreign manager of Martins Bank, who was aware of Bunker's trip to Italy to re-establish acceptance credits in favour of Comit, for similar purposes[136]. Bolstered by previous discussions with Bunker, he successfully secured the reopening of a credit line amounting to £50,000. Lovioz's awareness of the difficulties in reinstating acceptance credits dates back to September 1936, as he engaged in talks with the Midland's managers. He initiated meetings with both the Midland and Martins Banks' managers, particularly following the introduction of the new Anglo–Italian clearing agreement. In these two negotiations with the foreign manager of those Clearing Banks, Lovioz succeeded in reopening the credit lines, formerly suspended, to discount Comit–London bills; even though in the negotiations with Bunker, Mattioli played a pivotal role in convincing the Midland's manager and his board to resume financial relations with Comit.

In the Comit's Head office committee meeting of 30 March, because of the under–exploitation of a credit for discounting acceptances at 60–days, Zuccoli ratified Lovioz's decision to lower the credit

[133] *Ivi*, meeting of 22 January 1937.
[134] ASI-BCI, CM 155, f. 3, nos. 8-8/att. 1, 2, 22.
[135] *Ivi*, no. 24.
[136] *Ivi*, no. 14.

from £30,000 to £10,000[137]. Bernardo Patrizi, the manager of IRI, received assistance from Lovioz about the sale of Foresta Romena to Churchill & Sim, respectively a Romanian and British timber company. By the time Patrizi received was aided, Lovioz had been met the British firm's director. During that meeting, the director of Churchill showed his interests in acquiring selling the Romanian company and expressed a willingness to keep Italian interests involved to some extent. This facilitated the beginning of negotiations for the sale of Foresta Romena to the British firm and provided Patrizi with all the necessary information before his meeting with Churchill's director[138]. On 28 April, Romolo Boffa, managing director of Società Coloniale Italiana (Italian Colonial Society) tasked the of the Italian Consortium Oleaginous Seeds' director with acquiring the files of an English firm (Abyssinian Corporation) regarding its ventures in Ethiopia. Consequently, the director asked Lovioz to gather information about the company and the bank funding their activities, which, at the end of his research, turned out to be the merchant bank Erlangers Limited[139]. On the same day, behind Giuseppe Zuccoli's request, Lovioz obtained from the joint general manager of Midland Bank, Arthur Jackson, a £25,000 credit in favour of Comit's branch of Casablanca (Morocco)[140].

In June, in account of Gino Salocchi, managing director of the Comit's subsidiary of Lima (Banco Italiano di Lima), Lovioz had several 'propaganda' meetings among the Banco's clients in England, including two managers of the Balfour Williamson Company, a shipping company established in Liverpool[141]. Two years later, in January 1939, Lovioz assisted once again Salocchi by settling an affair with the Barclays Bank's general manager, Cecil Ellerton, in which the Banco was involved[142].

In July 1937, the Head office committee received a request from the Genoa branch on behalf of a Ligurian bank—Banco di Chiavari—seeking the opportunity to open new lines of credit in its favour in London. Lovioz, consulted by the central manager Antonio Rossi, was briefed on this matter. Rossi outlined to the committee how the Ligurian bank had previously been granted facilities by Midland Bank and currently had access to £100,000 at Hambros Bank. Based on Lovioz's information, the committee opted not to proceed with the request from Banco di Chiavari[143]. Two weeks later, Lovioz informed Mattioli that the secretary of the Fascist party in London had a conversation with him regarding complaints from Credit's board to the Credit Inspectorate in Rome. These complaints alleged that Comit had one of its clerks in the Fascist directory in London. Consequently, the

[137] To be precise, in the meeting of 14 April 1937, Zuccoli welcomed the claims of the company manager and restored the former credit of £30,000. ASI-BCI, VCD 34.
[138] ASI-BCI, CM 155, f. 3, nos. 45, 64, 64/att.
[139] *Ivi*, no. 45.
[140] *Ivi*, no. 46.
[141] *Ivi*, no. 65/a.
[142] ASI-BCI, CM 157, f. 3, no. 28.
[143] Bank of Chiavari. ASI-BCI, VCD 35, meeting of 9 July 1937.

Inspectorate recommended to the foreign Fascist secretaries to refrain from appointing any more bank managers to their boards, and the secretary in London carried out this directive[144].

At the end of July, the Comit–London managing director informed Mattioli about his meeting on political matters with the junior partner of J. Henry Schroder & Co, Henry Frederick Tiarks, in close relation with many members of the Cabinet Office. Moreover, Tiarks and Lovioz had another meeting in October 1937 to settle an issue of Malagodi's business related to Sudameris Paris[145]. On 31 August, Paolo Treves, the representative of Italian General Shipping in London, held a meeting with Lovioz. Treves—who was also the broker for the oil shipments to the Italian oil company AGIP conducted by Wm Cory Trading Co., acting on behalf of the Anglo–Persian Oil Company—addressed the ban imposed on Cory by the Anglo–Dutch oil company Shell—a leading entity in the global petroleum industry—which prohibited the sale of oil to AGIP. Lovioz was particularly concerned about this issue because of the ongoing affairs commenced in May between the Anglo–Persian, AGIP, and Italian General Shipping regarding the purchase of 120,000 tons of oil for the Italian Navy, in which Comit-London was involved. Therefore, Lovioz informed Mattioli and the commercial advisor of the Italian embassy in the United Kingdom about this ban and its possibility to be both an economic and political countermeasure[146]. Furthermore, these developments resulted in a loss of business for Comit and for the supply of oil in Italy. In September and December 1937, Lovioz was consulted by Zuccoli to renew several credit lines in favour of a cotton firm of Manchester—Olivo & Bakirgian—and an Italian shipping company—Lloyd Triestino. In the first case, he outlined the opportunity in resuming a former credit line opened for discounting acceptances at sight or at 90 days, while in the second case he proposed the renewal of the £15,000 courier credit in favour Lloyd Triestino; both proposal were accepted by the Head office committee. On 13 October, Lovioz assisted the Comit's central manager, Aroldo Berni, by discussing with the London Merchant Bank's director about an ongoing project with an Italian textile company. Two weeks later, he assisted Malagodi, the Sudameris Paris' manager, by meeting an N.M. Rothschild & Co's partner and discussing with him on financial matters of Malagodi's interest[147].

On 8 February 1938, the Comit's chairman, Ettore Conti, via Mattioli, requested to Lovioz information about Japan's financial and economic situation, along with its trade connections with the United Kingdom. Therefore, Lovioz gathered information and prepared a detailed report through several meetings with managers from Japanese banks, namely Mitsui, Bitsubishi and Yokohama

[144] ASI-BCI, CM 156, f. 1, no. 9/att. 1.
[145] *Ivi*, nos. 11, 41.
[146] ASI-BCI, CM 155, f. 3, no. 52/att.; CM 156, f. 1, no. 27/bis.
[147] *Ivi*, no. 41.

Specie Bank, and provided them to Chairman Conti[148]. In June, Lovioz met the managing director of the merchant bank Herbert Wagg & Co, Albert Palache, and obtained resumption of financial relations between the merchant bank and Comit[149]. In early July, Lovioz met in a week three of his personal acquaintances, who informed him that Britain was gearing up to launch its economic expansion into the Balkan Peninsula. These acquaintances were the manager of Bank of England, Cameron Cobbold, Francis J. Rodd, partner of the merchant bank Morgan Grenfell, and Cecil Sprigge, economic journalist at the Manchester Guardian[150]. This latter relayed to Lovioz the information gleaned from a meeting, in which he was involved, with the general director of the Board of Trade. This meeting informed the British financial press about the launch of a new economic policy in the Balkan Peninsula by Whitehall, in order to face the German economic expansionism. That region also held significant interest to Comit (Iacopini 2013) and that is why this information passed to Mattioli played a pivotal role in determining which were the competitors in the Balkans. On this matter, at the end of the month, Lovioz had new insights from Paul Einzig, economist and journalist at the Financial News, about the nature of British economic policy in the Balkans, namely small custom licences and commercial concessions for Balkan countries[151]. In the same period (29 July), Lovioz advised Alberto D'Agostino—INCE managing director that shortly after would have become Comit managing director alongside Mattioli—and Luigi Capodanno—the Bank of Italy's representative in London—regarding the issuance of Italian treasury bonds in dollars by an English bank. He informed them that the bankers involved in this operation were the Hambros. However, this information was not official or publicly known, because it was obtained in an informal meeting between Lovioz and an intermediary of Hambros. Therefore, they were cautioned against approaching Hambros to avoid indiscretion and complicating the ongoing negotiations. Mattioli was informed as well on the matter because the Hambros' intermediary proposed to the Comit–London manager to join the syndicate that would be formed as a guarantee for the bonds issued[152]. Following the resolution of the First Czechoslovakian Crisis in October 1938, Lovioz provided assistance to Mattioli in reinstating the credit lines at Midland Bank, which had been previously suspended due to concerns about the possibility of the outbreak of a war in Europe[153].

On 19 January 1939, Lovioz met once again the Barclays Bank's general manager to settle an affair in which was involved the Sudameris' managing director, Carlo Mari[154]. A week later, Lovioz

[148] ASI-BCI, CM 156, f. 2, no. 15.
[149] *Ivi*, no. 55.
[150] ASI-BCI, CM 157, f. 1, nos. 2/att. 1, no. 4.
[151] *Ivi*, f. 1, no. 9.
[152] *Ivi*, nos. 6-7.
[153] ASI-BCI, CM 157, f. 3, no. 9.
[154] ASI-BCI, CM 158, f. 3, no. 28.

attended the general assembly of the Midland Bank and the Westminster Bank, in which he winnowed information from the chairman's speeches of these banks—Reginald McKenna and Rupert E. Beckett—and transmitted them to Mattioli[155]. The day after, Lovioz provided to Mattioli new insights regarding a guarantee, that was under examination at the Head office committee, in support of the steamship 'Virgilio', owned by the shipping company Italia Flotte Riunite. This vessel collided with a British steamship off the coast of Peru. Lovioz approached the insurance company, Morice, Tozer & Beck, which was handling the settlement of the collision, and had a meeting with its director. The Comit-London manager informed Mattioli that the Italian ship would need to provide a guarantee of £96,000[156]. At the end of the month, Augusto Missiroli—manager of an Italian coal company—was put in contact by Mattioli with Lovioz, who obtained from the Lloyds Bank's foreign department manager insights related to the shipment of Missiroli's mares to England. Moreover, Lovioz briefed the director of the Genoa branch about a discussion he had with a client of him, Virgilio Biondi, who was manager at the Italian shipbuilding firm Ansaldo. During this meeting, Lovioz provided assistance to Biondi regarding foreign exchange affairs, leading to savings of £406,000 for the Ansaldo manager in connection with a contract with the British shipping company United Molasses for the construction of an oil tanker valued at £250,000[157].

On 14 April, the retrieval of dollar sales from the Bank of England, directed to Comit–London through the merchant bank Glyn Mills & Co, transpired following a meeting between Lovioz and Harry A. Siepmann, manager at the Bank of England. During this meeting, Lovioz expressed apprehensions about the political consequences of withholding dollar sales to Italian banks, although this was not posing a significant issue for Comit-London, as it had already conducted such transactions with other banks, namely Midland, Lloyds, and Chase National Bank. However, Siepmann reassured Lovioz about any political repercussion could have taken place since there were no political interferences in that question, but technical considerations. In this sense, Siepmann welcomed Lovioz's claims and managed to find Glyn Mills as the new seller of dollars to Italian banks[158]. Roughly in the same period (13—20 April), Ludovico Toeplitz de Grand Ry (son of the former Comit's managing director Józef) was briefed by Lovioz about the controversy of his filmmaker company with a London assurance company (thanks to the London lawyer in charge). Lovioz gathered extensive insights from the lawyer in charge of the legal dispute and passed them to Toeplitz[159]. In July, Lovioz conducted research on behalf of Alberto D'Agostino regarding a British company called Harold Whitehead & Staff Limited,

[155] ASI-BCI, CM 157, f. 4, no. 13.
[156] *Ivi*, nos. 14/a, 14/a/att.
[157] *Ivi*, no. 18/a.
[158] *Ivi*, nos. 47, 47/att.
[159] *Ivi*, nos. 52/att. 1, att. 2.

which held economic interests in Hungary and was tasked with spearheading economic initiatives on behalf of the British government in the country. Lovioz obtained information about this company from three acquaintances of his: the manager of Bradstreet British Limited, who provided insights from the company's managing director; the manager of Chase Bank's London branch, who outlined the company's economic and political affiliations within the United Kingdom; and a representative from the Federation of British Industries, who briefed Lovioz on the company's good reputation and standing[160]

In July 1939, in a phone call with Lovioz, the managing director of Sudameris portrayed to him that all negotiations related to arrears on loan between any Anglo/American/French firm representative and Brazil government should also include the transfer of any kind of profits. Therefore, Lovioz had two interviews on this matter with Arthur Whitworth, chairman of the Brazilian Warrant Agency & Finance Company—that operated in the field of exporting coffee, sugar, and cereals—and the Bank of London and South America's manager. In both interviews he shared Mari's suggestion, which met the approval of the two interlocutors, who promised to follow actively the question and, furthermore, shared two confidential information[161]. On the eve of the breakout of the Second World War, on 18 August, Lovioz notified Zuccoli about his suspicion regarding Bank Handlowy w Warszawie's extensive utilization of the credit line established at Comit–London (£13,000). He attributed this to the bank's challenges in utilizing other credit lines from English banks, as the latter considered it too risky to open new credit lines after Hitler's threats to Poland. Therefore, Zuccoli and the Head office committee considered the doubts raised by Lovioz and decided to suspend the credit line in favour of the Polish bank[162]. On 26 October 1939, Malagodi—then manager of Sudameris' Buenos Aires branch—was informed by Lovioz in three ways about mail credits issued in favour of the bank he managed by three London banks. This was possible thanks to three meeting that Lovioz held on that matter. In the first one, the Martins Bank's foreign manager outlined the extent of the mail credits in favour of Sudameris–Buenos Aires (£50,000), preferably using this sum up to half of it and with the proof of good shipment as collateral. In the second meeting, the assistant general manager of Barclays Bank remarked that, for each mail credit opened, Malagodi should have written a cable mentioning the credit cover collateral, preferably a security. In the last meeting, the Swiss Bank Corporation branch's manager in London, Samuel Lorsignol, reported that his bank was not allowed to open such credits since it had not yet received the permission from the Bank of England[163]. However, on 1st

[160] ASI-BCI, CM 158, f. 1, nos. 24, 24/att.
[161] ASI-BCI, CM 158, f. 1, no. 28/att.
[162] ASI-BCI, VCD 43, meeting of the 18 August 1939.
[163] ASI-BCI, CM 158, f. 3, no. 56/att. 2.

November Lorsignol obtained the Bank of England's sanction and Lovioz was finally able to revive in full the former credit facility in favour of Sudameris-Buenos Aires of £100,000[164].

At the end of October, Lovioz aided the manager of INCE and, indirectly, Ente Italiano Zolfi (Italian sulphur agency), on the matter of a credit in dollars to be issued for 5000 tons of sulphur shipped to a British company in the Persian Gulf from Italy. Since the Bank of England's managers reported to Lovioz that their institution allowed credits in dollar only if there was a US company involved, Lovioz suggested a solution to INCE. This involved obtaining a sight draft in sterling from the Italian seller (Ente Italiano Zolfi), selling it against dollars, and directing Comit–London to transfer the corresponding sterling amount to another London bank on behalf of the party exchanging the sterling for dollars[165]. On 27 November, Mattioli entrusted Cesare Sacerdoti (Salsano 2017) to Lovioz expertise and knowledge of the City economic panorama. Sacerdoti was in London on behalf of Italian iron and steel companies, in order to get new business opportunities on their account; therefore, Lovioz gave him all the necessary insights and recommendations concerning the financial and economic context of London[166]. On similar matters, Giuseppe Benedetto—representative of Ansaldo and Dalmine companies, two Italian iron and steel firms—had a meeting with Lovioz on 1 February 1940, which led to his decision to open credit at Comit–London in account of Dalmine company. Two days after that meeting, Lovioz managed to obtain the sanction from the Bank of England for a hemp shipment from Italy to a textile company in the United Kingdom. Two months later, in a similar situation, he divided a 70 million lire credit into two portions, with one part allocated to Comit and the other to another Italian bank, Credit. This division was carried out at the request of the Bank of England manager, George L. F. Bolton, to mitigate any perception of favouritism, especially given concerns arising from the previous credit where Comit-London was the sole beneficiary.[167] On 15 May, three weeks before the closure of the Comit-London branch, Zuccoli was informed by Lovioz of the risky positions taken by the company (totalling £14,000 out of £50,000), hence, he requested that the company refrain from further credit usage, considering the challenging situation in Europe, where France was invaded by Wehrmacht[168].

Throughout the experience at the Comit–London's branch, Lovioz was involved in 88 relational chains, acting as a broker in 82 instances (among them, on along with his colleague and adjoint manager of the branch), being the resource beneficiary once (specifically during his hiring process), and serving as a connecting link five times within the milieu of the City. In examining the resources

[164] *Ivi*, no. 60.
[165] *Ivi*, no. 59.
[166] ASI-BCI, CM 159, f. 2, no. 19.
[167] *Ivi*, nos. 21, 45/a/att.
[168] ASI-BCI, VCD 46, meeting of 15 May 1940.

obtained through the intermediaries Lovioz was in touch with, it becomes clear that he had a notable talent for sourcing information, both for himself and whoever sought his help. Leveraging informal networks, relationships built through regular meetings over years, and diplomatic shrewdness, the Italo–Swiss managing director positioned himself as a key contact whenever Comit's central management needed information about a specific business, individual, or on behalf of clients planning new ventures in London. Among the various resources acquired, there are six instances where these were obtained through an institutionalised process necessitating Lovioz's mediation yet executed via a standardised procedure. Notably, all six resources fall under the 'financial transaction' category. When a company sought the approval, renewal, or modification of credit favoured by Comit, they initially approached Lovioz. He would then present the matter to a central manager in Milan, in this case Giuseppe Zuccoli, who would subsequently submit the credit request to the bank's executive committee for ratification. Therefore, in the overall assessment of the resources and relational networks under analysis, six were secured not solely due to Lovioz's personal skills or his capacity for mediation, but because they were part of an institutionalised process by which Comit handled new credit approvals. Moreover, the global number of resources obtained through Lovioz suggests that being a cosmopolitan banker in the late Thirties still had its pay–offs and was a valuable channel through which the banker's profession could have been carried out.

Figure 5. Breakdown of resources collected through Lovioz relational chains.

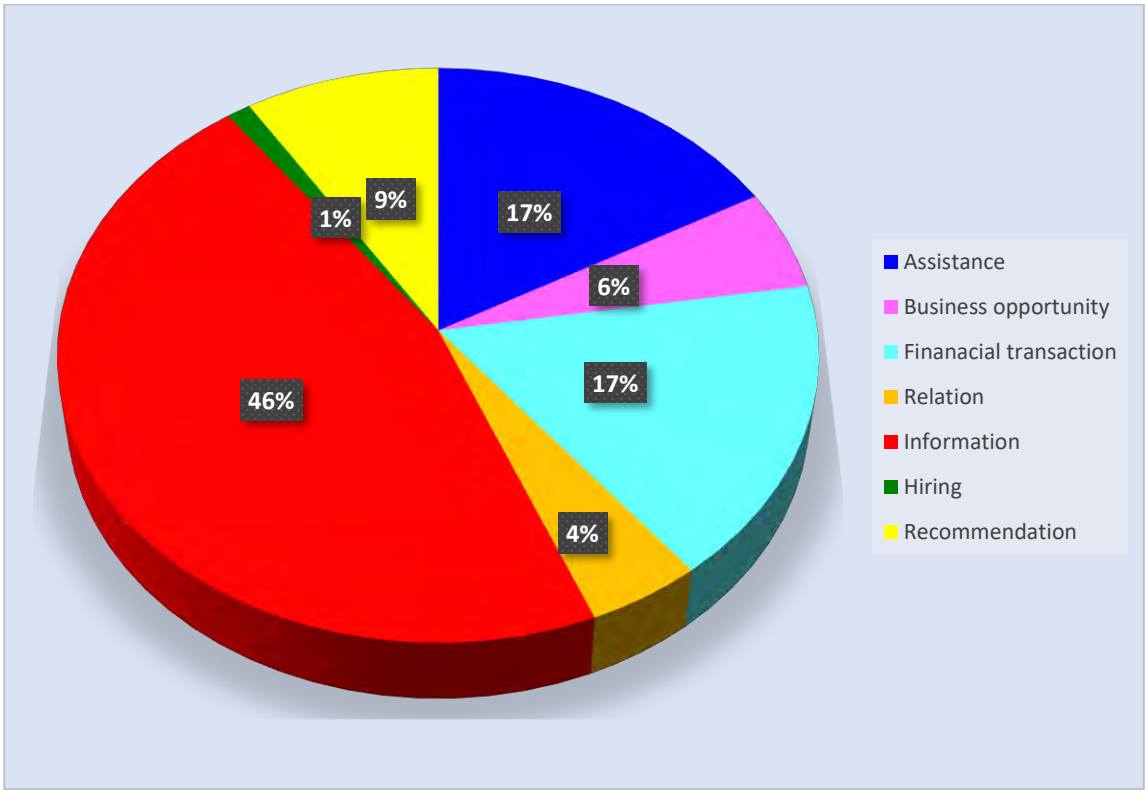
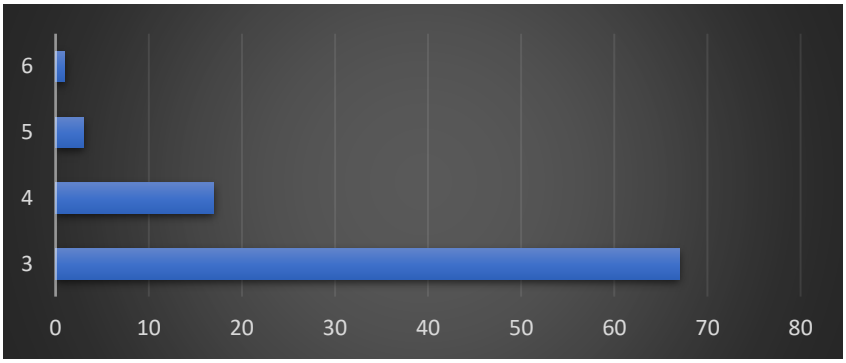


Figure 6. Overall length of Lovioz's chains.



2.3 *Institutionalisation and shared intermediation within Romoli's relational chains*

Guglielmo Reiss Romoli arrived in New York in 1935 to reorganise and guide the three affiliated Comit subsidiaries in the United States. Despite Romoli's banking managerial experience lasting only six years and thus not being deeply embedded in the New York financial *milieu*, it is essential to underscore his activities in any intermediary role where he connected his acquaintances with his superiors in Milan, particularly Mattioli and other central managers, and with further members of his network.

Initially, he was hired at Comit in 1930 thanks to the intermediation of a friend of his, Guido Jung, and Giuseppe Toeplitz, who was the managing director of the bank at that time[169]. Before arriving in New York, Romoli received two recommendation by Mattioli, which connected him with the commercial *attaché* of the Italian embassy in Washington, Angelone Romolo, and the deputy general manager of Chase National Bank, Joseph Rovensky[170]. Between May and June 1935, Mattioli requested to Romoli, on behalf of an Italian pharmaceutical firm, to manage the import and sales of its products in the United States, in other words, to find a buyer for that market. Therefore, Romoli got in touch with the vice-president of a US pharmaceutical firm, E.R. Squibbs & Sons through the intermediation of the lawyer with whom both Bicitrust New York and Squibbs used to work[171]. On 20 December, after having met in Rome the Banca Nazionale del Lavoro's manager, Henry J. Pollak, Romoli granted an $80,000 credit for bills discount. The Head office committee sifted through this credit upon Zuccoli's proposal, who had previously consulted with Romoli, and ratified it[172].

On 26 September 1936, Romoli conducted substantial information gathering on the South American branches of Sudameris for Giovanni Malagodi, through various US bank managers. First, he met a

[169] ASI-BCI, Pers, m, f. 'Guglielmo Reiss Romoli'.
[170] ASI-BCI, CM 243, f. 1, nos. 8/a, 9/b.
[171] *Ivi*, nos. 12-15, 15/a-att. 1.
[172] ASI-BCI, VCD 28, meeting of 20 December 1935.

Chase National Bank's manager, in which the latter welcomed the increase of Sudameris branches in South America towards Chase, while he discouraged the opening of overdrafts. Then, Romoli inferred from the discussion with a Guaranty Trust Company's manager, that he did not mention the acceptance business of Sudameris branches. Instead, whenever he talked about trade financing, he stressed the term 'sight credits'. Therefore, Romoli suggested to Malagodi that it would have been better if Sudameris branches refrained from routing acceptances towards Guaranty. Romoli arrived at the previous conclusion from the meeting he had with Latimer Gray, the First National Bank of Boston's vice–president, because during the interview he did not mention anything related to acceptances. Thus, Romoli outlined to Malagodi the same policy implemented towards Guaranty. He also briefed Malagodi about the insights gathered in his meeting with the vice-president of J. Henry Schroeder Banking Corporation, regarding acceptance credits in favour of Sudameris branches in Brazil, Uruguay, and Colombia. Finally, he met a Manufacturers Trust Company's manager, from whom he learned that there was a credit substitution at the disposal of the Colombian branches of Sudameris and its head office in Paris[173].

On 6 October 1936, Romoli sought permission from New York Federal Reserve (Fed) to leverage 'on call currencies' against collateral securities to generate additional profits in a market characterized by a scarcity of lending opportunities for an Italian bank in the US banking *milieu*. The Fed, before the extension of its approval, requested the endorsement of Comit's Board of directors, which was successively obtained. Then, Romoli and Francesco Saroli—the other Bicitrust's joint managing director until December 1937—were authorised by the Fed to secure advances using securities duly registered at New York Stock Exchange. In the end, this operation resulted in a new business opportunity for Comit[174]. Roughly three weeks later, Romoli had meetings with the Manufacturers, Marine Midland Trust Company, and Irving Trust Company's managers, in which he obtained the opening of credit lines in acceptances and sight credits in favour of Sudameris Bogotá (led by its director Giovanni Serventi)[175].

From 15 December 1936 to 26 December 1939 Romoli and, on several occasions, Saroli and, from 1938, his substitute Francesco Ferrajolo also played an intermediary role between their superiors in Milan and managers of banks and firms for the renewal, modification, and granting of new credits in favour of Bicitrust New York until December 1937[176]. Starting from the beginning of this timeframe,

[173] ASI-BCI, CM 244, f. 2, no. 31/att. 1.
[174] ASI-BCI, VCD 32, meeting of 6 October 1936.
[175] ASI-BCI, CM 244, f. 2, no. 32/att. 2.
[176] ASI-BCI, VCD 32, meetings of 6 October and 15 December 1936; VCD 33, meetings of 15, 19, 26 January, 26 February, 5 March 1937; VCD 36, meetings of 7 and 14 December 1937. From January 1938 Francesco Ferrajolo was appointed as the new joint managing director of Bicitrust–New York, therefore substituting Saroli: VCD 39, meetings of 1 and 23 July 1938; CM 244, f. 2, no. 62 (26 December 1939).

Romoli and Saroli inquired Comit's head office committee in order to extend an acceptance credit in favour of the Banque de Tunisie. The committee, through the Zuccoli's proposal, agreed in granting this credit. One month later, they handed to Zuccoli the $250,000 credit renewal in favour of Leghorn Trading Company (via its chairman, Leo Nunes) and the central manager ratified with the Board the extended renewal. In the same day, they sought ratification from Comit's board of their extension of a courier credit increase to Banca Nazionale del Lavoro from $5,000 to $100,000. In November of the previous year, the two Bicitrust managers were authorised to increase the credit for discounting the bills of the bank in object from $80,000 to $200,000. On 19 January, they suggested to Comit's head office an increase in the discount of Continental Grain Company's bills, raising it from $250,000 to $300,000 dollars, due to further shipping costs incurred for transporting the grain to Italy. The committee approved Romoli and Saroli's proposal. One week later, they proposed to Comit's head office a credit on documents related to 20,000 tons of scrap iron, purchased by the US firm Merello Company Inc., and shipped to Consorzio Nazionale Approvvigionamenti Materie Prime Siderurgiche of Milan (National Consortium for Iron and Steel Raw Materials Supplies). Zuccoli and the committee approved this credit issue. These latter approved one month later Romoli and Saroli's credit renewal in favour of the National Bank of Albania—$10,000 for acceptances and $50,000 for courier credits. On 5 March, the Bicitrust's managers granted a $130,000 documented credit in favour of Schroeder Brothers Company to export 1600 bins of olive oil. Then, they informed Zuccoli about this matter, who approved the credit extension with Comit's head office committee. On 7 December, Romoli and Saroli informed Zuccoli to have authorised a $35,000 credit in favour of Luigi Vitelli Elvea Inc., a US subsidiary of an Italian canned food firm, to be split in $10,000 for discount of bills, and $25,000 for credits with trust receipt related to canned food exports. This credit was previously authorised by Scambival. Subsequently, the committee approved this extension. One week later, the Bicitrust's managers modified the credit, withdrawing the one granted to the US firm Di Giorgio Fruit Corporation and replacing it with another in favour the US firm Giuseppe Cavallaro, whose homonymous chairman was a board member of the previous firm, for $100,000 for 60–day letters of credit against a trust receipt privilege up to $75,000.

On 1st July 1938, Romoli extended to this company a credit increase for promissory notes, from $50,000 to $100,000 and cancelled the credit for discounting bills. He recommended ratifying his decision, which Zuccoli and the committee approved. On 23 July, Romoli and Saroli reinstated a $100,000 credit to be used at Sterling National Bank & Trust Company, in account of the Comit's branches of Milan, Naples, Florence, Rome, and Genoa, split in equal parts. The credit had to be used for sight bills or documentary bills, whether in lire or dollars, issued by Sterling at any of Comit's branches, with reimbursement through Bicitrust. Additionally, it covered 90–day acceptances issued

by Comit's branches at Sterling in favour of Italian exporters, eligible for discounting at Bicitrust. On 26 December, on behalf of Comit branches in Italy, Romoli engaged in negotiations with the Export and Import Bank's managers to secure a $600,000 credit reserved for discounting acceptances in favour of Italian cotton importers at Bankers Trust Company, thus accepting the requests of its vice-president Edgard S. Chappelear, for the export of cotton to Italy. Therefore, Romoli managed to obtain a new credit in favour of Comit branches in Italy—thus, in favour of their managers—and to link in a financial relation to these latter with Bankers Trust Company.

Between July 1938 and October 1940, Romoli collected important information that transmitted to his superiors and colleagues. For instance, on 8 February 1938 he gathered information from the managers of Japanese banks in New York (Mitsui, Bitsubishi, and Yokohama Specie Bank) regarding trade relations between Japan and America, passed to Ettore Conti (via Mattioli), in view of his mission in Japan (8 February 1938)[177]. On 15 February 1939, Romoli informed Arturo Apollinari, the Sudameris–San Paulo's managing director, of having rejected the proposal of the Industrias Reunidas Matarazzo's[178] representative to discount 150–days bills. In August of the same year, Romoli was engaged in reorganising a Comit's subsidiary in Ecuador, namely Banco Italiano di Guayaquil (Italbanco), because of the inadequate management by its director, this bank found itself in a state of significant economic turmoil[179]. He reported to Mattioli the Italbanco's participations, shares, and loans to Ecuadorian companies, which were taken by its managing director, Federico Saporiti. Then, alongside with his subordinate, Emilio Mayer, Romoli outlined to Mattioli a report in which he depicted a recovery program for Italbanco that had as main consequence his decision to change Italbanco's managing director[180]. On 31 October 1940, Romoli aided his superior, Alberto D'Agostino, in concluding the negotiations with Vittorio Valletta, managing director of an Italian car company (FIAT), related to the cancellation of a $1,137,079 import credits in its favour[181]. Between April and June 1941, Romoli reported to Mattioli the insights retrieved from the Bicitrust's lawyers—who were informed by the Belgian embassy—namely, that all Italian members of Belgian companies would have been considered as enemies and not any more in charge to make decisions about these latter. Guido Donegani was the final recipient of those insights, since he was a former board member of a Belgian company (Compagnie Néerlandaise de l'Azote), closed after the invasion of the Third Reich, and in close relationship with Mattioli. This latter, briefed by Romoli, informed him that his request to move the account deposited from Bicitrust to a Swiss bank could not be fulfilled[182].

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[177] CM 243, f. 2, no. 25.
[178] A Brazilian company that imported cotton and wheat from the United States.
[179] CM 247, f. 3., nos. 4/att. 3, no. 35/att. 1-att.
[180] *Ivi*, no. 35.
[181] ASI-BCI, DAGO 12, f. 2, no. 21/att.
[182] ASI-BCI, CM 245, f. 5, nos. 7, 7/a, 7/a-att., 7/b, 11, 13, 13/att.

From his recruitment to his managerial role in New York, Romoli took part in 37 relational chains, acting as the only mediator 21 times, 10 times along with Bicitrust joint–manager, 6 times as an intermediary member of the chain. In this context, similarly to the Lovioz's one, certain processes were institutionalised and became part of the standard procedures within the Comit executive committee. This includes the 12 instances of credit extensions approved by the committee in Milan, based on prior instructions from the New York branch manager. These financial transactions were therefore obtained not through Romoli's personal abilities, but through a standardised process within Comit that granted, modified, or reconfirmed new credits. In the overall computation of resources acquired through Romoli's relational networks, there is a marked number of financial transactions (38%), indicating that the technical expertise of the managing director from Trieste was most effectively expressed in matters requiring high levels of technical proficiency. Even regarding the ten cases where the resource obtained through Romoli was 'assistance', as revealed by the qualitative analysis in the paragraph, the issues dealt with were of a technical nature. Overall, Romoli's technocratic profile allowed him to become an essential interlocutor for obtaining resources (or a broker) 18 times during his six-year tenure as director of Bicitrust–New York. This is particularly noteworthy, considering that upon his arrival in New York, he had to rely on a pre–existing network of relationships, initially undermined by members of the old management (Francesco Saroli and Paolo Gerli) who opposed the change in branch leadership ruled by the Comit's head office.

Figure 7. Resources collected or mobilised through Romoli's relational chains.

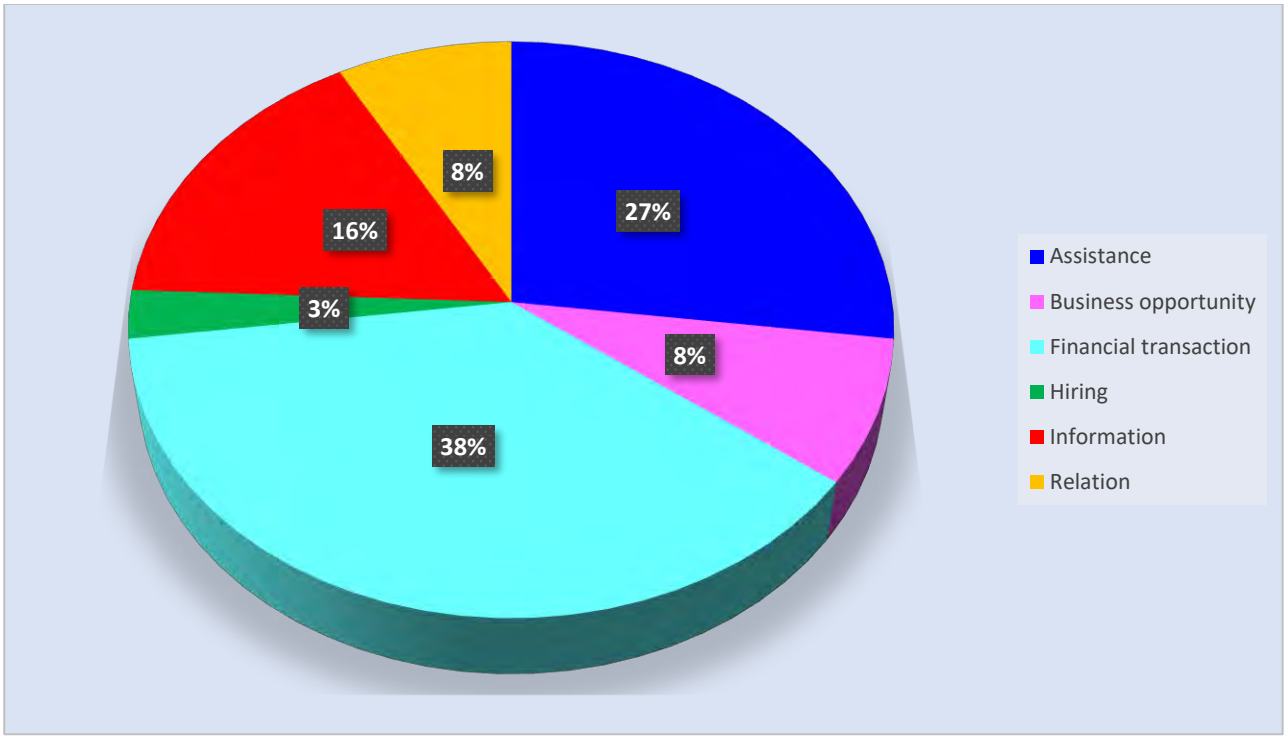
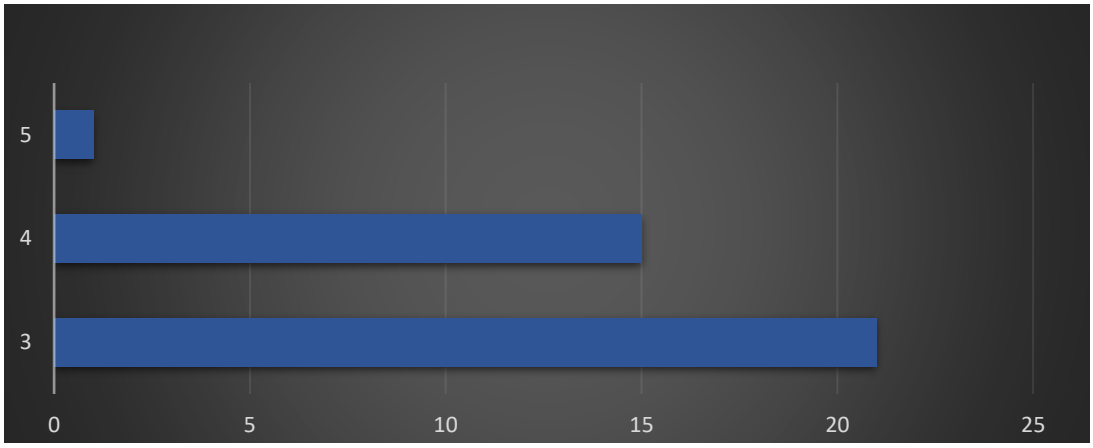


Figure 8. Overall length of Romoli's chains.



2.4 *Concluding remarks of the chapter*

This chapter has examined ties that, although not captured within the core network visualisations presented in the previous chapter, nonetheless played a significant role in shaping the effectiveness of international banking practices. These connections have been reassessed through the analytical lens of relational chains, which has made it possible to develop a proxy for measuring the degree of managerial substitutability of Carlo Lovioz and Guglielmo Reiss Romoli. By analysing how each manager mobilised relational chains to access different categories of resources—seven in the case of Lovioz and six for Romoli—it has been possible to differentiate between institutionalised, easily replicable channels and those that required proactive brokerage by individual managers.

The findings clearly indicate divergent patterns. Lovioz acted as a broker in 82 of 89 relational chains, underscoring both his pivotal intermediary role and the low degree of substitutability associated with his position. His star-shaped network in London was built over two decades and centred on interpersonal trust and experiential knowledge—forms of social capital that were not easily transferable within Comit's managerial structure. By contrast, Romoli operated as the sole broker in only 21 of 37 chains, with many of his ties embedded within broader institutional frameworks and overlapping with those of colleagues at Comit's Head Office. This configuration suggests a higher degree of managerial substitutability: Romoli's network, while technically sophisticated, was less dependent on his individual brokerage capacity and more on institutionalised relational pathways.

This interpretation aligns with the hypothesis advanced at the beginning of the chapter: managerial substitutability can be assessed by examining the structure of relational chains and the degree to which access to resources depends on individual versus collective brokerage. The careers of Lovioz and Romoli illustrate two contrasting yet overlapping models. While Romoli represented the technocratic turn within Comit, his lack of formal academic qualifications—shared by several other technocrats

of the period, such as Alberto D'Agostino and Raffaele Mattioli—demonstrates that defining the boundary between cosmopolitan bankers and technocrats through educational background alone is misleading. This finding reinforces the argument, developed in Chapter I, that the evolution of banking elites is better understood through the lens of managerial substitutability rather than through rigid typological distinctions.

Overall, as showed in table 4, the relational chain data highlight a marked contrast between Lovioz's and Romoli's network configurations. Lovioz (CL) is associated with a considerably larger number of alters and relational chains, reflecting his embeddedness in a dense financial environment. His overwhelming predominance as a sole broker (82 cases) suggests a personalised and centralised mode of intermediation, in which his individual agency played a pivotal role. By contrast, Romoli (GRR) operated within a more institutionalised framework, as indicated by the higher proportion of codified activities and a greater incidence of shared brokerage. This pattern points to a managerial style less reliant on individual brokerage and more aligned with collective or bureaucratised forms of governance. Notably, the average chain length remains similar in both cases, underscoring that it was not the structure of interactions but their governance logic that shifted between the two periods and managerial profiles.

Table 4. Relational chain features of Carlo Lovioz (CL) and Guglielmo Reiss Romoli (GRR).

Ego	*Total alters*	*Total RC*	*Institutionalised*	*Sole broker*	*Shared*	*If member*	*Average length*
CL	129	88	6	82	1	6	3,37
GRR	53	37	12	21	10	6	3,44

Table 5. Key players in public intervention in Italy since Unification.

Own elaboration from Pinchera, Sinigaglia 2012, vols. I–II.

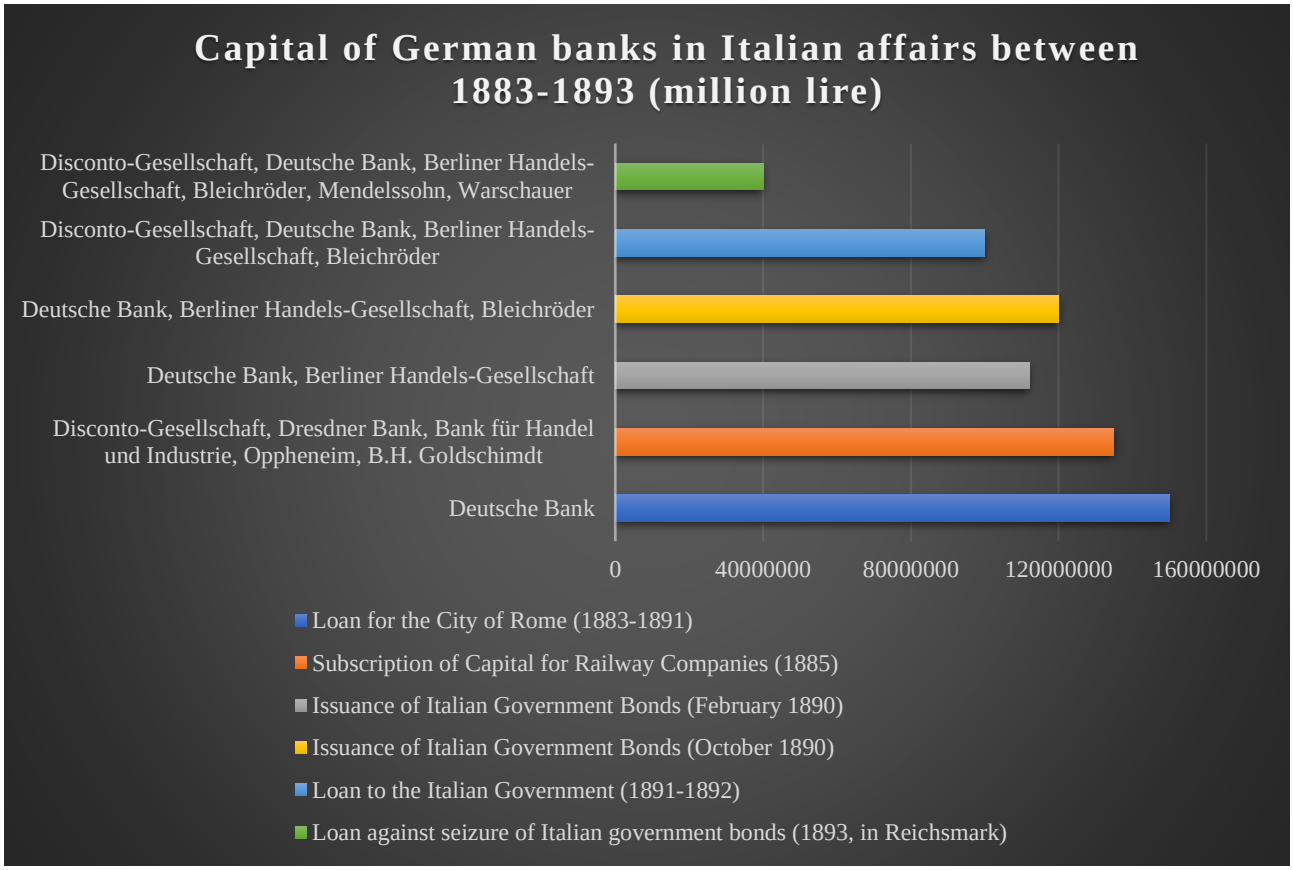
Profiles	Degree	Place of education
Luigi Luzzatti	law*	Padua
Ernesto Nathan	high–school diploma	London
Giovanni Mariotti	law	Parma
Raffaele De Corné	engineering	Naples
Alfredo Dallolio	military academy	Turin
Riccardo Bianchi	engineering	Turin
Luigi Vittorio Bertarelli	---	---
Giovanni Montemartini	law*	Pavia
Giuseppe Massarenti	pharmacy	Bologna
Francesco Saverio Nitti	law*	Naples
Alessandro Schiavi	law	Bologna–Rome
Ugo Giusti	high-school diploma in accounting	Florence
Meuccio Ruini	law	Bologna
Alberto Beneduce	mathematics	Naples
Arrigo Serpieri	agriculture	Milan
Carlo Petrocchi	economics	Rome
Oscar Sinigaglia	engineering	Rome
Giuseppe Cenzato	engineering	Milan
Giacomo Acerbo	agriculture	Pisa
Arturo Osio	law*	Pavia
Raffaele Mattioli	economics	Genoa
Guglielmo Reiss Romoli	classical high–school diploma	Trieste
Agostino Rocca	engineering	Milan
Donato Menichella	social sciences	Florence
Francesco Giordani	chemistry	Naples
Ernesto Rossi	law*	Siena
Stefano Siglienti	law*	Cagliari
Paride Formentini	economics	Milan
Roberto Tremelloni	economics	Turin
Adriano Olivetti	chemistry	Turin
Pasquale Saraceno	economics	Milan
Ezio Vanoni	law*	Pavia
Enrico Mattei**	---	---

* Although they had obtained law degrees, they pursued careers related with the financial–economic sector or served as politicians in ministers dealing with economic and financial matters. For example, Nitti initially taught finance sciences, while Stefano Siglienti and Ezio Vanoni served as Finance Ministers. Before his ministerial role, Vanoni was a professor

in finance sciences at universities in Padua, Rome, Camerino, and Venice (Magliulo 2020). Moreover, along with Siglienti, Arturo Osio had a banking career (Piluso 2018; Pegrari 2013).

** Albeit Mattei did not obtain a diploma or degree, he attended several lectures of economics and statistical methodology in Milan (Colitti 2008).

Appendix A. Hertner 1977, pp. 250-255.



Appendix B. Managers of Banca Commerciale Italiana's board of directors.

Code	*Name*	*Position*
RM	Raffaele Mattioli	Managing director
MF	Michelangelo Facconi	Managing director until 1939
ADA	Alberto D'Agostino	Deputy general manager, managing director since 1940
GdV	Giorgio di Veroli	General manager
GZ	Giuseppe Zuccoli	General manager
ER	Enrico Righi	Manager of the accounting department, General manager
SR	Silvio Rimini	General manager
GM	Giovanni Malagodi	General manager, general manager of Sudameris Paris, and manager of Sudameris' branch in Buenos Aires
EdB	Eugenio da Bove	Manager of the personnel department, General manager
AR	Antonio Rossi	General manager
UdB	Ugo de Benedetti	Deputy general manager

Appendix C. Alters of Carlo Lovioz network.

Code	*Name*	*Position*
GRR	Guglielmo Reiss Romoli	Branch manager of Banca Commerciale Italiana Trust, New York
MrC	Mr. Cadogan	*Attaché* of Baring Brothers (merchant bank)
EBa	E. Babcock	Manager of Martins Bank
MrK	Mr. Kiddy	Financial editor of Morning Post
LMe	Col. Lionel Messel	L. Messel & Co (stockbroking firm)
AN	Albert Nussbaumer	Managing director of Swiss Bank Corporation London's branch
GBC	Giovanni Battista Ceccato	Commercial *attaché* of Italian embassy in London
CC	Cameron Cobbold	Manager of Bank of England
GLFB	George Lewis French Bolton	Cashier of Bank of England
FMBOE	Unspecified	Foreign branch manager of Bank of England
HK	Hisaakira Kano	Managing director of Yokohama Specie Bank London's branch
LV	Leonardo Vitetti	Officer of Italian embassy in London
FCap	Ferrante Capponi	Shipping advisor of London's Italian embassy
MrC	Guido Crolla	Economic affairs representative of the Italian embassy in London
DG	Dino Grandi	Italian Ambassador in London
CF	Cristoforo Fracassi	Secretary of the Italian embassy in London
EF	Ernest Franklin	Samuel Montagu & Co. Senior partner (merchant bank)
EED	Eric Edward Dutt	Indian physicist
GMas	Giovanni Mastrocinque	London's representative of the Italian Coal and metal Monopoly
FL	F. Landini	Manager of the Italian Consortium of Oleaginus Seeds
GS	Giovanni Stringher	Managing director of Credito Italiano
JMM	Unspecified	Johnson Matthey & Co. manager (English coin manufacturing firm).
BvS	Baron von Stackelberg	Advertising agent of Financial News
BP	Bernardo Patrizi	Representative of Istituto per la Ricostruzione Industriale
RCW	Robert Callender Wyse	Managing director of Union Discount Company.
BN	Bernardino Nogara	Director of the Administration of the Patrimony of the Apostolic See
CS	Cecil Sprigge	Manchester Guardian journalist
HFT	Henry Frederick Tiarks	Junior partner of J. Henry Schroder & Co.
AC	Augusto Castiglioni	Branch manager of Credit's London branch
PE	Paul Einzig	Journalist of the Financial News

LDE	Leo D'Erlanger	Partner of Erlangers Limited
MM	Manlio Masi	Director of Istituto Nazionale per i Cambi con l'Estero
LCa	Luigi Capodanno	Representative of Bank of Italy in London
RMCK	Reginald McKenna	Chairman of Midland Bank
HAA	Herbert A. Astbury	Managing director of Midland Bank since June 1938
FBu	Frederick Bunker	Foreign branch manager of Midland Bank
FH	Frederick Hyde	Managing director of Midland Bank until 1938
AJ	Arthur Jackson	Joint general manager of Midland Bank
GP	Giovanni Pagnamenta	Vice–president of Bankers Trust
GKL	G. K. Logie	Senior partner of Lazard Brothers
MrB	Mr. Beloff	*Attaché* of Hambros Bank
AJFR	A. J. F. Ruch	Foreign branch manager of Westminster Bank
JMW	John M. Wallace	Managing director of Chase National Bank London's branch
JRM	John R. Miglietta	Rogers, Mayer & Ball (New York firm)
Cel	Cecil Ellerton	General manager of Barclays Bank
MrT	Mr. Tritton	Partner of Brightwen & Company (discount house)
PNR	Unspecified	Partner of Nathan & Rosselli (discount house)
FDG	Filippo del Giudice	Lawyer in London
MWFM	Unspecified	Managers of Wm. F. Malcom & Company (English hemp firm)
AHB	A. H. Blunt	Manager of Hindley & Company (English hemp firm)
HC	H. Camalich	Representative of Italian General Shipping
LFR	Unspecified	London representative of Fiat
GBen	Giuseppe Benedetto	Representative of Ansaldo S.A. and Dalmine, iron and steel companies
EMag	Ernesto Magnani	Manager of Banco Italiano di Lima

Appendix D. Alters of Guglielmo Reiss Romoli network.

Code	*Name*	*Position*
GTBM	Unspecified	Guaranty Trust Bank manager
JMcC	Jack J. McCloy	Lawyer of Cravath, De Gersdorff, Swaine & Wood
LP	Luigi Podestà	Representative of Istituto Nazionale per i Cambi con l'Estero in New York
CR	Carlo Ciulli-Ruggeri	Italian representative of Chase National Bank
FSa	Federico Saporiti	Director of Banco Italiano di Guayaquil until 1940
GSa	Gino Salocchi	Director of Banco Italiano di Lima
EM	Ernesto Magnani	Joint director of Banco Italiano di Lima
GSer	Giovanni Serventi	Branch manager of Sudameris Bogotá
CDV	Corrado Del Vecchio	Director of Italbanco since 1940
WN	Walter Niklaus	Manager of Bicitrust New York
AV	Arnaldo Vedovi	Member of Bicitrust board and partner of a US textile firm
LAW	Unspecified	Lawyer of Cravath, De Gersdorff, Swaine & Wood's
FF	Francesco Ferrajolo	Joint managing director of Bicitrust New York
CL	Carlo Lovioz	Branch manager of Comit-London
ODD	Ottavio Delle Donne	Deputy manager of Italbanco and former Bicitrust officer
BoAR	Unspecified	Representative of Bank of America in New York
EM	Emilio Mayer	Manager of Bicitrust and then Italbanco controller
AG	A. Gingell	Representative of Barclays Bank in New York
DZ	Dario Zaffiropulo	Central manager of Riunione Adriatica di Sicurtà (Italian insurance company)
FAK	F. A. Klingsmith	Assistant vice–president of Bankers Trust Company
ITTM	Unspecified	Managers of International Telephone & Telegraph
ISCM	Unspecified	Managers of the Italian Superpower Corporation
GEM	Unspecified	Central manager of General Electric
HDG	Harvey D. Gibson	Chairman of Manufacturers Trust Company
JFR	Juan Francisco Rojas	Manager of Italbanco
BANY	Unspecified	Officers of the Banking Department of the State of New York
MrR	Mr. Romersi	Representative of FIAT in New York (Fabbrica Italiana Automobili Torino)
IRIM	Unspecified	Managers of Istituto per la Ricostruzione Industriale
FSuv	Fulvio Suvich	Deputy secretary of Italy's Ministry of Foreign Affairs (1932-1936) and ambassador of the Italian government in Washington D.C. (1936-1938)
GV	Gaetano Vecchiotti	Italian general consul of New York
SAM	Sidney A. Mitchell	Manager of Bonbright & Company (discount house of New York)
CNBM	Unspecified	Manager of Chase National Bank
FS	Francesco Saroli	Manager of Bicitrust New Work until 1938

PART TWO

From London to New York: the Banca Commerciale Italiana's expansion in the 'Capitals of capital'

The second part of the thesis is organised into two chapters (III and IV), structured as follows. Section 3.1 offers a concise overview of the ways in which financial crises have historically influenced global trade flows. Section 3.2 reviews key scholarly contributions to trade finance, thereby establishing a foundation for the subsequent analysis. Section 3.2.1 explores the financial framework that supported the short-term trade finance operations conducted by Comit's New York branch. Sections 3.3 and 3.3.1 examine the periods before and after the banking crisis of 1931, respectively, outlining the bank's evolving international strategy in response to changing global economic conditions. Section 3.3.2 maps the geographical distribution of Comit's foreign branches and subsidiaries and discusses the institutional reorganisation undertaken in the wake of the Great Depression and the 1931 banking crisis. Section 3.4 concludes the chapter with a synthesis of key points.

Chapter IV opens with Section 4.1, which outlines the broader context following the 1931 financial crisis. Subsections 4.1.2 and 4.1.3 present case studies of the London and New York branches, examining the impact of the crisis on their operations and their acceptance activities during the period 1927–1935. These sections also provide details on the reorganisation of Comit's U.S. network between 1935 and 1938 under the leadership of the new branch manager, Guglielmo Reiss Romoli, and his team. Section 4.2 offers an institutional overview of the banking systems in the United Kingdom and the United States from the nineteenth century onwards, in order to contextualise the financial environments in which Comit's foreign units operated. Subsection 4.2.1 analyses the business activities of the New York and London branches, highlighting the different trajectories they pursued as a result of their distinct institutional and financial frameworks, leading to specialisation in cross-border payments and trade finance. Section 4.3 presents a case study concerning insider lending at Comit's Ecuadorian subsidiary and the subsequent response by BCI's New York management. Finally, Section 4.4 summarises the chapter's main findings and offers some reflections on Comit's international operations during the 1930s.

CHAPTER III

INTERNATIONAL TRADE IN TIMES OF FINANCIAL DISTRESS: HOW THE 1931 BANKING CRISIS RESHAPED COMIT'S ACCEPTANCE BUSINESS IN NEW YORK (1926-1931)

3.1. *Introduction*

Economic theory has offered historiography valuable models and interpretative frameworks for understanding the origins and development of economic institutions. Theoretical efforts to define the boundaries within which firms are established, expand, and then how they contract, and internalise transaction costs (Coase 1937; Williamson 1975) have laid the groundwork for numerous research strands (e.g. central banking evolution, multinational banking, monetary history). These studies have explored the evolution of financial systems and institutions across the Americas, Japan, and Europe (Kindleberger 1984; Jones 1993; Eichengreen 1998). Further research has underscored the significance of path dependency in the institutional evolution of both political and economic systems (North 1990). Building on this foundation, scholars have developed interpretative models to explain the development of economic and financial systems. By distinguishing between market-oriented economies—such as the United States and the United Kingdom—and bank-based systems—such as those of Germany, Italy, and Japan (Fohlin 2016; Sylla 1998; Sylla, Tilly, Tortella 1999, Cameron, Bovykin 1991)—and by emphasizing the co-evolution of political institutions and financial frameworks, these studies have shown how such interactions shaped national banking systems and their paths to internationalisation around the turn of the 19th and 20th centuries[183]. More recent studies has further highlighted, on one hand, that money market structures and monetary policies tend to evolve more rapidly in response to exogenous rather than endogenous shocks (Ugolini, Jobst 2016), and on the other (Ugolini 2021), that in Belgium—the first industrialised country in continental Europe—the co-evolution of banks and markets followed a trajectory that was not necessarily optimal from an efficiency viewpoint.

In this brief theoretical framework, Italian banking system is drenched entirely in the bank-based model and in the Gerschenkron paradigm (1963)—widely disputed and reassessed—which depicts how banks of late industrialised countries played a pivotal role in the process of economic development. Moreover, Italian multinational banking has been widely investigated across the 2000s by scholarly literature, especially highlighting its branching and subsidiarisation features (Di Quirico 1999; Stanciu 2000). As a latecomer, Italy saw its banks take on a central role in capital allocation

[183] Within this theoretical framework, path dependency may also help explain how a nation's financial structure can serve as a reliable indicator for understanding the occurrence of financial crises. (Bordo, Redish, Rockoff 2015).

and the economic development of the newly unified Kingdom. Starting in the early 1910s, the country's major banks began exploring partnerships with foreign institutions, particularly in regions that were affected by significant Italian emigration during the second half of the 19th century. In Brazil, for example, Comit acquired the controlling stake of the Italian Commercial Bank of São Paulo (*Banco Commerciale Italiano di São Paulo*) in 1906. This bank primarily managed the savings of the Italian immigrant community settled in São Paulo and the surrounding areas (Piluso 1996). In this sense, the trajectories of Italian emigrants were mirrored by the banks in their initial phases of expansion abroad. This comparative advantage allowed Comit, and later Credito Italiano (Credit), to establish itself in the South American markets, offering mainly ordinary credit services and remittance collection for Italian immigrant communities (D'Alessandro 1998, p. 248). Credit acquired a minority stake in the Banque Brésilienne Italo-Belge—with the Head office in Antwerp— and later opened additional branches in Montevideo, Rio de Janeiro, and Buenos Aires (Confalonieri 1982, pp. 305-313). Comit, however, stood out as the most proactive Italian bank in pursuing foreign expansion. In 1910, in partnership with the Banque de Paris et des Pays-Bas (Paribas), it established a new joint-venture in Paris: the Banque Italienne et Française pour l'Amérique du Sud (Sudameris)[184]. The main motivation behind the partnership with Paribas was to strengthen Comit's international standing and to facilitate financial relations with the Paris market. Although headquartered in the French capital, Sudameris adopted the free-standing company model typical of German and British multinational banks operating in South America (Wilkins 1998; Jones 2005). In line with this approach, over the following decade, Sudameris expanded its operations into Argentina, Chile, and Colombia (Piluso, Toninelli 2001, pp. 110-114), carrying out the majority of its business activities outside of France.

Deepening the analysis, Comit was the most integrated Italian banks in international financial markets. This bank opened branches in London in 1911 and New York in 1918 (Nardi Beltrame 1920, p. 90, p. 115), where Credit had only a representative office. The decision to open its own branch in London—and later in New York—reflected Comit's strategic aim to strengthen its international presence. It was also a natural response to the appeal of the major financial hub of the time, which offered positive externalities arising from the high concentration of financial players, improved information flow, and greater opportunities for launching new business initiatives (D'Alessandro 1998; 2001). The opening of the London branch allowed Comit to move away from dependence on

[184] The share capital of Sudameris, amounting to 25 million francs, was subscribed equally by Comit and its Italian and Brazilian partners—namely Zaccaria Pisa bank, the private bank Marsaglia, the heirs of the D. & G. Balduino enterprise, and a group of Italo-Brazilian investors led by Giuseppe Puglisi Carboni—and by Paribas and its associated group, which included Société Générale, Ernest Cassel, Kuhn Loeb & Company, and Warburg & Company (Piluso 1996; Confalonieri 1982, pp. 393-403). For additional context, Paribas had been connected to Comit for several years, notably participating in its 1899 capital increase from 30 to 40 million (Confalonieri 1976, pp. 15-20).
Moreover, in the same year, Comit acquired the majority stake of the *Banca della Svizzera Italiana*, based in Lugano, Switzerland. See: ASI-BCI, *Verbali del Consiglio di Amministrazione* (henceforth VCA), Vol. 3, pp. 10-11.

other financial intermediaries—primarily French and British ones (Confalonieri 1976, tables 4 and 5)—thereby cutting transaction costs and improving oversight of the various loans channelled through London (D'Alessandro 2001, p. 46). Establishing a presence in the world's leading financial center also offered numerous strategic advantages, including quicker access to information (often referred to as «hard knowledge» in social network analysis)[185] and exposure to business opportunities spanning the British Empire (Smith 1984; Cassis 2008). Additionally, the bank benefited from the use of the Bill of London, a key financial instrument that facilitated short-term financing for Italian exporters—but especially for importers. Comit's London office quickly became a pivotal element of its international network, both for issuing sterling bills and courier credits, and for maintaining a sterling treasury, which proved essential for handling foreign exchange operations.

After the World War I, Comit increasingly became the Italian bank with the most widespread network of subsidiaries and branches in Central Europe but also in the Balkans, Greece, Turkey (Iaselli 2001, pp. 145-160) and Egypt. This extensive presence gave it a diverse portfolio of customers, enabling it to provide financing for the shipment of raw materials to and from the United States, as well as through the United Kingdom empire. Comit also maintained strong relationships with Japanese and Chinese banks, particularly for the import of silk from the Far East. In fact, its pushy foreign policy increased throughout the 1920s, especially in Central Europe and the Balkans. Comit established subsidiaries in Bulgaria and Romania—Bulcomit and Romcomit, respectively. It also became the majority shareholder of the Hungarian-Italian Bank (Banca Ungaro-Italiana) and acquired stakes in the Bohemische Union Bank in Prague. In the latter half of the 1920s, Comit further expanded its influence by acquiring the Croatian Hrvatska Banka and joining the controlling syndicate of Bank Handlowy w Warszawie, a Polish bank founded in 1870 by a relative of Giuseppe Toeplitz (Leopizzi 2015; Iacopini 2013)[186].

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[185] See Chapter I.

[186] To add further context and information regarding Comit's foreign network: ASI-BCI, VCA, vol. 5, pp. 63-64: «Banca Commerciale Italiana France (Comitfrance) was established on December 7, 1918 [and subsequently opened subsidiaries in Marseille, Nice, and Toulouse]».

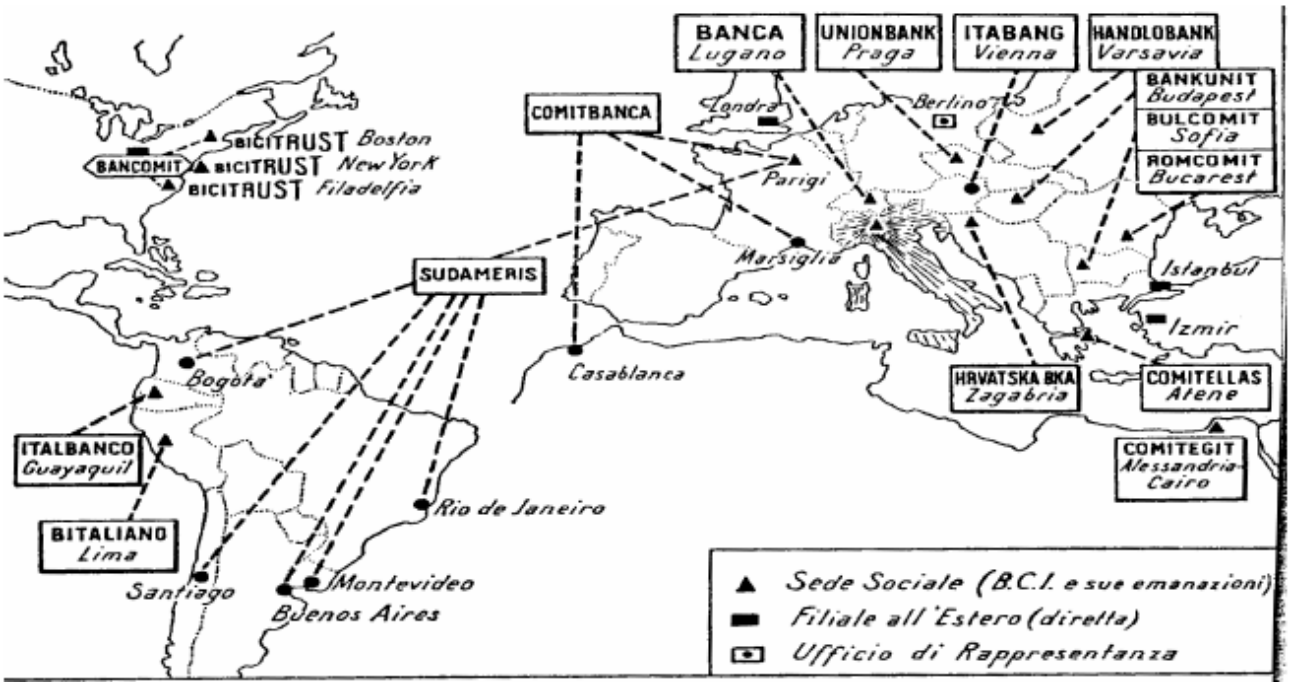
ASI-BCI, *Segreteria degli amministratori delegati Facconi e Mattioli* (Henceforth AD1), folder 2, f. 4, pp. 1-3.

«As soon as the war ended, BCI established itself in Constantinople [and later on in Izmir]. Later that same year, in 1919, the *Banca Commerciale Italiana & Bulgara* [Bulcomit] was founded in Sofia. In 1920, *the Banca Commerciale Italiana & Romena* [Romcomit] was set up in Bucharest. Also in 1920, the Banca Ungaro Italiana was created in Budapest […]. The diminished importance of the Vienna financial center and Austria in the postwar period led BCI to limit its presence there to a branch of the Società Italiana di Credito, founded in 1919 and based in Milan […]. Similarly, the limited business relations between Italy and Czechoslovakia did not warrant the creation of a dedicated affiliate; instead, BCI chose to acquire a shareholding in the Bohemische Union Bank in Prague […].

In 1924, the *Banca Commerciale Italiana per l'Egitto* [Comitegit] was established, with its headquarters in Alexandria […]. In 1927, BCI also entered directly the Polish market, participating—together with an international consortium—in the restructuring of the country's most important bank, the *Banque de Commerce de Varsovie* […]. In 1928, BCI decided to expand into Yugoslavia by taking control of a small institution in Zagreb, the Hrvatska Banka, which was intended to serve as a starting point for further expansion into Belgrade and other parts of Yugoslavia […]. That same year, BCI also opened a representative office in Berlin […]. Finally, in 1929, it established the *Banca Commerciale Italiana & Greca in*

Overall, in 1932 the Comit's foreign network was controlled over 55% of the entire Italian banking system abroad, with assets valued at approximately 250 million lire. In the countries where its foreign branches operated, it held a dominant position compared to the branches or subsidiaries of other Italian banks (Iaselli 2001, p. 157).

Figure 9. Branches, affiliates, subsidiaries and representative offices of Comit as of 1932[187].



The Great Depression and the banking crisis that struck Europe in 1931 have served as benchmark for studying their consequences and, above all, understanding how the European economies reached that breaking juncture. During the 1920s, European nations, still reeling from the impact of the World War I, struggled to recover. The former Central Empires endured severe hyperinflation between 1918 and 1924. Meanwhile, the Entente nations faced significant challenges in restructuring their economies. In the United Kingdom, an initial phase of apparent recovery between 1919 and 1920 was followed by a sharp decline in exports, and the country never managed to return to pre-1913 levels throughout the interwar period. France, seeking to finance its post-war reconstruction, initially relied on heavy war reparations from Germany. However, after occupying the Ruhr in an attempt to force payments, it was compelled by the U.S. to accept the Dawes Plan in 1924. Italy, too, faced serious

Athens [Comitellas], opened a branch in Smyrna, and entered the Moroccan market through a branch of the aforementioned Comitfrance».

[187] ASI-BCI, *Pubblicazioni edite o curate dalla Banca Commerciale Italiana e dal suo gruppo* (CONS/BCI/171.7), Contini, L. (1997), *Introduzione alla Banca Commerciale Italiana,* Banca Commerciale Italiana, Milano, p. XVII. In the legend of Fig. 1, the rectangles represent direct branches, the triangles represent affiliates and subsidiaries, while the white rectangle indicates Comit's representative office in Berlin.

economic turmoil. The so-called Biennio Rosso (Red Biennium) was marked by intense social unrest, exacerbated by the country's heavy war debts, which hindered economic recovery. The situation worsened with the collapse of the Banca Italiana di Sconto in 1921. This bank had financed the industrial groups that had supported the war effort (first and foremost the iron and steel company of Ansaldo), and its failure threatened a wider financial crisis. To prevent further negative echoes, the authorities were forced to intervene.

Following the end of the war, European nations sought to restore the monetary infrastructure that had underpinned international financial relations throughout the 'long' 19th century, namely the gold standard. In the specific case of Italy, the British authorities' announcement of the pound's return to the gold standard in 1925 prompted Finance minister Giuseppe Volpi, in consultation with Mussolini, to peg the Italian lira to the pound. This decision established a new exchange rate, commonly referred to as the "quota 90" (£1 = L. 90). The revaluation of the lira, combined with a deflationary policy, had significant economic consequences. On the one hand, it penalised Italian commercial activities by reducing the competitiveness of their exports in foreign markets; on the other hand, it led to a light increase in imports to Italy in the two-year period that followed. Overall, the 1931 banking crisis led to a significant contraction in international trade, a trend that worsened throughout the 1930s due to an enhancement of capital controls and high trade tariffs. In this period, in addition to making misguided monetary policies decisions aimed at stabilising its currency, Italy was also severely impacted by a deteriorating global economic situation, with its industrial sector experiencing the highest peak in firm insolvencies[188] of Interwar (Di Martino, Vasta 2010, pp. 143-144). This situation was characterised by several countries re-pegging their currencies to gold, rejoining the gold exchange standard throughout the 1920s. The process of currency stabilisation resulted in fixed exchange rates, which, in turn, placed even greater pressure on these currencies (Eichengreen 1992). Furthermore, the European banking crisis of May 1931, which led to the Sterling crisis in September, significantly impacted traditional financing methods such as bills of exchange by English merchant bankers, who were hit hard by the German Standstill (Accominotti 2019). The 1930s saw increased capital controls, clearing agreements, and protectionist policies across Europe. The Italian economy experienced a twofold setback: a banking sector crisis, which required state intervention, and financial sanctions by the League of Nations in 1935–1936. These events reshaped the governance, functions, and international operations of major Italian mixed banks, particularly affecting their acceptance market. This international context includes the institution examined in this paper: Banca Commerciale Italiana (hereafter Comit). As an Italian universal bank with a strong international focus, it became

[188] In Italy, the legal instruments provided by bankruptcy legislation were significantly more limited in scope and more rigid in application. Moreover, the Italian state played a less active role in overseeing bankruptcy procedures, resulting in greater exposure to inefficiencies and opportunities for corruption (Di Martino 2005, p. 36).

an increasingly assertive player in the Balkans and Central Europe during the 1920s, sometimes acting independently of the Bank of Italy's directives and expectations. Domestically, Comit and its managing director Giuseppe Toeplitz were opposed to the revaluation of the Italian currency, favouring instead its devaluation. From the other side, on the international stage they were not concerned with obtaining approval from the Italian banking authorities and instead acted independently, as demonstrated by the loan to Poland to stabilise the zloty in 1924 (Asso 1993, p. 130).

3.2. *Bank failures and trade collapse: a common pattern of Great Depression and 2008 financial crises*

The 2009 financial crisis highlighted how the amplification of financial frictions during economic shocks can have severe consequences for international trade. The dramatic collapse in global trade witnessed in 2009 stands out as one of the most striking economic phenomena in recent history. According to the World Trade Organization (WTO), the volume of global trade contracted by an astonishing 12% (Vaubourg 2016), highlighting the severe repercussions of the financial turmoil. Moreover, as noted by Auboin (2009), around 80% of total trade finance in the 2000s was of a short-term nature, making it particularly vulnerable to liquidity shortages. In the aftermath of the 2008 global financial crisis, a vast body of scholarly work has explored the extent to which international trade financing was impacted by this severe shock (Chauffour and Malouche 2011; Baldwin 2009). Understanding these dynamics is crucial, as trade finance operates as the lifeblood of cross-border commerce, ensuring the smooth functioning of international markets even in periods of economic uncertainty.

Among the various instruments of trade finance, letters of credit play a pivotal role as they constitute the primary tool of intermediated trade finance, representing approximately 47% of total trade finance transactions (Vaubourg 2016). The vulnerability of world trade to financial shocks is further exacerbated by the interbank nature of trade financing, which typically involves coordination between two financial institutions—the exporter's and the importer's banks (Ahn 2011). As noted by Schmidt-Eisenlohr (2013) and Hoefele *et al.* (2016), the use of letters of credit is highly sensitive to financial conditions in both the importing and exporting countries, amplifying the effects of credit disruptions. In this regard, Chor and Manova (2012) investigate how global credit tightening magnifies the adverse impact of external financial dependence on sectoral exports. More recently, Watson (2018) has provided further empirical evidence demonstrating that the disruption of trade finance played a crucial role in the decline of global trade during the 2008 financial crisis. Given the centrality of trade finance to international transactions, disruptions in credit availability not only affect firms engaged in trade but also reverberate throughout global supply chains, compounding the overall economic downturn.

A similar pattern emerges when looking at historical parallels, particularly at the macroeconomic level during the Great Depression. A growing scholarly literature has deepened our understanding of that period of economic distress and has also tried to draw lessons for contemporary economic challenges. The financial collapse of 1931 led to a severe contraction in global trade, with the disruption of short-term credit flows playing a crucial role in exacerbating the crisis. Accominotti's works (2012, 2019) has shed light on the transmission of financial shocks through the mechanism of

short-term credit, particularly bank acceptances issued by London merchant banks. Furthermore, Accominotti and Eichengreen (2016) have analysed the sudden halt of capital flows following the crash of 1929, while Hynes, Jacks, and O'Rourke (2012) have documented the disintegration of commodity markets during the interwar period. They attribute this collapse to the rise in trade costs, increasing transaction frictions, and the acute scarcity of trade finance, which collectively contributed to the fragmentation of global trade networks. Importantly, these findings suggest that trade finance constraints not only reflect underlying financial distress, but actively contribute to deepening economic contractions by restricting firms' ability to engage in cross-border transactions.

Despite the wealth of literature on the Great Depression, a detailed analysis that leverages granular, micro-level data to explore these financial disruptions remains surprisingly absent. This section seeks to bridge that gap by focusing on a particularly compelling case study: Banca Commerciale Italiana (Comit) and its New York branch between 1926 and 1931. Comit's case offers a unique lens through which to examine the interplay between financial distress and international trade, owing to both the structural characteristics of Italian trade at the time and the bank's aggressive strategy to expand its multinational footprint. Comit pursued an ambitious policy of international expansion (Asso 1993), positioning itself as a key intermediary in global trade financing even in the face of mounting financial distress. The bank's transatlantic operations, particularly through its New York branch, provide a rare opportunity to study how financial disruptions unfolded at a local level while shaping broader trade patterns.

By drawing on newly uncovered archival material from Comit's accounting records, this section provides an unprecedented opportunity to examine how the financial crisis of the late 1920s and early 1930s impacted Italy's international trade at a highly granular, city-level perspective. This micro-level approach allows us to trace the concrete mechanisms through which financial frictions affected trade flows, shedding new light on the channels of transmission between banking instability and global commerce. Ultimately, this research not only contributes to the ongoing debate on the role of trade finance in times of financial turmoil but also offers valuable historical insights into the vulnerabilities of international trade in times of financial upheaval. In fact, there is a growing body of scholarly literature highlighting how financial frictions can significantly shape international trade flows. Historical evidence shows that banking crises—such as the 1866 collapse of Overend & Gurney in London—led to long-lasting reductions in exports and permanent losses in market share (Xu 2022; Amiti, Weinstein 2011). Moreover, credit constraints limit firms' ability to cover the fixed costs of entering new markets or maintaining existing trade (Muûls 2015), while weak financial systems are associated with fewer export destinations, reduced product variety, and lower trade volumes overall (Manova 2013). Liquidity frictions also hinder firms from reaching distant customers

and from selling more differentiated products (Beaumont, Lenoir 2019). Overall, Comit was a pushy actor in the international acceptance market, but not from a country which was at the heart of the banking and currency crises of Summer 1931. How was it damaged by those shocks, and to what extent the acceptance business of its New York branch was reshaped? Although part of a research strand that remains open to further development, the historical evidence presented in this section aims to illustrate how the Great Depression to have influenced BCI-NY's acceptance activity, with indications that the branch sought to reduce its exposure to Italian importers by gradually redirecting its financing towards foreign counterparts.

3.2.1 A literature review of trade financing

The banking history literature on interwar Italy has extensively examined the relationship between the industrial and financial sectors during the "Roaring Twenties" and the early 1930s. In this context, the role of the three major universal banks—Comit, Credito Italiano (Credit), and Banco di Roma—has been reassessed, especially in their ties with industry (Vasta *et al.* 2017; Vasta, Baccini 1997; Confalonieri 1994). More recent scholarship (Molteni 2024; Molteni 2023; Rinaldi, Spadavecchia 2021) has shifted attention to the rest of the Italian financial system—commercial and joint-stock banks outside the "Big Four"—highlighting its precarious condition even before the 1931 banking crisis. Intense competition and over-branching pushed many of these institutions toward increasingly risky activities. These studies suggest that, without public intervention, Italy might have faced a financial collapse comparable to that of the United States.

Despite this, little attention has been devoted to the financing of Italian trade through acceptances (or bills of exchange), particularly the role of Italy's most important multinational bank in international trade, including transactions not directly involving Italy. Throughout the nineteenth century, London consolidated its position as the world's leading financial hub. Merchant banks were central to financing trade, and distance often encouraged rather than deterred foreign branching. Battilossi (2006) shows that banks expanded internationally to internalise information asymmetries in less developed markets. Extensive overseas correspondent networks generated a large volume of acceptances—bills of exchange drawn on banks, which, once accepted, were traded on a liquid secondary market (Accominotti, Ugolini 2025; Baster 1937)[189]. Merchant banks (and more generally bill brokers) played a pivotal role in this system, acting as intermediaries who gathered acceptances from various banks and distributed them to investors. The liquidity and reliability of these instruments

[189] This instrument of financing international trade emerged in the 12th and 13th centuries, driven by Italian firms, particularly those from Tuscany. Over the centuries, it gradually became standardized as financial activity became more centralized in key early financial hubs such as Antwerp, Amsterdam, and eventually London (Accominotti, Ugolini, 2020).

made them a pivotal factor of the London financial market, reinforcing the City's dominance in international finance. After the First World War, global financial dynamics shifted, though London remained the main centre for issuing acceptances through the interwar years. Their use became more narrowly focused on trade finance, while European financial institutions were weakened, creating opportunities for New York to expand its role. The Federal Reserve Act of 1913 laid the foundations for a U.S. acceptance market (Myles 2024; Ferderer 2003), strengthening the dollar as a competitor to sterling (Bordo, Wheelock 2013, pp. 69-75). Treasury Secretary William McAdoo's response to the 1914 financial turmoil further reinforced the dollar's convertibility and New York's position (Silber 2007). Research has shown that dollar–sterling competition in trade finance began during the war, not only in the interwar period (Eichengreen and Flandreau 2012; Eichengreen, Mehl, Chitu 2018). By the late 1920s, U.S. multinational banks were expanding abroad, especially in Latin America (Huertas 2012), though London retained its primacy until the Great Depression weakened global trade and eroded sterling's dominance.

The war also forced European multinational banks to rethink their strategies. German and Austrian institutions were pushed out of London, and British banks moved into Central European markets; for example, the Bank of England became the majority shareholder in the Anglo-Austrian Bank (Roberts 2010; Jones 2001). Italian banking expansion abroad has been studied primarily in terms of strategic weaknesses. Banco di Roma, Credito Italiano, and Comit often pursued conflicting objectives, undermining Italy's international financial influence (Di Quirico 1999, 2008; De Rosa 1982). Other scholars have explored Comit's regional operations in East Central Europe (Kostov 2014; Iacopini 2013; Lenzi 2012; Stanciu 2000), showing how the crisis of the 1930s exposed its heavy reliance on industrial credit and foreign borrowing. Comit was nationalised in 1933, surrendering its industrial portfolio to the state. Italian banks were also active in Egypt, initially succeeding in the cotton sector, but ultimately failing to consolidate their presence due to internal competition and the strength of French and local institutions (Berbenni 2023).

By the second half of the 1920s, international trade was declining, and the lack of global economic leadership led to a fragmented response to mounting challenges (Feinstein, Temin, Toniolo 1995). Germany experienced a twin banking and currency crisis in July 1931 (Schnabel 2004), while Hungary faced similar problems, driven by overexposure to agriculture and balance-of-payments difficulties (Macher 2019). In most of Central Europe, heavy borrowing in the 1920s left economies stable only as long as fresh capital inflows continued; when these dried up after 1929, falling export prices and debt burdens worsened the situation (Feinstein, Temin, Toniolo 2008, p. 91). The contraction of U.S. short-term lending led to liquidity crises, with Paris emerging as an alternative centre for bond issuance (Accominotti, Eichengreen 2016). Financial shocks spread rapidly: panics

in Central Europe reached Britain and the U.S., affecting institutions differently. U.S. commercial banks absorbed losses more easily, while British merchant banks and acceptance houses, highly exposed to frozen credits, suffered most (Accominotti 2019; Accominotti 2012). The Bank of England's asset purchases stabilised liquidity and contained the crisis among clearing banks (Römer 2024). Overall, shifting capital flows, financial instability, and London's pivotal role in transmitting shocks shaped the trajectory of the early 1930s crisis.

3.3. *The financial infrastructure regulating BCI-NY acceptances issuance*

The bill of exchange has stood out as one of the main important financial instruments in the history of trade financing—even though alternative methods were present in the Mediterranean basin of the Hellenic states (Accominotti, Ugolini 2025; Cohen 1992). Originating in medieval Europe, it evolved into a flexible and transferable credit tool that allowed merchants to engage in long-distance trade without the need for the immediate transfer of physical currency. The roots of this instrument can be traced back to the commercial fairs of the 12th and 13th centuries (Spufford 1988; De Roover 1953), particularly in Italian cities such as Florence, Genoa, and Venice, where it was used to settle accounts between merchants operating across different jurisdictions. As trade networks expanded and became more complex, bills of exchange helped overcome geographic and monetary fragmentation by standardising deferred payments and facilitating the international movement of capital. From the sixteenth century onward, trade finance products—most notably bills of exchange—became increasingly institutionalised, a development that paralleled the growing centralisation of international commerce financing. This centralisation unfolded around successive leading financial centres, beginning with Antwerp, followed by Amsterdam, and ultimately London. The process culminated in the nineteenth century, when London emerged as the dominant global hub for international trade finance, with a consolidated financial architecture. The passage of legislation such as the Bills of Exchange Act of 1882 in the United Kingdom legally codified practices surrounding the use of bills, harmonising diverse regional customs and reinforcing trust in commercial transactions. As a result, a highly liquid market for sterling bills of exchange developed in London, drawing participation from a broad spectrum of investors. At that time, a substantial share of global trade was financed through the London money market, with the Bank of England acting as an impartial arbitrator and player in ensuring the smooth flow of transactions.

A bank acceptance is a type of bill of exchange—a credit instrument in which one party (the drawer) instructs a bank (the drawee) to pay a specified sum to a beneficiary at a future date, usually from 30 to 120 days. Once the bank accepts the bill, it assumes primary liability, thereby guaranteeing the

payment. This part focuses on the acceptances guaranteed by the New York branch[190] of Comit on behalf of its banking partners between December 1926 and September 1931. It explores the activity of BCI-NY in guaranteeing acceptances during two key periods: from December 1926 to March 1928 and from November 1930 to September 1931. The analysis comprehends the whole period covered by available archival data, that unfortunately have survived only for those lapses of time, including the months following the collapse of Credit-Anstalt and Germany's moratorium on foreign credits, two key-triggers for the banking crisis of that summer in Central Europe, which led to the crumbling of the Gold exchange standard system. However, archival data stops on 1st September[191], preventing a further examination of the impact sterling's devaluation had on the short-term financing of acceptances. As a U.S. bank, BCI-NY acted as an intermediary, along with Banco di Napoli, Banco di Sicilia, in favour of the Italian immigrant communities in New York State, facilitating their financial transactions with Italy (especially remittances). At the same time, it played an active role in financing the international trade of American importers and exporters, as well as their counterparts in Italy and the rest of Europe.

Throughout the 1920s, Comit supported Italian trade by issuing and discounting bills of exchange in financial hubs, notably London and New York, taking part in financing the overall flow of goods and raw material towards and from Italy. BCI-NY allowed Comit to enter on a new financial market, pivotal for manifold reasons. Firstly, to accept in account of Comit's Italian branches the bills of exchange issued by U. S. traders, secondly to rediscount Sudameris' bills destined to finance exports towards Europe and Italy, and thirdly—not less important—to place on this financial market bonds and obligations of Italian companies and public institutions. Figure 10 illustrates the stages of trade finance through the financial instrument of bank acceptance. While the diagram is derived from the London financial market, its application in New York followed a largely similar structure. With a short aside, the acceptance business in the London market was a cornerstone of international trade finance. At its core, it involved bills of exchange accepted by high-standing London merchant banks or accepting houses, allowing traders to access short-term credit backed by the creditworthiness of the acceptor. A distinctive feature of the London market was the presence of specialised discount houses, which provided liquidity by purchasing and rediscounting these bills, ensuring a deep and efficient secondary market. The system was underpinned by the Bank of England, which acted as a

[190] Hereafter BCI-NY. According to U.S. banking law at the time, all branches, and subsidiaries of foreign banks were required to register as U.S. companies. As a result, the New York branch of Comit was reestablished in 1924 as Banca Commerciale Italiana Trust Company. Throughout the 1920s, it operated along with other city agencies in New York and two additional branches in Boston and Philadelphia.

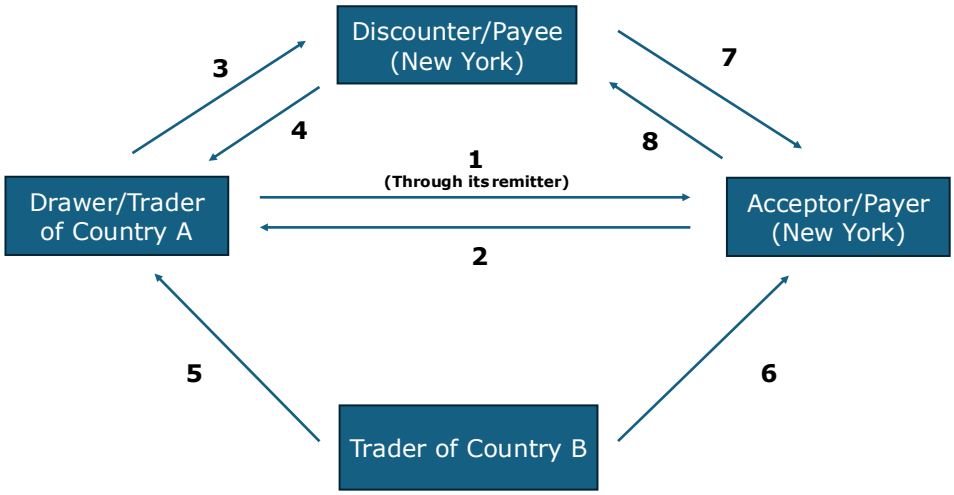
[191] This may not be a coincidence; however, there is no evidence in the archives to confirm whether the ledgers covering the period of the sterling crisis were deliberately removed. It is possible that they contained records of outstanding credits that were unlikely to be repaid, which could have motivated their disappearance. Nonetheless, without concrete proof, this remains a matter of speculation.

super partes institution overseeing the financial architecture. While largely non-interventionist in day-to-day operations, the Bank stood ready to step in *ex post* when stability was threatened, particularly during times of crisis, thereby maintaining confidence in sterling and the acceptance market.

Regarding New York, the acceptance market developed much later than in London (as previously mentioned, in 1913, following the initiative of the US Treasury Secretary McAdoo, coinciding with the establishment of the Federal Reserve). During the 1920s, the Federal Reserve actively encouraged the use of bankers' acceptances, the creation of foreign branches and affiliates by metropolitan banks, and the integration of foreign banks' reserve funds into New York's financial market. It also fostered close cooperation between the Federal Reserve Bank of New York and foreign central banks, raising the prestige of the dollar as both legal tender and an international unit of account and settlement. The primary distinction, as observed in the accounting records analysed, was the presence of two acceptors. The first acceptor had a direct relationship with the trader from country B, while the second—BCI-NY in this case—was responsible for settling the bill. The trader from country A was not necessarily linked to the acceptor and would present the bill through their bank (the remitter). This system facilitated international trade by ensuring that exporters received timely payment while importers benefited from extended credit terms, thereby strengthening trust and efficiency in cross-border transactions.

Figure 10. The bill of exchange on a New York acceptor via BCI-NY.[192]

1. Issues a bill. 2. Accepts the bill and puts its signature on it in exchange for a commission (in the accounting ledgers analysed in this paper, the payer—BCI-NY—accepts the bill in account of another bank/trader; quite often a branch or subsidiary of Comit). 3. Sells on the market the accepted bill. 4. Discounts the bill and provides cash. 5. Delivers the goods. 6. Settles the payment before maturity. 7. Submits the bill upon maturity. 8. Completes the payment at maturity.



In this context, how Italian banks' acceptances were affected by the 1931 banking crisis? New evidence from archival data allows having a deeper glance on trade financing from the perspective of the New York branch of Comit, underscoring how the economic turmoil affected its short-term loans in favour of Italian and European traders. The data analysis of this work has stopped chronologically to September 1931 (February 1932 if we consider the due date of the 120-days bills—or more—issued by BCI-NY in the late summer of 1931), hence leaving the task to further research on the evolution of acceptance market throughout the Thirties in Italy. Additionally, the archival database available allows for a comparison between the branch's total transactions and the overall volume of Italian imports, as it includes a "clause" specifying whether each transaction pertained to imports or exports. It is important to note that, even though the nature of the transaction is specified, it cannot be determined with certainty whether it actually financed a shipment of raw materials, involved the purchase and sale of machinery, or related to some other type of transaction (which is generally referred to as a "dollar exchange"). Furthermore, comparing the total value of imports into Italy with

[192] Scheme adapted from Accominotti and Ugolini 2025, p. 49.

the figures for the New York branch, based on the distinction provided by the accounting item "clause" in the ledgers, offers a basis for estimating Comit's role in supplying raw materials—specifically cotton imported from the United States. This is particularly significant because tracing the activity of the drawer helps to reduce uncertainty in determining whether the transaction was actually an import or export. Finally, it is essential to analyse the actual volume of acceptance business handled by the New York branch with greater accuracy than the datasets used in previous studies (Di Quirico 2008), which only account for the amounts recorded on 31 December each year between 1918 and 1932.

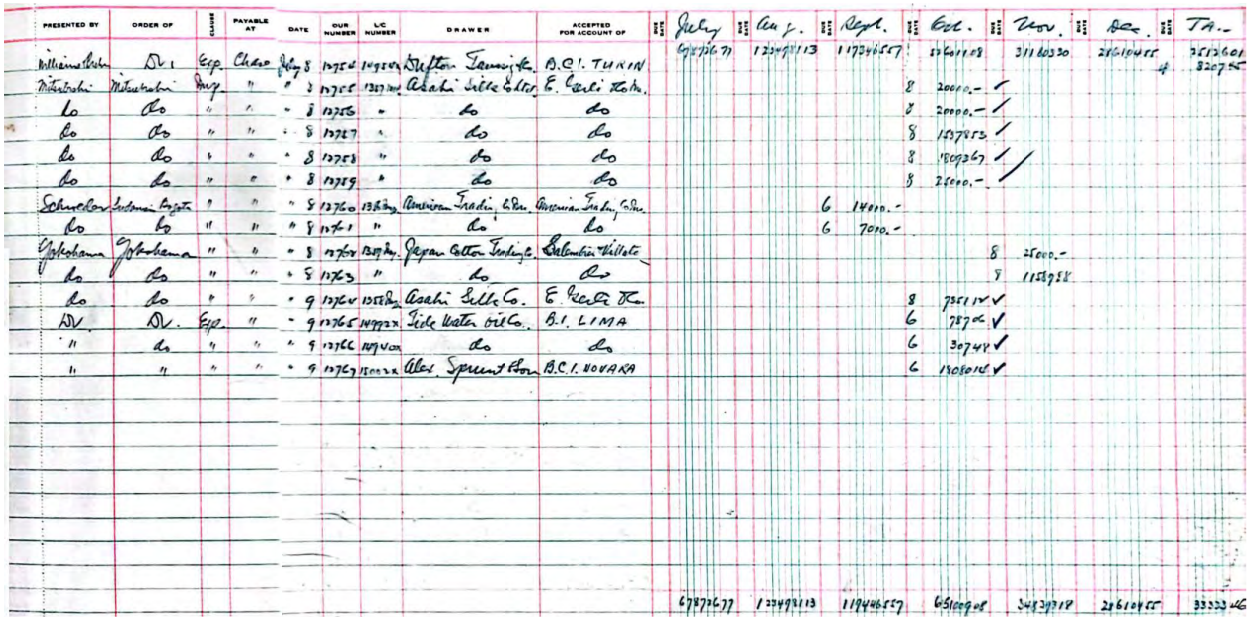
The accounting ledger appears as shown in figure 11. Starting from the left, under the item "Presented by", it can be found the remitter. The "Order of" item most often corresponds to the bank that had a direct relationship with the drawer or, in some cases, the drawer himself. Moving further along, there is the bank based in New York and a member of the New York Clearing House (in this instance, Chase National Bank), to which the acceptance could be delivered for discount, followed by the date of issue and the "Drawer", who issued the acceptance. The item "Accepted for account of" indicates the bank or company that relied on BCI-NY for the acceptance guarantee. On the left-hand side, the maturity dates of the acceptances are listed, organised by month, along with the corresponding amounts. The dataset compiled from five accounting records presents several notable strengths, alongside some inherent biases and limitations.

The selection of *Banca Commerciale Italiana* as the starting point for archival investigation is justified by the bank's pronounced international orientation, particularly during the 1920s. This focus provides a valuable international perspective on short-term trade financing via acceptances. Among the advantages, the dataset offers precise information regarding the actual volumes of acceptances processed by BCI's New York branch (BCI-NY) on behalf of third parties, which often included other Comit branches in Italy, various European and South American banks, and, to a lesser extent, companies operating within the New York market. Moreover, the data's granularity is considerable, as it includes the cities associated with the banks recorded in the ledgers, enabling an accurate geographical mapping of acceptance flows. This detail facilitates a comparative analysis of two distinct periods—1926 to 1928 and 1930 to 1931—spanning the onset of the 1931 banking crisis, thereby contributing valuable historical evidence to the literature on how financial crises influenced international trade flows. It should be noted, however, that the data illustrates correlations rather than causal relationships.

Regarding potential biases, the dataset is limited by the incomplete nature of the documentation and the relatively brief timespan covered. Specifically, the data spans approximately two years—between December 1926 and March 1928, and then November 1930 to early September 1931—precluding

any long-term trend analysis. Comparable data outside these intervals are unavailable, and comparisons with BCI-NY's broader credit facilities would be inconsistent. Furthermore, the accounting records conclude in early September 1931, shortly before the sterling crisis and subsequent devaluation. While entering speculative territory, one might consider that, given the standstill agreements reached with Central European governments intended to secure repayment of short-term credits frozen during the moratorium of summer 1931, and the fact that documentation ceases at that point, it is plausible that some of these credits were never fully repaid. This may explain why such liabilities were potentially omitted from Comit's current archives, as including them could have exacerbated BCI-NY's reported liabilities.

Figure 11. Sample page of the analysed accounting ledgers.



3.3.1. *BCI-NY acceptance activity before the Great Depression*

Foreign trade played a significant role in the Italy's process of economic growth since unification, especially due to the lack of raw materials in the national territory. In the second half of the Twenties (1925-1929), carbon coke and cotton increased their weight in the overall amount of the Italian imports of raw materials (wheat, wool, corn, durum wheat, copper, and petrol); between the decade 1919-1929, the 70.7% of cotton importation arrived from U.S. (Federico *et al*., 2011). The geographical distribution of Italy's industrialisation followed a highly uneven pattern, with significant regional disparities emerging over time, since Unification in 1861. A stark divide in per capita industrial value added between the Northwest and the rest of the country was already evident in the late 19th century. Between 1891 and 1938, the South experienced slow industrial growth per capita,

failing to keep pace with the rest of the country. Meanwhile, the Northeast and Centre followed a more balanced trajectory, showing industrial progress similar to one another, though gradually losing ground to the Northwest (Gomellini, Toniolo 2017, pp. 129-132). The most defining characteristic of northwestern Italy's industrial success was its concentration of iron and steel production alongside a thriving textile sector. This strength had its roots in the highly profitable silk industry of the 19th century, particularly in Lombardy, which facilitated significant capital accumulation (Federico 1997; Caizzi 1972). It is no coincidence that Milan, the region's financial hub, became home to Italy's two most influential banks, Credit and Comit, which played a pivotal role in supporting industrial expansion.

Between December 1926 and March 1928 (figure 12), BCI-NY's acceptance activity shows a marked concentration in Italy, particularly in its northern regions, while in the Americas it is focused on New York City, along with a number of Comit's partners in Peru and Brazil. The coloured circles represent the cities in which there were the banks that had as their correspondent in New York the branch of Comit, which accepted to pay on their account (and for their clients) the bill presented by the bank with which the drawer was related. The colour scale ranges from purple to yellow, with yellow indicating the highest levels of activity, while darker purple represents lower levels. The grey circles represent very low or no financing activity through acceptances. Regarding the geographical distribution of acceptances financed through BCI-NY in the Americas, activity was almost entirely concentrated in the Sudameris branches (Bahia, São Paulo, Bogotá, and Santiago), the Italian bank of Uruguay (*Banco Italiano dell'Uruguay*) and the Italian Bank of Lima (*Banco Italiano di Lima*). São Paulo and Lima recorded the highest acceptance activity during the period under analysis, with bills accepted on their account totalling L.4,144,150.37 ($208,186) and L.1,588,294.14 ($79,789.72), respectively[193]. As for the United States in the same period, no acceptance was issued on Philadelphia, while on New York the figures were around 40 million lire. The significant amount of activity in the U.S. financial market can be attributed to the financing of exports, particularly silk and textile-related materials, from Japan and China. Among the major Japanese firms involved were Asahi Silk Company (with offices in Kobe and Yokohama), Nabholz & Company in Yokohama Mitsui Bussan Kaisha, Kazuno Shoten, while in China there was still a prevalence of Western companies, one above all, the Madier Robert Company in Shanghai[194]. These new insights are consistent with broader

[193] Own computations from: ASI-BCI, *Filiale di New York* (hereafter FE-NY), vols. 88-91. In these calculations, as well as in all subsequent ones, the values have been adjusted to account for the deflationary phase Italy was experiencing at the time. The year 1913 was used as the reference point, with adjustments based on national consumer price indices for households and workers; see: https://www.istat.it/notizia/indice-dei-prezzi-per-le-rivalutazioni-monetarie/. Additionally, the dollar figures from the accounting records were converted using the monthly lira/dollar exchange rate for the respective year; see: https://tassidicambio.bancaditalia.it/terzevalute-wf-ui-web/timeSeries.

[194] ASI-BCI, FE-NY, vols. 89-91.

analyses from the same period, which highlight the gradual replacement of Western trading companies by their Japanese counterparts (Federico 1997, pp. 163-165). This shift was not limited to trade companies but extended to financial intermediaries, many of whom were also Japanese, such as the Yokohama Specie Bank, Bank of Taiwan, Mitsui Bank, and Mitsubishi Bank. This trend reflects the increasing influence of Japanese businesses in international trade and finance during that era, particularly in sectors like silk production, where Japan progressively became a strong competitor of European firms.

Figure 12. BCI-NY geographical distribution of acceptances (1).

Source: ASI-BCI, FE-NY, Vols. 88-91.

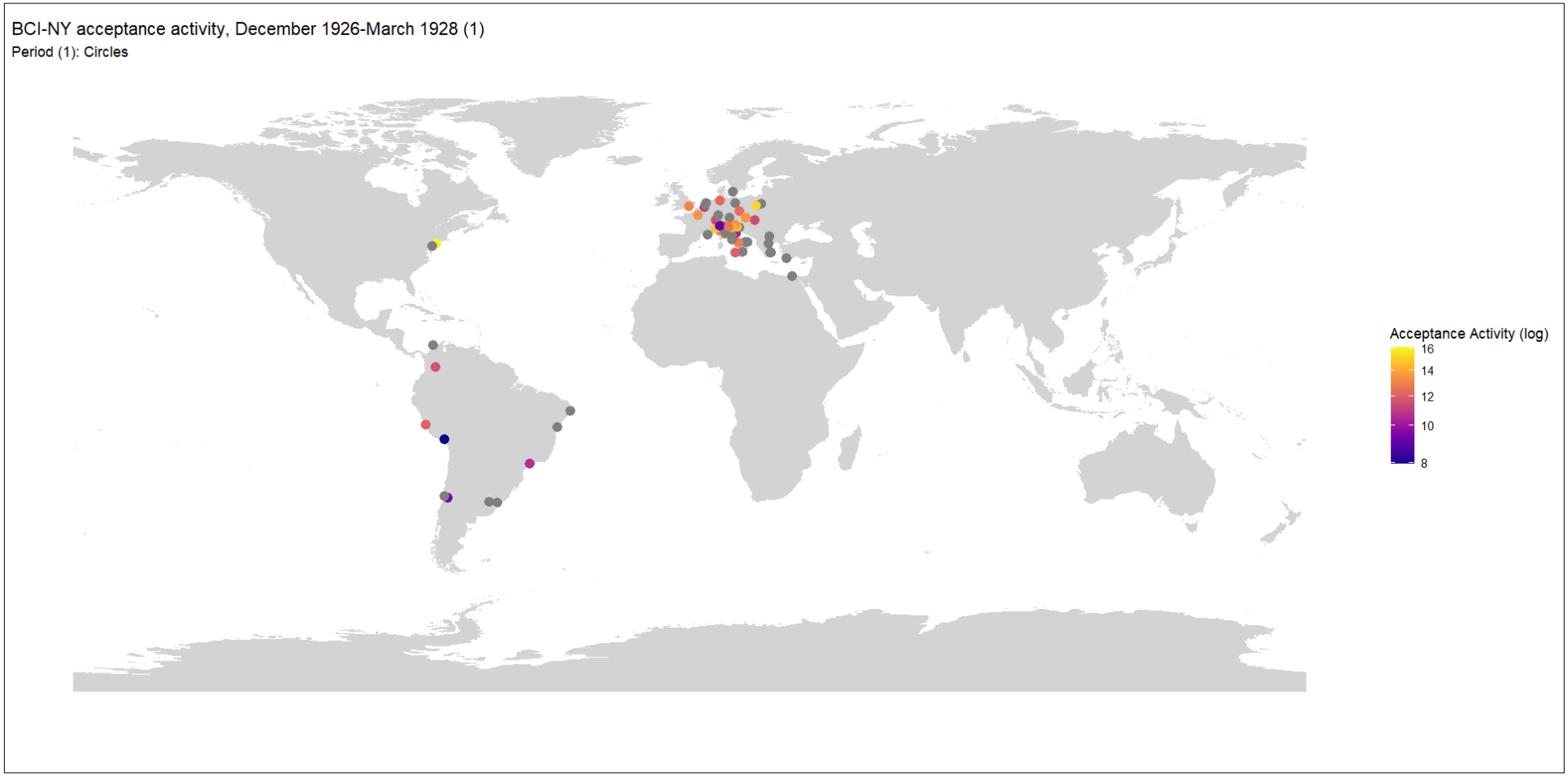


Figure 13 is a zoomed-in view of Europe, emphasising some major financial centres such as London, Paris, Vienna, and Antwerp. What stands out during this period is the concentration of acceptance activity in northern Italy, particularly in the industrial hinterland of cities such as Milan, Turin, Ivrea, Brescia, Bergamo, Genoa, Venice, and Trieste. Besides the more industrialised cities, the high level of activity in the latter three cities can also be attributed to their role as major port hubs. While it is not possible to determine with absolute certainty whether these transactions were linked to imports or exports, by tracing the types of goods traded by the drawer, we can reasonably infer that they mainly involved exports from the United States of raw materials like cotton, as well as shipments from Central America—specifically El Salvador, Haiti, and Puerto Rico—of coffee and other agricultural products[195]. If we delve into cotton imports, we see a strong concentration in the Lombardy region, particularly in cities such as Milan, Monza, Busto Arsizio, Bergamo, and Brescia, while Turin also played a key role, followed by Venice and Trieste. These cities were the main hubs for BCI-NY's financing activities, largely because they hosted branches of Comit, which relied on its U.S. counterpart to provide funding for its clients. However, in several northern Italian cities, despite the presence of a branch of the Milanese bank, financing activity through BCI-NY's intermediation was either limited—such as in Alessandria, Lecco, Treviso, and Piacenza—or entirely absent, as was the case in La Spezia, Como, Cremona, and Verona.

Table 6 clearly illustrates a significant decline in cotton import credits from the United States to various Italian cities between 1927 and 1931, a period marked by the onset and deepening of the Great Depression. Across nearly all locations, both the values in Italian lire and US dollars show a notable contraction. For example, Milan's cotton imports dropped sharply from approximately 9.46 million lire ($470,405) in 1927 to just over L.114,000 ($6,006) in 1931. Turin experienced a similar trend, with values decreasing from around 4.72 million lire ($234,730) to L.225,000 ($11,787). Other industrial centres such as Bergamo and Monza also saw substantial reductions, highlighting the widespread impact on the trade finance sector. In total, cotton import credits fell from roughly 28.08 million lire (1.40 million dollars) in 1927 to just over 2.11 million lire ($110,555) by 1931, signalling an over 90% contraction. This steep decline reflects the severe disruption to international trade flows caused by the economic crisis, as credit availability tightened and demand for raw materials diminished across Italy.

[195] The origin of the drawers was determined by searching their names in Google Books and on the "OpenCorporates" website (https://opencorporates.com/).

Table 6. Cotton imports at city level from the United States, million lire (thousand dollars in brackets).

Source: ASI-BCI, FE-NY, vols. 87-91.

City	*1927*	*1931*
Bergamo	1,946,212.18 (*96,730.23*)	864,748.96 (*45,239.28*)
Brescia	853,974.99 (*42,444.1*)	147,688.26 (*7,726.30*)
Busto Arsizio	1,727,978.60 (*85,883.6*)	197,199.79 (*10,316.49*)
Gallarate	143,107.04 (*7,112.68*)	--- ---
Genoa	247,240.36 (*12,288.3)*	58,038.83 (*3,036.29*)
Leghorn	638,090.70 (*31,714.2)*	--- ---
Milan	9,464,542.41 (*470.405*)	114,813.78 (*6,006.47*)
Monza	3,394,863.75 (*168.731*)	296,086.51 (*15,489.75*)
Naples	--- ---	64,175.31 (*3,357.32)*
Novara	590,956.72 (*29,371.6)*	--- ---
Trieste	1,265,950.39 (*62,920*)	--- ---
Turin	4,722,760.01 (*234,730*)	225,312.51 (*11,787.21*)
Udine	610,191.62 (*30,327.6*)	89,888.68 (*4,702.52*)
Venice	1,858,898.38 (*92,390.6*)	--- ---
Vicenza	612,966.91 (*30,465.6*)	55,310.05 (*2,893.54*)
Total	28,077,734.08 (*1,395,513.62*)	2,113,262.68 (*110,555.20*)

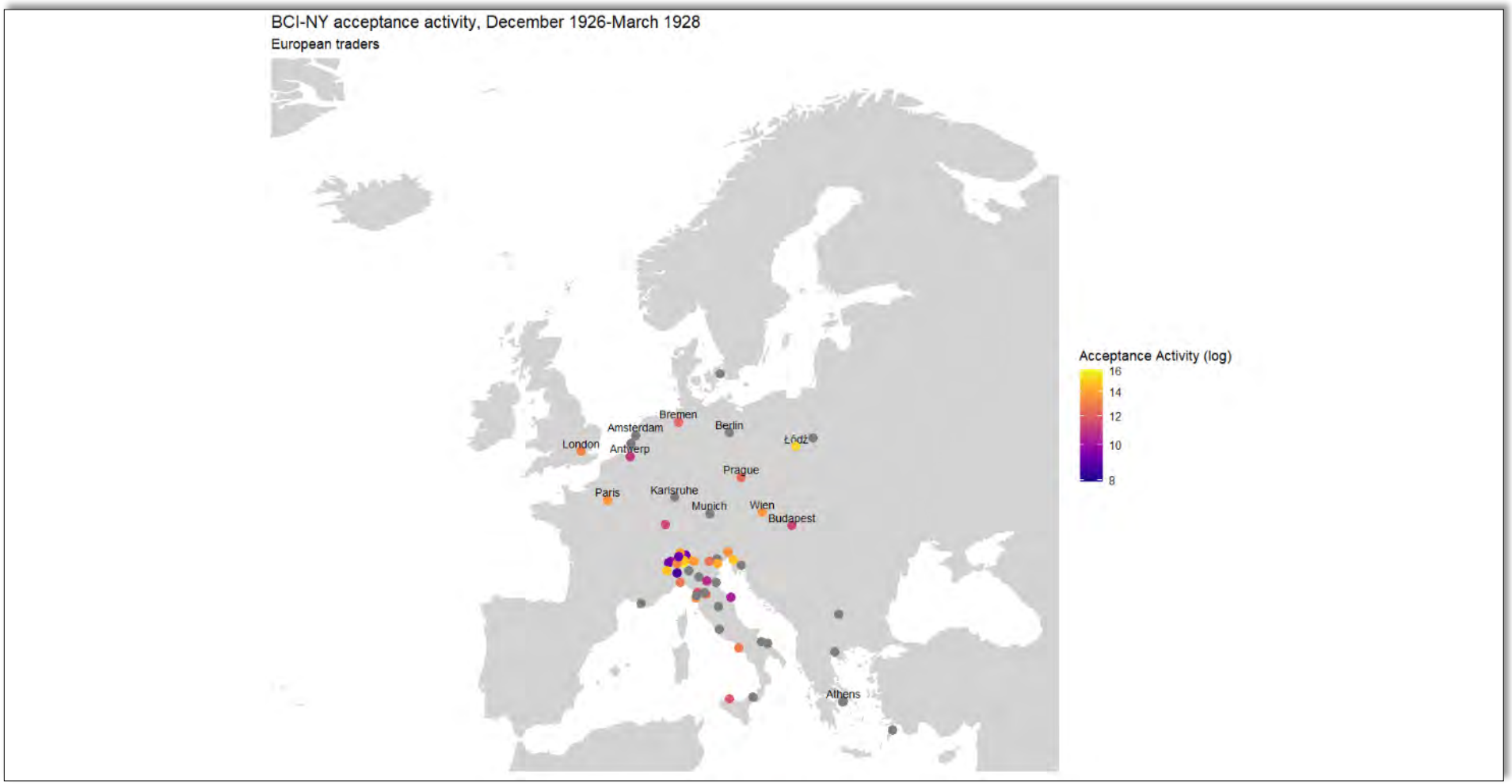
In central and southern Italy, financing activity exceeding half a million lire was limited to the cities of Florence, Leghorn, Palermo, and Naples—the latter reaching just under two and a half million lire. This suggests that in southern Italy, other banking institutions, such as Banco di Napoli and Banco di Sicilia, were competing with Comit, particularly in financing the export of fruit and vegetables. It is also unsurprising that activity in Rome was minimal, amounting to L.69,458.8 ($3,489.34), for two main reasons: the presence of Banco di Roma and the fact that the Italian capital was not a major industrial hub. Overall, the business structure of BCI-NY appears to have closely mirrored Italian trade patterns at the time, with a strong presence in the industrialised areas of northern Italy and a more limited foothold in a few urban centres in the south. As shown in figure 13, its core business was primarily centred on Italian traders—whether importers or exporters—while also maintaining

significant activity with European and overseas counterparts. In Central European countries, BCI-NY relied on the client base provided by its affiliated banks or long-standing banking partners. For instance, in Hungary, it worked with the Hungarian-Italian Bank; in Czechoslovakia, with the Bohemische Union Bank; and in London, with Comit's local branch. In Germany and Austria, it had ties with various financial institutions dating back to Comit's establishment in 1894, such as Commerz und Privatbank (Berlin and Bremen) and Creditanstalt in Vienna. In Poland, in addition to Handlowy Bank—with which BCI-NY had no engagement with between 1926 and 1928—there was significant acceptance activity in Łódź, exceeding 7 million lire, primarily involving the textile company Scheibler & Grohmann (Sowińska-Heim 2020, p. 66; Taylor 1935, p. 861). This connection was facilitated through Comit, thanks to the role played by Toeplitz. Overall, during the period between December 1926 and March 1928, the figures related to acceptance activity for both Italian and foreign clients differed slightly. In fact, while in Italy the amounts hovered around 68 million lire (3.5 million dollars), abroad they were just under 64 million lire (3.3 million dollars)[196].

[196] ASI-BC, FE-NY, vols. 88-91.

Figure 13. Focus on BCI-NY's acceptances across European cities (1).

Source: ASI-BCI, FE-NY, Vols. 88-91.



3.3.2. *The reshaping of acceptance activity between 1930-1931*

After the banking crisis of 1931, acceptance activity through BCI-NY declined sharply, as shown in figure 14. While in the preceding period activity had largely focused on Italian traders, the years that followed saw a drastic reversal of this trend, albeit within the broader context of a general contraction in global trade. As reported in table 6, several cities that had received substantial financing for cotton imports in 1927—such as Novara, Leghorn, and, most notably, Trieste and Venice—completely disappeared from BCI-NY's accounting records. Milan, Turin, and Busto Arsizio experienced the steepest declines in relative terms, while Bergamo was the only city where the contraction remained relatively contained. When compared with overall U.S. cotton import trends, this sharp drop in acceptances for Italian traders cannot be fully explained by a general reduction in raw cotton imports. In fact, as shown in table 6, while in 1927 the ratio between BCI-NY's acceptances and total U.S. cotton imports stood at roughly one-tenth, by 1931, this figure had fallen significantly, with the decline being more than proportional. At first glance, one might expect a similar contraction for Comit's foreign traders, particularly in Central European countries such as Austria, Germany, and Hungary, which were severely affected by banking and currency crises following the collapse of Creditanstalt in May 1931. It is plausible that the peak observed in the first graph for Italian traders in January 1927 reflects the deflationary policy introduced the previous year by Mussolini and its Minister of Finance Giuseppe Volpi, which led to an appreciation of the lira against the dollar. As a result, imports became relatively cheaper compared to the pre-deflationary period. In the second graph, however, the peak around early August can be attributed to a shift in the maturity date of already guaranteed acceptances, due to the credit moratorium imposed in Austria, Germany, and Hungary.

Figure 14. Trader-type breakdown of BCI-NY's acceptance activity (1926-1928). Daily average (thousand dollars). Own computations according to ASI-BCI, FE-NY, vols. 88-91.

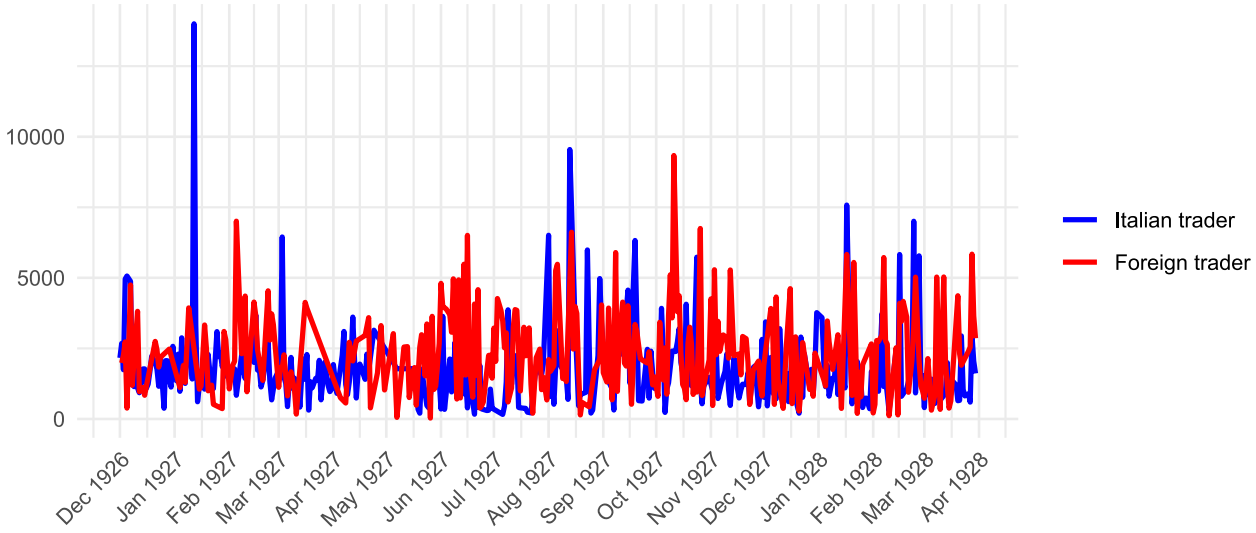


Figure 15. Trader-type breakdown of BCI-NY's acceptance activity (1930-1931). Daily average (thousand dollars). Own computations according to ASI-BCI, FE-NY, vol. 87.

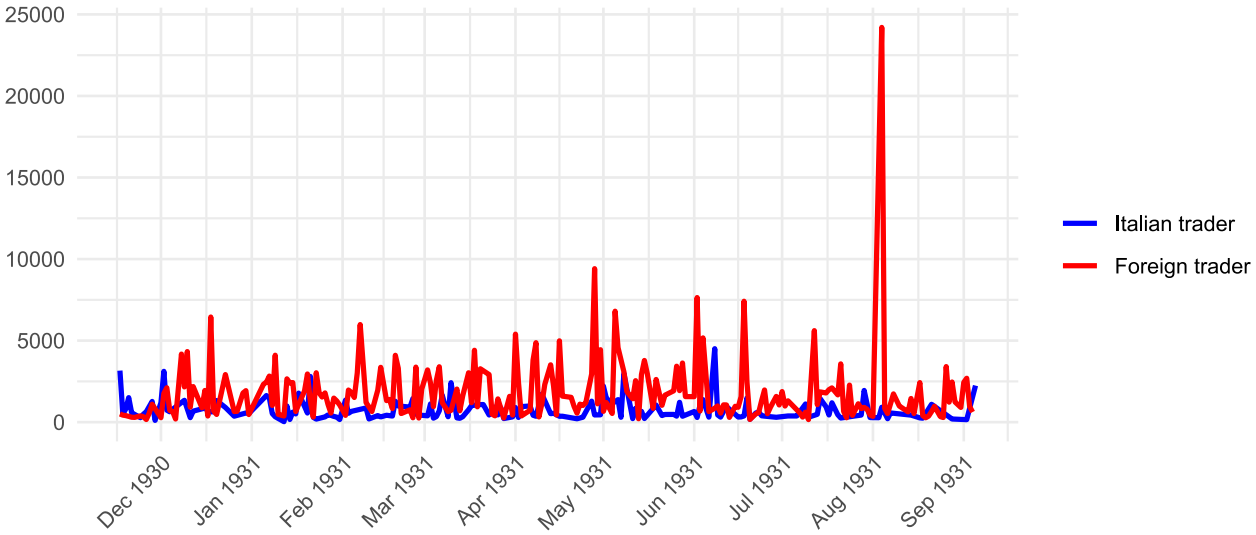


Table 7. Cotton imports in Italy (million lire).

Own elaboration from Intesa Sanpaolo archive and ISTAT, million lire (Ministero delle Finanze 1934; Ministero delle Finanze 1930)[197].

Year	Overall from U.S.	Via BCI-NY[198]	Ratio (%)
1927	281,112,327	28,077,734	9,99
1931	126,597,546	2,113,263	1,67
Total	407,709,872	30,190,997	7,41

Looking at the geographical distribution of the figure 16, in South America, there was a sharp downturn in acceptance activity, as only the Colombian city of Barranquilla, with just over L.700,000 ($36,620), Valparaíso in Chile with around L.200,000 ($10,460), and Lima with L.140,000 ($.7.324) were involved. In the United States, although there was a significant drop compared to the previous period—especially in New York, where figures fell from 40 million to just over 7 million[199]—Philadelphia was added to the picture. Here, Comit had a local affiliate, which made use of acceptance credits amounting to roughly 4.35 million lire. Delving into the traders that were more financed by BCI-NY, Japanese silk and textile exporters, along with a Colombian coffee exporting company, were the main players driving acceptance activity. Meanwhile, in Philadelphia, a most of the acceptance issuances were in favour of a canned and preserved food producer company[200].

Turning to Europe (figure 17), evidence of a changing trend emerges when compared to the 1926–1928 period. There was a surge in acceptance activity across Central European financial hubs, while, as previously mentioned, a general decline was observed among Italian traders. In Amsterdam, BCI-NY relied on Amstelbank, the Dutch affiliate of Creditanstalt. These two institutions, which had made use of 2 million and 1.5 million lire in acceptance credits respectively, vanished completely from Comit's New York branch partners a month after the collapse of Creditanstalt in May 1931 (Nathan 2018, pp. 299-303). In Germany, financial ties remained focused on three institutions historically linked to Comit: Berliner Handels-Gesellschaft, Commerz und PrivatBank, and the private bank Sal. Oppenheim. There were also relations with a trading company in Karlsruhe and H. Aufhäuser Bank in Munich. Overall, acceptance activity in Germany totalled around 3.5 million lire (roughly 180

[197] In this particular case, the nature of the transaction has been attributed by researching the type of goods traded by the drawers, i.e. cotton firms established in the southern states of the United States (mainly Texas, Louisiana and Tennessee), on Google Books and OpenCorporates. Furthermore, these figures have been converted into Italian lire to allow for a consistent comparison with the figures in lire reported in the statistical yearbook of the Italian Ministry of Finance.
[198] These figures have been computed on the due date of each acceptance.
[199] Respectively 2 million dollars and roughly $.366,000.
[200] ASI-BCI, FE-NY, vol. 87.

thousand dollars) but came to an almost complete halt from May 1931 onwards, with only five bills drawn between June and August for a total of approximately L.170,000 ($8,894).

However, the bulk of the activity was concentrated in Budapest, Łódź, and Prague. In the Hungarian capital, BCI-NY could rely on the Hungarian-Italian Bank (Banco Ungaro-Italiano), a Comit affiliate. The bank mainly served Hungarian companies, financing their exports and imports for a total of just under 6 million lire. That said, it is highly likely that 2 million lire should be deducted from this figure, as these credits were issued between 18 and 20 July, after the bank holiday and the capital controls imposed by Hungarian authorities to tackle the twin banking and currency crisis (Macher 2019, p. 666). More than likely, these were rollovers of previously opened credits that had not been settled by their due dates. To avoid bookkeeping losses, due dates were pushed back, in the hope that economic conditions would improve, allowing debts to be repaid without further damage. With nearly two and a half million lira in transactions, BCI-NY's acceptance business in Czechoslovakia was concentrated exclusively in Prague, where it collaborated with three key partner banks: the Anglo-Czechoslovak Bank, the Bohemian Industrial Bank, and the Bohemian Union Bank. These institutions served as intermediaries for Czechoslovak firms seeking trade financing, many of which were German-owned and operated in various industries. Among them, the sugar sector stood out, with major companies such as the Aktiengesellschaft für Zuckerindustrie and Zuckerfabrik Bauerwitz playing a central role in financing their commercial activities through BCI-NY. American cotton exporters were also involved in transactions with the Czechoslovak market, although on a more limited scale compared to other regions.

In fact, the bulk of cotton exports handled by BCI-NY was directed towards Poland, particularly to the key textile hubs of Warsaw and, above all, Łódź. This trade was largely facilitated by financial institutions such as the Handlowy Bank and major industrial players like the Scheibler & Grohmann textile company. These firms relied heavily on BCI-NY's intermediation to secure financing for cotton imports, often sourced from U.S. and Dutch companies that, in turn, obtained their supplies from the American and Dutch colonies in the Caribbean. Alongside cotton, albeit to a lesser extent, BCI-NY also financed the import of copper from the United States, further underscoring its role in supporting the raw material supply chain for Central European industries. Despite the severe financial turmoil triggered by the banking crisis in May 1931, the increasing restrictions on foreign capital—particularly from the United States after 1929—and the sharp decline in demand for agricultural goods, of which Poland was a leading exporter, BCI-NY managed to maintain a robust acceptance business in the region. It continued to handle transactions worth approximately 6.8 million lira, reflecting both the resilience of its operations and the strategic importance of its partnerships with Polish businesses. This sustained activity was not merely coincidental, but rather a testament to the

strong drive of Comit's managing director, Toeplitz, to reinforce ties between his bank and key financial and industrial players across Central Europe. His efforts helped Comit secure a lasting presence in the region, which dated back to the beginning of 1920s (Leszczyńska 2013, p. 189).

Figure 16. BCI-NY geographical distribution of acceptances (2).

Source: ASI-BCI, FE-NY, Vol. 87.

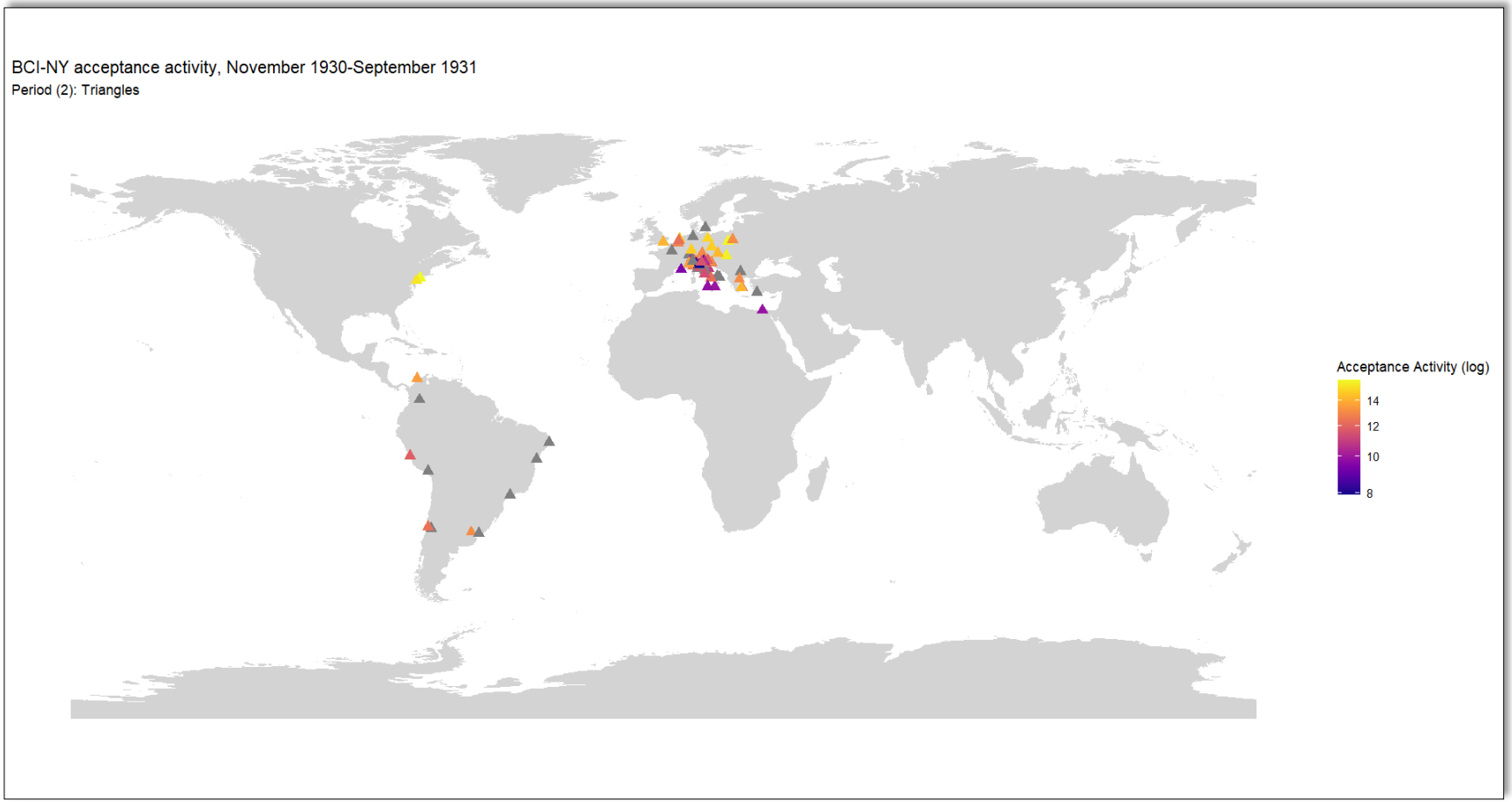
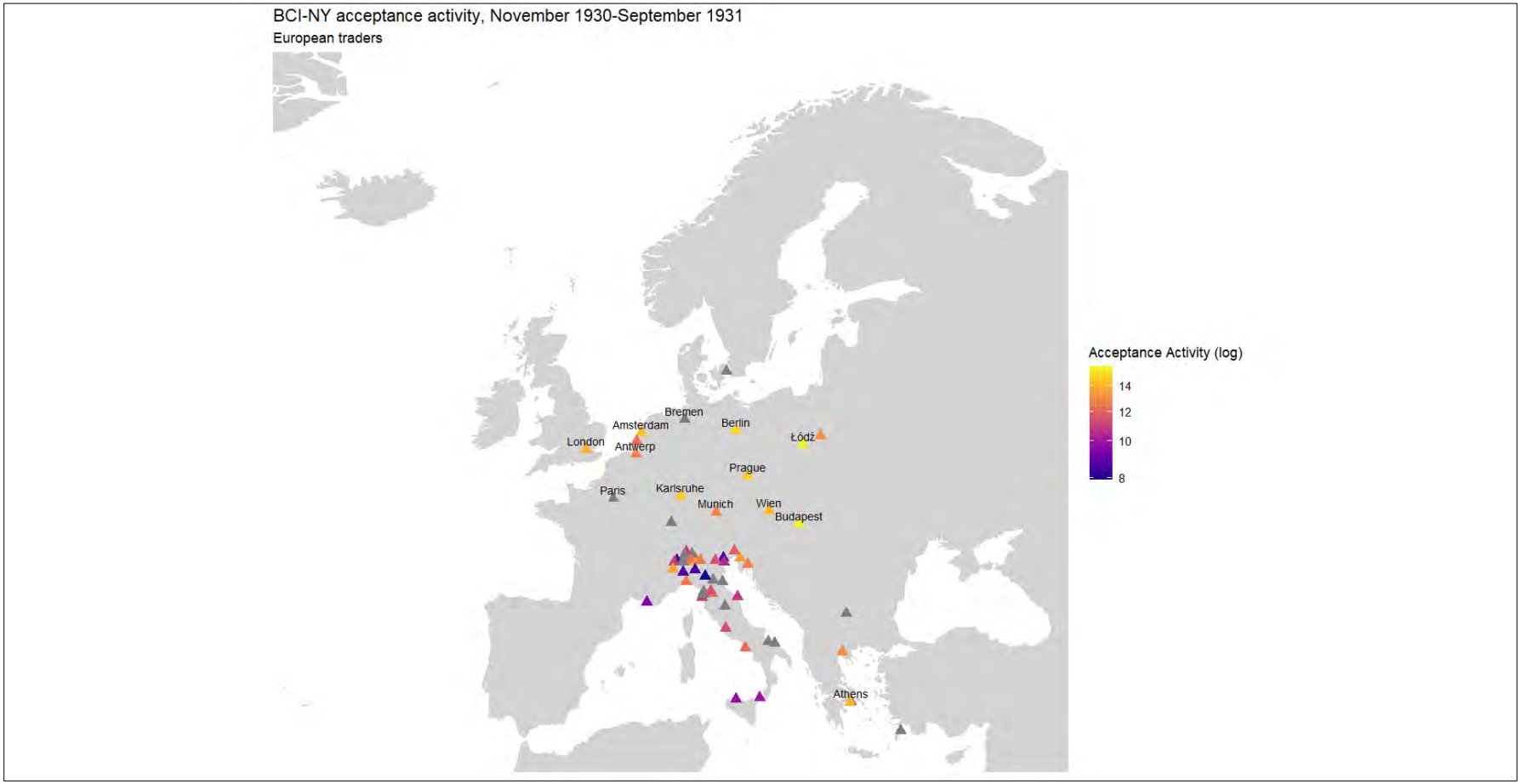


Figure 17. Focus on BCI-NY's acceptances across European cities (2).

Source: ASI-BCI, FE-NY, Vol. 87.



Moreover, if we compare the two periods for what concern the acceptances issued in favour of Polish trader, the figures were about the same, with no major differences, amounting to about 7 million lire. There was also a not inconsiderable amount of activity in Greece, divided between the centres of Athens, Thessaloniki and Piraeus, totalling just over two million lire. BCI-NY's local partners were a private bank, Salomon Aldheff & Fils, and the Greek subsidiary of Comit (Comitellas), with branches in the three centres mentioned above. If we also take into account the total volume of trade between the United States and Central European nations (Dedinger and Girard 2017) and compare these figures with the values derived from archival analysis, an interesting picture emerges. For Austria, Poland, and Czechoslovakia, BCI-NY's share of international trade financing ranged between 0.47% and 1.93%, reflecting a modest but notable presence in the region's commercial transactions. However, the case of Hungary stands out as particularly significant. Here, Comit played a far more substantial role, accounting for an impressive 22.34% of the total trade volume. Even when excluding acceptances whose maturity dates had likely been extended due to the credit moratorium, Comit's share still stood at 8.40%—a far greater proportion than in neighbouring countries. At first glance, this figure appears surprising, suggesting a disproportionate influence of Comit on U.S.-Hungarian trade. However, this is largely due to the fact that the total volume of imports and exports between the United States and Hungary was relatively low compared to other Central European nations, never exceeding one and a half million dollars in 1931. Given this limited trade flow, even a moderate volume of acceptances handled by BCI-NY would naturally result in a higher percentage share. Nonetheless, the bank's market position in Hungary is still remarkable and can be attributed to its deep-rooted relationships with local financial institutions and businesses. Comit's presence stemmed from its long-standing subsidiary, the Italian-Hungarian Bank and industries, which relied heavily on its financing to facilitate trade, particularly in sectors such as agriculture and textiles.

To delve deeper into the issue of the credit moratorium that Austria, Germany, and Hungary progressively introduced in the summer of 1931 to curb capital flows, it is important to highlight that Comit was also affected by these measures. From 27 July of that year, the bank's accounting records began to show, though not for all acceptances, two letters— "S" and "D" —which most likely distinguished two different types of bills, namely sight and date acceptances[201]. In the first case, an acceptance at sight required immediate payment or could be settled at any moment deemed appropriate, offering greater flexibility to the holder. Conversely, date acceptances likely indicated that the bill would only be payable upon its stated maturity date, as recorded in the ledger. This

[201] The total amounts were as follows: for the acceptances marked with "S", L. 1,833,431.68, and for those marked with "D", L. 453,094.65. ASI-BCI, FE-NY, vol. 87.

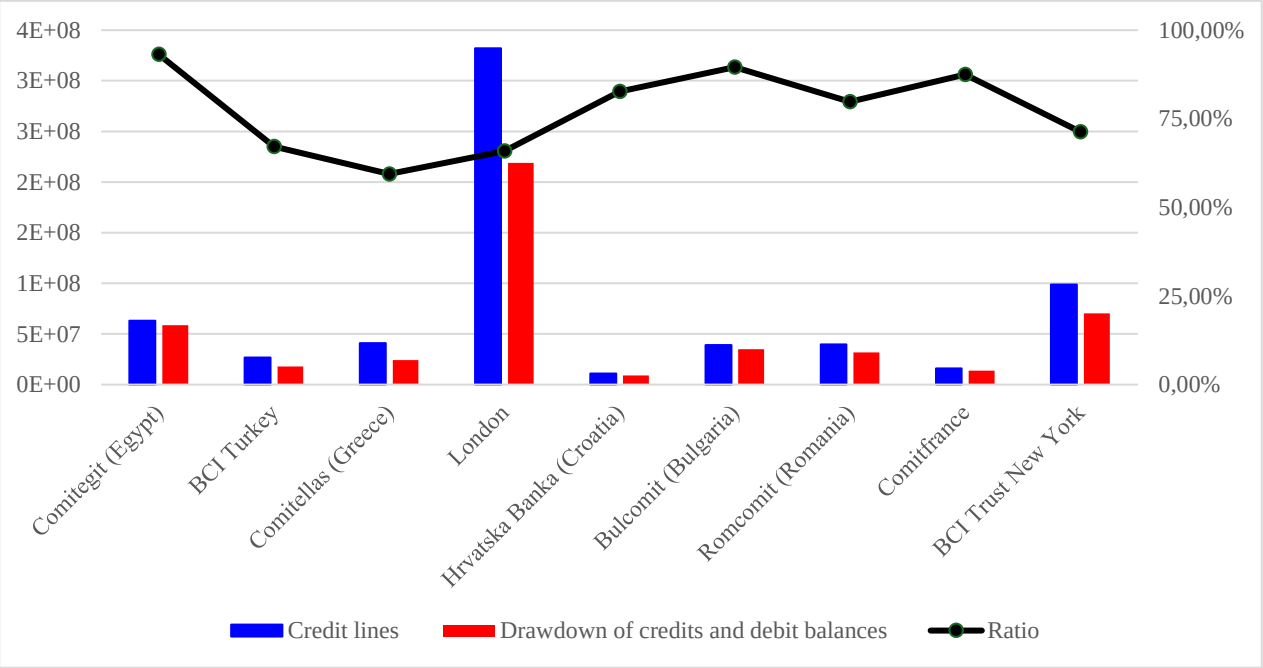
classification, which was applied to both Italian and foreign traders, may have served as a risk-mitigation strategy implemented by BCI-NY to safeguard itself against potential insolvency.

The introduction of these distinctions suggests that the bank was actively adjusting its risk management approach in response to the growing financial instability across Central Europe. Given the severe liquidity crisis that hit Austria and Germany following the collapse of Creditanstalt in May 1931, financial institutions sought to shield themselves from the unpredictability of delayed payments and increasing default risks. By differentiating acceptances in this way, BCI-NY could exert greater control over the timing of settlements and potentially reduce its exposure to distressed markets, which amounted to 20 million lire after the breakout of the crisis in May 1931.

As we can see in figure 18, this chart was prepared by Comit's Foreign Service for Toeplitz in September 1931. It provides a detailed breakdown of the credit lines granted by the bank and their respective utilisation by its foreign branches and affiliates. The data allows us to observe significant differences in how various institutions across different regions accessed and used the credit available to them. A striking trend emerges when comparing the Eastern European and Egyptian branches with those in Western financial hubs like London and New York. The branches in Egypt (Comitegit), Croatia (Hrvatska Banka), Bulgaria (Bulcomit), and Romania (Romcomit) show an exceptionally high utilisation rate, meaning they drew down nearly the entire credit allocated to them. This suggests that these regions had a strong demand for credit, possibly due to economic conditions that required substantial financial support for trade and business operations. In contrast, the situation was markedly different for New York (BCI Trust New York) and London.

Figure 18. Credits granted by Comits board and their utilisation.

Source: ASI-BCI, Segreteria degli amministratori delegati Facconi e Mattioli (AD 1), fo. 4, f. 1 (million lire).



3.4 *Concluding remarks of the chapter*

This chapter has examined the acceptance activity of BCI-NY, focusing on two distinct periods for which archival material is available: December 1926–March 1928 and November 1930–September 1931. While these time frames are relatively limited, they offer useful insight into how the financial crisis of 1931 may have influenced the acceptance business of Comit's New York branch. By comparing a period preceding the crisis with one following its onset, it becomes possible to observe changes in acceptance financing and to consider their potential implications for Italian and foreign trade. One notable development during this timeframe appears to be the shift in the geographical distribution of acceptance activity. Between December 1926 and March 1928, Italian and foreign traders were financed in almost equal measure by BCI-NY, receiving L.66,906,757.05 ($3,361,135.19) and L.66,380,305.85 ($3,334,688.33), respectively. However, between November 1930 and September 1931, the amounts diverged markedly, with L.4,895,932.24 ($256.130.38) extended to Italian traders and L.40,708,885.30 ($.2,129,682.73) to foreign ones. This disparity may reflect the growing financial constraints encountered by Italian firms during the period, likely associated with broader international economic pressures.

The reduction in acceptance credit available to Italian traders seems to have coincided with the general downturn in Italy's economic conditions. This contraction in trade finance may have limited the capacity of Italian businesses to source raw materials and support exports, in turn contributing to

the broader economic challenges of the early 1930s. The declining availability of acceptance credit is consistent with the global tightening of credit markets and increased risk aversion among financial institutions during the Great Depression. While direct causality is difficult to establish, the evidence suggests a strong correlation between the financial context and the volume of credits extended. Specifically examining cotton imports from the United States to Italy at the city level, there is a noticeable contraction between the periods before and after 1931. This decline is particularly marked in cities that were central to the Italian textile industry in the Lombardy region, such as Bergamo, Milan, Monza, and Busto Arsizio, as well as in other important northern Italian centres including Turin, Venice, and Trieste. Proportionally, the most significant decreases occurred in Venice and Trieste (falling from over one and a half million dollars to zero), followed by Milan, Busto Arsizio, Turin, Bergamo, and Monza, with reductions in financing ranging between approximately 88% and 99%. Furthermore, the effect of the credit moratorium in the summer of 1931 resulted in many loans being postponed indefinitely, while still remaining recorded in the accounting registers of BCI-NY. This approach aimed to mitigate the negative impact of the moratorium and to protect against potential risks of default.

This study also contributes to a relatively underexplored area of research concerning international trade financing in the interwar period. Although bank acceptances played a key role in global commerce, the precise ways in which financial crises affected their operation remain insufficiently examined, particularly in the Italian context. Italian foreign trade appears to have been negatively affected by the crisis, as reflected in the notable contraction of acceptance credit. For instance, BCI-NY's financing of Italian firms for cotton imports from the United States is reported to have fallen dramatically, from approximately one-tenth to one-sixtieth of total credit between 1927 and 1931.

Drawing on newly accessed archival sources from Comit's accounting records, this chapter has offered an opportunity to explore how financial instability during the late 1920s and early 1930s may have influenced Italy's international trade at a detailed, city-level scale. This micro-level analysis allows for a better understanding of the possible channels through which financial constraints could have affected trade flows. More broadly, the Italian experience offers insights into the relationship between financial crises and the contraction of international trade. By presenting new evidence on acceptance credits to exporters, this research underlines the importance of trade finance in supporting cross-border commercial activity, particularly under conditions of financial strain.

CHAPTER IV

CROSS-BORDER PAYMENTS AND FOREIGN NETWORK REORGANISATION THROUGHOUT 1930S

4.1 *A brief overview on the aftermath of the 1931 banking crisis*

As already extensively discussed in the previous chapter, the collapse of the Creditanstalt in May 1931, in particular, marked a turning point. The failure was not merely a domestic event of Austria but one with systemic consequences, owing to the high degree of international financial integration in the interwar period, reflecting the efforts of the European institutions to restore the international economic architecture that guaranteed 100 years of «relative peace». The transmission mechanisms of the crisis were complex. Multinational and merchant banks, including those in London, responded to increasing uncertainty by liquidating foreign assets and trying to oust their capitals from the nations of Central Europe, thereby amplifying the deflationary pressure in peripheral countries. This phenomenon, often referred to as «sudden stop», destabilised emerging European economies, where banking systems were undercapitalised and highly dependent on short-term foreign lending. However, the credit moratorium and capital controls imposed by the governments of the Weimar Republic, Austria, and Hungary contributed to Britain's decision to abandon the gold standard in September 1931 (Accominotti 2019; Macher 2019). This marked a significant rupture in the international monetary order and enabled the UK to adopt more flexible monetary policies, in stark contrast to the continued deflationary stance maintained by the gold bloc countries. Moreover, scholarly literature has also argued that the interwar financial architecture lacked adequate safeguards against contagion, and that policymakers were constrained by the gold standard orthodoxy, which impeded timely and effective interventions (Mitchener, Wandschneider 2015; Eichengreen 1994).

The immediate aftermath of the crisis saw a sharp retraction in global financial intermediation, with a marked decline in cross-border lending and the effective collapse of the interwar system of financial globalisation. Countries increasingly turned inward, imposing capital and exchange controls and adopting «beggar-my-neighbour» policies. The fragmentation of the global economy not only deepened the Great Depression but also laid the groundwork for political instability in the decade that followed. Institutionally, the crises prompted a rethinking of the role of central banks and the state in managing economic stability. In countries like the United Kingdom and the United States, new regulatory frameworks were introduced during the 1930s to strengthen oversight of banking activity (Ugolini 2017, pp. 146-147), including the 1933 Glass-Steagall Act in the United States and various reforms proposed by the Macmillan Committee in Britain. In Italy, the Fascist dictatorship undertook extensive intervention in the economy, notably rescuing the country's three major universal banks—

Comit, Credit, and Banco di Roma. Between 1926 and 1936, the Bank of Italy saw a significant expansion of its powers in currency issuance, supervision, and oversight of the national banking system. This process culminated in the Banking Law of 1936, which, following the model of the Glass-Steagall Act in the United States, mandated the separation of short-term credit and deposit-taking activities from medium- and long-term lending within the same institution, thereby marking the formal end of universal banking in Italy (Toniolo 2022, pp. 569-592; Molteni, Pellegrino 2024). These interventions marked a shift away from laissez-faire approaches and towards the modern concept of central bank responsibility for financial stability.

Building on this historical and institutional background, this chapter aims to achieve three objectives. First, it seeks to analyse BCI-New York's repositioning in the late 1930s international financial landscape, investigating how the bank navigated the challenges of sanctions, global economic contraction, and structural changes in international credit markets. Second, it intends to compare BCI-New York's operations with those of Comit-London, identifying both convergences and divergences in banking strategies, risk management, and engagement with host financial authorities. Third, the chapter aims to reveal how the group's credit practices shaped its international intermediation, particularly in the context of maintaining trade flows and sustaining financial operations amid regulatory and market constraints.

To achieve these aims, the chapter relies on a methodological approach combining both quantitative and qualitative evidence. Newly accessed archival sources from Comit's records covering 1935–1941 provide the primary foundation for the analysis. Quantitative data on credit facilities and exposure levels are combined with qualitative evidence drawn from board minutes, executive committee reports, and correspondence with foreign branches and authorities. Finally, a comparative hub-to-hub analysis is conducted, contrasting New York and London operations to assess how different financial environments, regulatory pressures, and market access conditions influenced the group's international strategies. By integrating these methods, the chapter provides a nuanced understanding of Italian banks' responses to financial and economic shocks, highlighting the strategic role of international branches in sustaining intermediation and trade during a period of extraordinary economic turbulence.

4.1.1 *Comit-London's between 1931 and 1935*

Between 1929 and 1933, Comit undertook a significant reorganisation of both its domestic and international branch network, as well as its foreign affiliates. This effort reflected not only the challenging global economic climate but also a strategic search for appropriate exit strategies. In a memorandum by managing directors Raffaele Mattioli and Giovanni Malagodi, the bank's organisational reform plan was outlined. It proposed a shift in the relationship between central

management and the branches, favouring the decentralisation of responsibilities and the delegation of initiative in the ordinary conduct of banking operations. While remaining under the oversight of central management, local offices were expected to adapt their organisational structure to the specific operational contexts in which they operated.

In line with this broader strategy to increase local autonomy, the Comit's general regulations of 1932 empowered the Head office to authorise local offices to approve loans up to a specified amount without requiring prior approval, though they remained obligated to report any positions granted. Regarding the Italian branches, senior managers consulted by Giuseppe Toeplitz supported granting broad autonomy in the approval of small loans, while maintaining closer supervision over medium and high-risk lending. Supervision was to be strengthened by empowering branch staff, rotating control officers, and fostering regular communication between headquarters and local offices[202]. Similarly, in the case of foreign branches and subsidiaries, there was a concerted effort to simplify accounting and control procedures while enhancing communication channels. As Adolfo Rossi, a central manager who was involved in drafting a report on the organisation of Comit's foreign branches, outlined:

> The manager of our foreign branches truly runs the bank; he seeks our advice on general matters, and requests authorisation for loans beyond his authority, but enjoys freedom of movement and decision-making which, I believe, has been one of the key factors behind the swift and broad success of all our affiliates.[203]

By concentrating the bulk of its acceptance operations in London, the Comit's branch in England capital was severely impacted by the external shock of the 1931 banking crisis, which was sparked by the collapse of the Austrian bank Creditanstalt. The crisis quickly spread across Europe, hitting Austria, Germany, and Hungary particularly hard. In response, the Austrian and German governments imposed a moratorium on foreign debt payments and restricted access to credit, measures which caused serious disruptions in international trade and finance. London merchant banks—many of which were heavily involved with German and Austrian importers and exporters—found themselves under considerable financial distress (Accominotti 2019; 2012). Comit's City branch, likewise exposed, saw a marked downturn in its acceptance activities as a direct result of these developments. According to a memorandum from the Bank of Italy[204] concerning the status of Comit's foreign branches and affiliates, the London office maintained substantial credit lines to several German banks, as well as to six companies operating in the textile and metal industries. Brazil ranked next in terms of exposure, with most loans directed to Banco do Rio Grande do Sul in Porto Alegre—primarily to

[202] ASI-BCI, AD1, fo. 3, f. 1, pp. 4-12.
[203] ASI-BCI, AD1, fo. 4, f. 1, p. 13.
[204] Historical Archive of the Bank of Italy (henceforth ASBI), *Direttorio – Azzolini*, folder 82, f. 1, p. 2.

finance dried meat exports—and to Industrias Reunidas Matarazzo, a diversified industrial group with operations in textiles among other sectors. In the United Kingdom, Comit's financial engagements extended across London, its surrounding areas, and Manchester, mainly involving groups of importers and exporters dealing in textiles such as hemp, leather, and wool. Poland followed, where Comit-London supported cotton imports on behalf of its clients, and was in turn followed by operations in Austria, Hungary, Belgium, and the Netherlands.

Table 8. Comit-London credits per country (thousands pounds).

Source: see footnote no. 203.

	Amount
Germany	751,000
Brazil	413,000
England	326,000
Poland	303,000
Austria	186,000
Hungary	135,000
Italy	102,000
Netherlands	60,000
Other countries	266,000
Total	2,542

As illustrated in table 8, the majority of Comit-London's acceptance activity aligned with that of British merchant banks—most notably Kleinwort and Schroder, though not exclusively. The branch reached its peak in short-term trade financing in February 1929, with a total of £6,856,500[205]. Figure 19 presents the semi-annual trend in acceptances from 1929 to 1933, disaggregated by branches, affiliates, and clients (represented by the yellow, orange, and red lines, respectively). The decline in financing activity accelerated during the summer and September 1931, coinciding with the collapse of Creditanstalt, the moratorium on Austro-German credit repayments, and the devaluation of the pound sterling. These events marked the United Kingdom's withdrawal from the gold exchange standard and signalled the inexorable decline of this international monetary framework, which had previously governed exchange rate stability among national currencies.

Throughout 1930 and the first half of 1931, although the overall figures remained relatively stable, their composition changed significantly due to a greater emphasis on guaranteed use. Between 31

[205] ASBI, *Ivi,* p. 1.

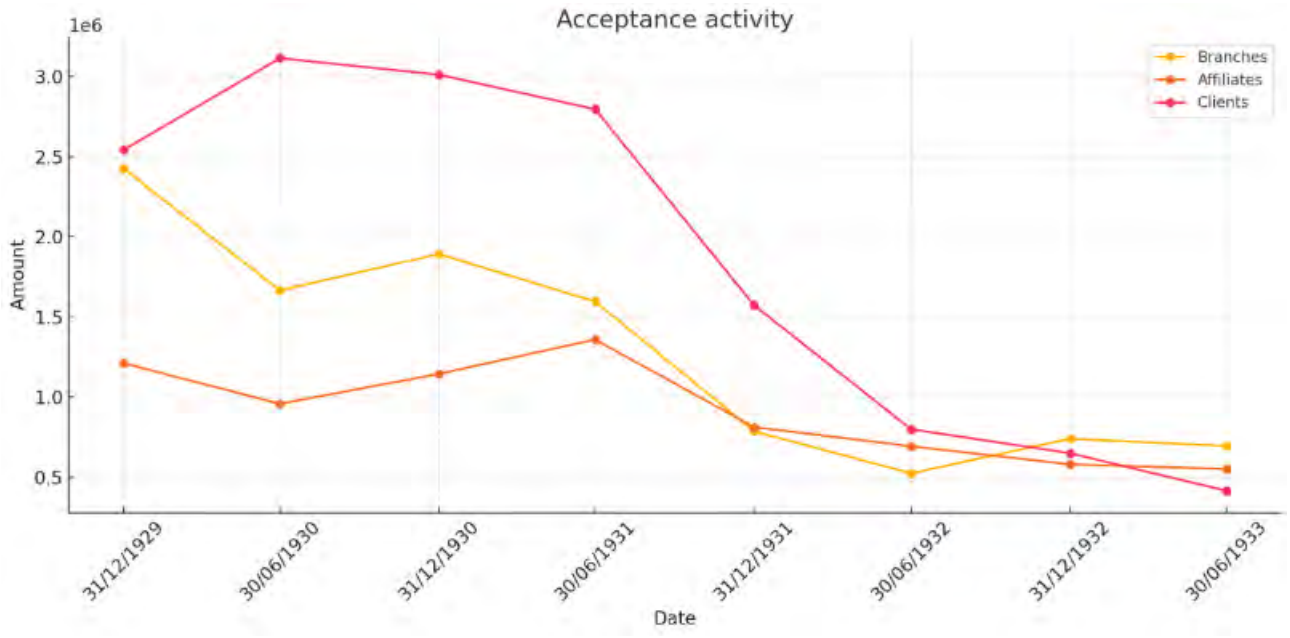
December 1929 and 10 May 1930, the amount for guaranteed use increased from £377,000 to £1,163,000, with Poland contributing the largest portion at £745,000. This included financing for sugar through Cukrownictwa Bank in Poznan, grain financing via Rolny Bank in Warsaw, starch and sugar financing in Luban (all social operations), as well as funding for cotton imports by the Scheibler & Grohmann company. England followed with £309,000, covering various commercial clients and bill of exchange guarantees, and Brazil was represented by Mechanica Importadora in São Paulo. According to the report for the Governor of the Bank of Italy, Vincenzo Azzolini[206], by the end of 1931 acceptances could be considered to fall within a normal framework governed by usual usage practices. However, certain credits had to be excluded: German credits affected by the moratorium (£470,000); Austrian and Hungarian credits whose drafts were no longer backed by goods and were automatically renewed to avoid burdening the treasury of Comit-London; Polish credits, as they were seasonal agricultural loans; and finally, among the Italian credits, £150,000 granted to the Cantieri Riuniti dell'Adriatico shipyards. The category "Other" of table 8, accounting for £266,000, likely includes regions where Comit had either a direct presence or established financial relations. In the United States, through its network of trusts, Comit accessed key markets and raw materials, particularly cotton. In South America, the Sudameris network, alongside affiliates in Peru and Ecuador, granted access to a potentially broad client base. In Japan, thanks to close ties with the Yokohama Specie Bank—facilitated via Comit's London branch—the bank acted as intermediary in financing both imports and exports. This global positioning suggests Comit strategically leveraged partnerships and local presences to maintain wide-reaching operations.

Overall, The decision to establish London as Comit's first foreign branch was further affirmed by the words of its first managing director, Otto Joel, who, in a letter to Paul Schwabach, manager at Bleichröder, expressed his ambition for the London branch «to expand Comit's international business—an area which, in his view, an institution with 200 million in own capital could not afford to neglect in the long run» (Confalonieri 1982, p. 393).

Figure 19. Total amount of acceptances extended by Comit-London from the end of 1929 to the end of June 1933 (biannual, million pounds).

Source: see footnote no. 203.

[206] Governor of the Bank of Italy between 1931 and 1941. ASBI, *Ivi*, pp. 5-7.



When comparing the figures from the previous chart with those in figure 20, it is evident that the scale has shifted from millions of pounds to thousands. This indicates that, despite relatively stable or growing trends since September 1933, total acceptance activity has fallen sharply and no longer exceeds one million pounds, compared to over six million in February 1929. The chart illustrates the monthly acceptance activity of Comit-London from January 1933 to May 1935, disaggregated into four categories: branches (yellow), affiliates (orange), clients (red), and the overall amounts (blue, up to January 1932). The overall trend suggests a cyclical pattern with distinct fluctuations across the three groups. Branches consistently contributed the largest share of acceptance volume, maintaining relatively stable figures, especially from late 1933 onwards. Affiliates displayed a more pronounced upward trend beginning in mid-1934, culminating in a peak during the final months of the observation period. Clients, by contrast, experienced a moderate but steady recovery after mid-1933, although their activity remained lower than the other categories. Notably, the rise in affiliate activity appears to coincide with a broader resurgence in total acceptances in early 1935. The differentiation in trajectories between categories highlights varying levels of resilience and strategic positioning during a period marked by macro-financial instability. The dataset presented in the chart is limited to the period between January 1933 and May 1935—whereas for the totals, it is possible to trace the data back to January 1932— due to the constraints imposed by the available archival sources. Specifically, the data have been extracted from documents preserved in the Intesa Sanpaolo Historical Archives, which record Comit-London's acceptance activity up to May 1935 only. From November of that same year, however, the acceptance business was suspended. This interruption was directly linked to the imposition of economic sanctions by the League of Nations against the Kingdom of Italy following its military invasion of the Kingdom of Ethiopia—an independent member of the League. These

sanctions, coordinated from the League's headquarters in Geneva, sought to isolate Italy economically and diplomatically in response to its breach of international law. As a result, Comit-London, like other Italian financial institutions, was compelled to cease several forms of international financial activity, including the issuance and management of acceptances.

Figure 20. Monthly acceptance activity between January 1933 and May 1935: comparison between the total amounts and the ones disaggregated per affiliates, branches, and clients (million pounds).

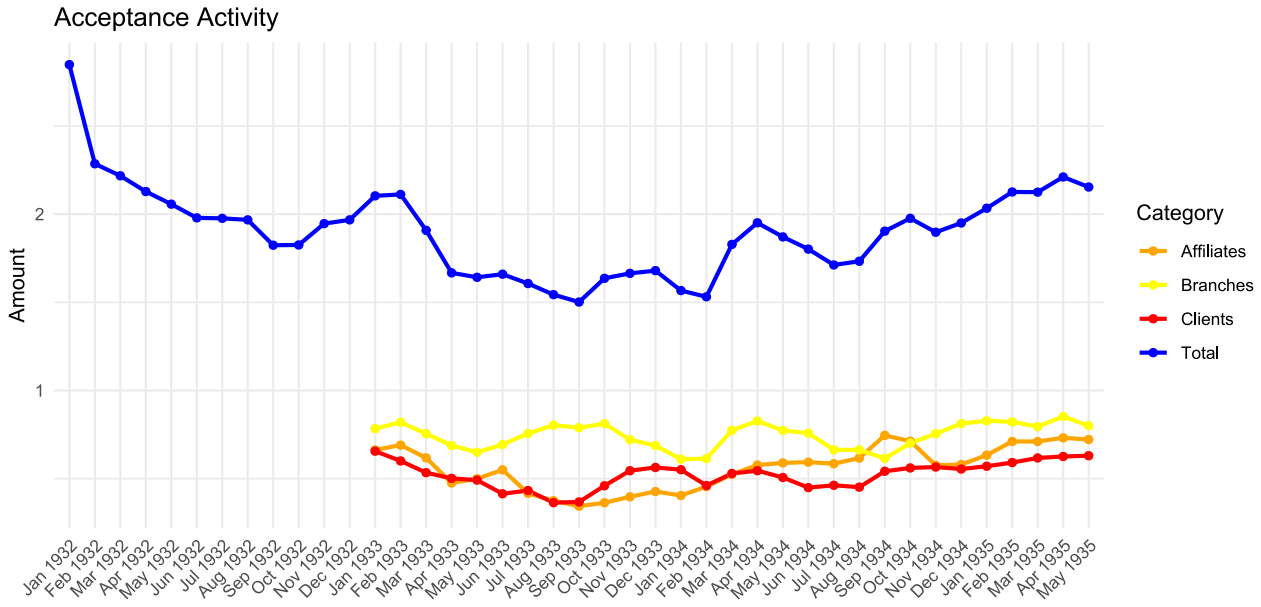


Table 9 shows the breakdown of Comit-London's acceptance business from 1933 to 1935 among affiliates, branches[207], and external clients. Throughout the period, affiliates account for around 28–33% of total activity, reflecting a stable and growing role of intra-group financing. Branches consistently represent the largest share, though their proportion declines slightly from 43.2% in 1933 to 38.5% in 1935, indicating a marginal shift in internal coordination. Clients—those outside the Comit group—remain constant at approximately 28.5%, suggesting a steady but limited engagement with third parties. The data highlight Comit-London's primarily inward-facing business model, focused on supporting its own network rather than expanding into open market operations. This structure likely offered greater control and reduced risk exposure during a period of financial uncertainty. The relative stability of these ratios suggests a deliberate strategic orientation, maintained over consecutive years.

[207] Namely the Italian and the Turkish (Istanbul and Izmir) branches of Comit.

Table 9. Ratios of affiliates, branches, and clients to total acceptance activity.

	Affiliates	*Branches*	*Clients*
1933	0.281	0.432	0.286
1934	0.321	0.395	0.285
1935	0.330	0.385	0.285

Figure 21. Acceptance activity's trend of Comit-London (1927-1935)

Source: AD2, fo. 7, f. 3.

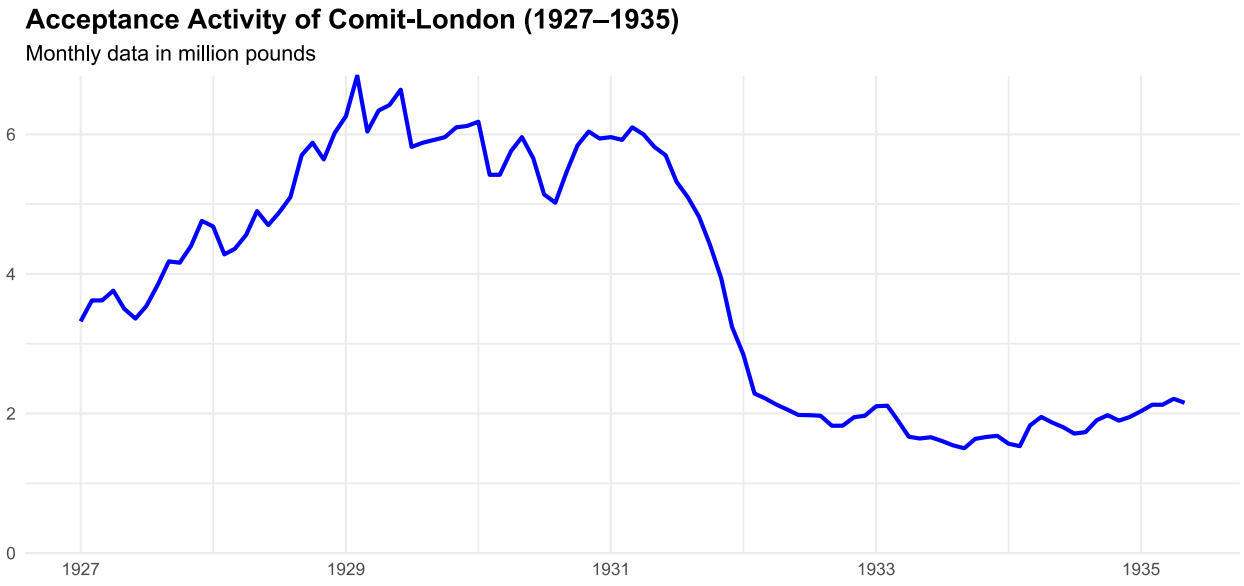


Table 10. Comit-London's monthly acceptances breakdown per affiliates, branches, and clients during 1933 (thousands and million pounds).

Source: ASI-BCI, AD2, fo. 2, f. 1. This table presents monthly data on acceptance credits volumes handled in account of various banks throughout the year. Comitellas, Comitegit, and the Italian Bank of Lima consistently record the highest figures, indicating their central role in this business, particularly Comitegit with exceptionally high volumes early in the year. Notable fluctuations can be observed, such as a significant decline in Comitegit's activity from March to May, followed by a gradual recovery. Handlowy Bank w Warszawie shows a sudden spike in August, while BCI-NY demonstrates relatively stable but modest growth over the year. Several institutions, such as the Bank of the Italian Switzerland and Donn Bank, show minimal or sporadic activity

1933

	January	February	March	April	May	June	July	August	September	October	November	December
Comitellas	37,610	38,842	41,342	45,999	52,453	39,938	35,000	36,036	37,458	43,615	44,737	42,851
Comitegit	387,633	382,633	350,734	203,041	176,416	188,087	183,400	154,133	137,712	144,433	193,207	203,595
Comitfrance	14,646	17,387	23,124	26,305	32,769	27,637	16,365	13,554	16,726	19,711	21,934	17,074
Handlowy Bank w Warszawie	14,014	15,041	9,448	6,062	6,950	7,555	--	34,278	24,439	18,522	13,004	23,036
Hrvatska Banka	2,008	2,567	1,158	558	525	1,613	2,794	5,376	4,258	3,280	173	1,561
Italian Bank of Lima	135,536	134,958	126,633	142,008	208,468	240,196	122,911	84,457	78,061	96,440	75,587	75,724
BCI-NY	10,706	8,806	9,543	11,527	6,780	9,243	15,325	11,872	16,510	9,303	16,943	21,444
Sudameris (Paris)	61,037	90,447	56,205	40,709	14,993	36,102	41,479	35,694	29,035	28,455	32,153	41,996
Bank of the Italian Switzerland	---	---	---	---	500	104	---	104	---	---	---	---
Hungarian-Italian Bank	---	---	---	---	---	---	---	---	---	---	---	---
Donn Bank	---	---	---	---	---	---	---	---	---	---	---	400
Branches	784,150	819,968	755,528	688,569	649,817	694,073	756,029	803,661	789,008	812,087	720,874	688,054
Clients	656,187	600,817	534,317	502,179	492,182	414,778	433,106	364,322	368,309	460,188	545,470	563,815
Total	2,103,527	2,111,530	1,908,032	1,666,957	1,641,853	1,659,323	1,606,409	1,543,487	1,501,516	1,636,034	1,664,082	1,679,550

Table 11. Comit-London's monthly acceptances breakdown per affiliates, branches, and clients during 1934 (thousands and million pounds).

Source: ASI-BCI, AD2, fo. 2, file 1.

	1934											
	January	February	March	April	May	June	July	August	September	October	November	December
Comitellas	41,290	34,847	28,847	25,847	16,425	22,475	21,475	6,715	1,230	2,046	1,381	6,003
Comitegit	187,573	166,858	266,627	287,799	289,875	184,889	196,941	188,170	330,689	352,447	354,124	363,608
Comitfrance	16,182	18,034	16,401	15,099	26,518	39,274	37,227	45,562	46,464	36,350	28,199	42,680
Handlowy Bank w Warszawie	25,240	24,036	26,585	28,305	13,794	15,550	16,151	17,860	19,854	20,287	22,233	23,250
Hrvatska Banka	2,484	3,248	1,617	2,798	4,115	6,587	4,585	2,541	2,918	3,343	6,468	8,447
Italian Bank of Lima	56,692	136,210	144,683	196,094	219,933	297,077	283,631	311,470	261,629	207,931	63,335	54,434
BCI-NY	20,504	16,806	10,495	6,104	482	560	624	296	2,848	2,849	6,310	6,670
Sudameris (Paris)	54,377	54,762	28,828	14,990	18,052	27,572	24,361	43,876	39,732	47,134	52,767	35,000
Bank of the Italian Switzerland	---	---	---	---	---	---	347	347	347	347	866	173
Hungarian-Italian Bank	---	---	---	---	---	---	---	---	40,230	40,230	40,230	40,230
Donn Bank	631	545	548	582	596	---	---	---	---	---	---	---
Branches	610,399	614,231	773,904	827,370	773,856	758,134	663,708	663,708	614,993	701,926	75,507	812,722
Clients	551,343	461,475	529,572	545,700	507,149	449,563	462,845	452,163	542,361	561,211	566,278	554,973
Total	1,566,715	1,531,332	1,828,107	1,950,688	1,870,795	1,801,681	1,711.760	1,732,708	1,903,295	1,976,101	1,897,282	194,9747

Table 12. Comit-London's monthly acceptances breakdown per affiliates, branches, and clients during the first five months of 1935 (thousands and million pounds).

Source: ASI-BCI, AD2, fo. 2, f. 1.

	1935				
	January	February	March	April	May
Comitellas	7,343	10,750	14,107	20,725	21,303
Comitegit	356,154	397,624	369,960	385,000	381,488
Comitfrance	51,002	60,591	64,922	70,957	59,640
Handlowy Bank w Warszawie	22,773	20,734	20,098	17,609	---
Hrvatska Banka	10,099	6,012	3,904	3,795	5,682
Italian Bank of Lima	100,835	124,645	127,318	120,829	142,189
BCI-NY	5,055	6,155	2,694	1,617	9,704
Sudameris (Paris)	38,347	40,745	63,227	64,355	56,010
Bank of the Italian Switzerland	1,843	3,839	4,669	6,903	5,824
Hungarian-Italian Bank	40,230	40,230	40,230	40,230	40,230
Branches	828,562	822,446	795,489	852,448	800,699
Clients	570,812	591,691	617,777	626,020	630,638
Total	2,033,055	2,125,462	2,124,395	2,210,485	2,153,407

4.1.2. *The Bicitrust US network in the 1931 aftermath*

In response to the migratory phenomenon that affected Italy at the turn of the 19th and 20th centuries, Banca Commerciale Italiana identified an opportunity to enter a niche market linked to the business of handling remittances sent by emigrants in South America (Piluso 1996), and in the United States. During 1917, preparations and plans were developed for the establishment of a new Comit branch in New York (BCI-NY). This branch, which opened in 1918 following the end of the war, signalled the rapid expansion of relations with North America (including Canada) and marked the Milanese bank's firm establishment in one of the principal centres of international finance (Nardi Beltrame 1920). This brief digression on remittances—which will be revisited in the following subsection—serves merely to highlight one of the key motivations behind Comit's Head Office decision to establish a presence in the United States. This presence was later strengthened by the opening of two additional direct branches of BCI-NY in Boston (1924) and subsequently Philadelphia (1929). The Italian communities along the East Coast cities had been severely affected by the collapse of various American banks and Italian-American financial institutions. The branch operated using funds entrusted by the Italian community, and its performance was closely tied to the wellbeing of that community. However, following the introduction of immigration restrictions, the flow of new arrivals declined, resulting in a contraction in both the customer base and the Trust's overall activity. The Great Depression also had a negative impact on deposits, particularly among Italian compatriots employed in the construction sector[208]. At the time, BCI-NY had access to a potential client base of 1,050,000 people of Italian descent in the Greater New York area—430,000 of whom had been born in Italy, while the rest were American-born children of Italian parents[209]. The Italian colony was spread across various districts of the vast US metropolis, as outlined by table 13.

[208] ASI-BCI, AD2, fo. 22, f. 3, pp. 15-17.

[209] The substantial remittance business was largely a reflection of the composition of the clientele that BCI-NY had succeeded in attracting. According to a report prepared for Comit's central management on the state of its New York branch, Italian immigrants could be broadly classified into four main categories: «The largest and most significant group comprised manual labourers, who made up 31% of the Italian-born population. They were followed, in order of prominence, by barbers, tailors, shoemakers, carpenters, decorators, mechanics, dockworkers, clerks, bakers, butchers, ironers, greengrocers, kitchen staff, street vendors, printers, electricians, musicians, waiters, and others. Far smaller in number were businesspeople (0.8%), building contractors (0.5%), and property owners (0.5%). There was also a small group of professionals—including doctors, lawyers, dentists, and pharmacists—alongside a category of importers dealing in goods from Italy». ASI-BCI, *Ivi*, pp. 34-36.

Table 13. Italian immigrant community broken down by the four main New York neighbourhoods.

Source: AD2, fo. 22, f. 3, pp. 33-34.

Manhattan	260,000
Brooklyn	487,000
Bronx	164,000
Queens	127,000

As a result, the remittance business experienced a marked decline, as did the acceptance business, as discussed in the previous section. The latter had been predominantly managed by the Discount Corporation, Guaranty Trust, and National City Bank, with the remaining portion handled directly by BCI-NY on behalf of third parties[210]. Following the 1931 financial crisis, American banks significantly curtailed their acceptance activity due to growing risk aversion and tightened liquidity. The collapse of trust in financial institutions led to a general retrenchment in trade finance. Many banks scaled back international operations, particularly in handling third-party paper. The business turnover revolving around trade financing for both BCI-NY and the others US banks that were more exposed to financing trade with their partners in Central Europe experienced a significant downturn, as reported also by figure 17 for BCI-NY.

Table 14. US Imports from Selected Countries and Share Financed by Bicitrust (million dollars).

Source: ASI-BCI, AD2, fo. 22, f. 3, p. 57.

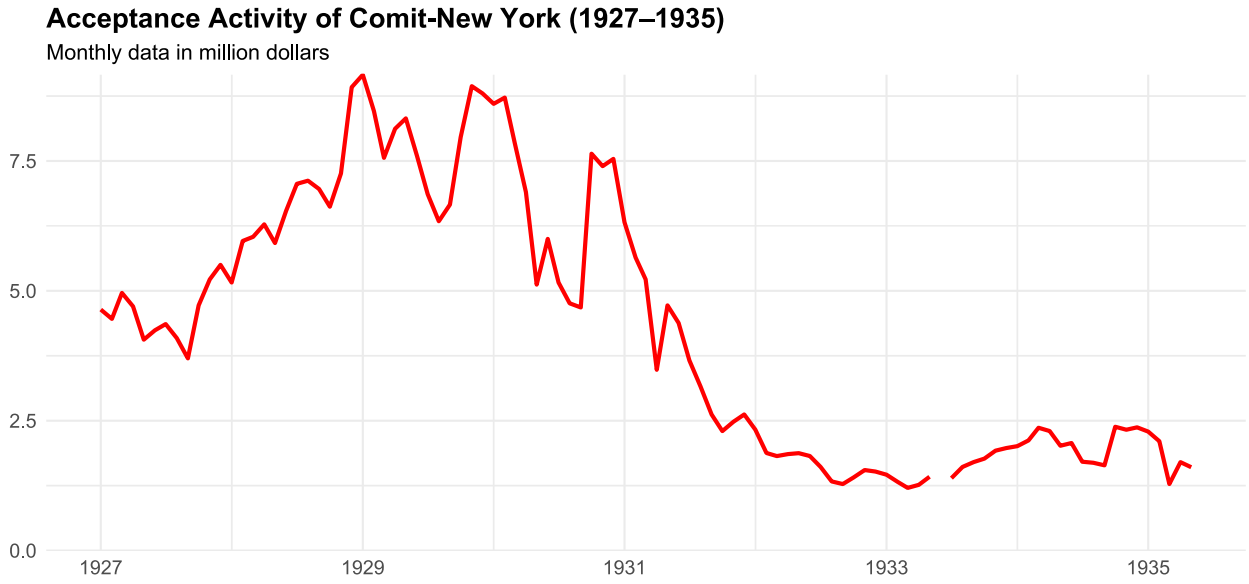
	Total US imports from Italy	*Financed by Bicitrust*	*%*
Italy	36,800,000	813,300	2.2
Tunisia	1,000,000	433,400	43.3
Spain	18,100,000	384,700	2.1
Greece	8,700,000	276,000	3.2
Portugal	4,000,000	24,000	0.6
Peru	5,600,000	29,600	0.5
Czechoslovakia	17,600,000	26,100	0.2
Belgium	26,400,000	21,700	0.09
Brazil	92,000,000	41,100	0.05
Other countries	—	150,100	—
Total	210,200,000	2,200,000	1.05

[210] ASBI, *Direttorio – Azzolini*, fo. 82, f. 1, pp. 20-21.

The table above shows the extent of Bicitrust's financial support in US imports originating from a variety of countries. Although Italy ranks high in absolute import value, only a modest 2.2% of it was financed by Bicitrust. In stark contrast, Tunisia had the highest proportional support, with 43.3% of its exports to the U.S. backed by the institution, despite the much smaller total value. Spain and Greece also had relatively higher rates of Bicitrust funding, while major trade partners like Brazil and Belgium received almost negligible financial assistance.

Figure 22. BCI-NY monthly acceptance activity between January 1927 and May 1935 (million dollars).

Source: AD2, fo. 7, f. 3[211]



The line in figure 22 illustrates the monthly acceptance activity of BCI–New York from 1927 to 1935, revealing both the effects of broader financial distress and internal dynamics. Between Black Tuesday in October 1929 and the banking crisis of May 1931, there were two ups and downs, with a difference of $2 million. Overall, the trend for the period considered is consistent with the economic situation at that time, with a sharp decline in acceptance activity since the sterling crisis. In 1931, the trend is clearly downward, with a steady decline from January ($2,327 million) to September 1932 ($1,280 million), before a modest recovery in the final quarter. The early months of 1933 continue this subdued pattern, reaching a low point in March ($1,206 million), likely reflecting persistent uncertainty in international markets Beginning in October 1934, the aggregate figures also included $677,000 (later reduced to $608,867 in July 1935) representing the Italian-Hungarian Bank's debit,

[211] BCI-NY accepted bills on behalf of its sister bank in Hungary and was exposed to the repercussions of the crisis in the summer of 1931. See also: The New York Times (1932), HUNGARY'S DEBT PACT ENDS; Year's Extension of Standstill Agreement Is Reported.

which stemmed from the Standstill Agreement[212]. This agreement was introduced to curb capital outflows following the severe twin crisis that struck Hungary in 1931. (Macher 2019).

From July 1933 to March 1934, a general upward trend can be observed, suggesting a partial recovery or strategic redirection. However, this improvement is not linear; rather, the data show some volatility, particularly between June and October 1933, with noticeable fluctuations from $1,421 million in May to 0 in June and then back up to $1,770 million by October. These movements point to a period of adjustment, possibly influenced by external shocks or changing regulatory conditions. In 1934, activity levels stabilise and remain robust throughout the year, peaking in October at $2,383 million. Conversely, 1935 shows early-year activity at respectable levels but is marked by a sudden and unexplained absence of data in the month of June[213]. Overall, the graph may reflect a turbulent yet adaptive period for BCI–New York amid the broader post-crisis financial landscape.

4.2. *Operating in two different institutional frameworks: Comit-London and BCI-NY financing activities in the second half of 1930s*

This section and its subsections explore cross-border payments between 1935 and 1941—a period marked by beggar-my-neighbour policies, stringent capital controls, and high customs tariffs—shedding new light on financial flows in a fragmented global economy. By tracing the evolution of BCI-NY operations and comparing them to its London counterpart, this part assesses how Comit navigated two distinct financial and regulatory frameworks within the same period. Despite the restrictive international economic context, this study examines how Comit continued to pursue foreign investments and actively fostered international trade.

In both London and New York, Comit had to navigate two different institutional, political, and banking environments. By 1911, London had established itself as the world's leading financial center—a status rooted in the developments of earlier decades. During that time, the British banking system experienced several crises that ultimately led to the adoption of a range of stabilising measures. These were articulated by Walter Bagehot in his 1873 book *Lombard Street*, which advocated for no *ex-ante* intervention by the Bank of England but emphasised the importance of stepping in during crises to serve as a lender-of-last-resort[214]. Alongside this implicit role of the Bank of England—which was accompanied by a decreased exposure to default risk (Bignon, Flandreau,

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[213] In the archival document, there is no zero, but the symbol «---» a sign that the data was not collected, perhaps due to negligence, or lack of the data itself.

[214] Deepening the analysis and for clarity's sake, much of the insight found in Bagehot's Lombard Street was not entirely original, but rather a consolidation of ideas that had developed over the previous 25 years since the book's publication—particularly in response to earlier financial crises like that of 1847, when the Bank of England primarily used credit rationing to manage instability (Bignon, Flandreau, Ugolini, p. 605).

Ugolini 2012)—there existed a form of «informal control» within the banking sector itself—a tight-knit and cooperative network that worked closely with the financial authorities (Ugolini 2017, pp. 140-141)[215].

Experiencing periods of crisis also offered practical lessons, fostering an implicit confidence within the banking system that the Bank of England would ultimately step in when necessary. For instance, the 1866 financial crisis, known as the Overend-Gurney panic, was a defining moment for the Bank of England, which introduced modern lender-of-last-resort policies by supplying ample liquidity against sound collateral to stabilise the markets. Bill brokers, part of the shadow banking system, played a central role, receiving around one-third of the Bank's loans despite not being regular clients. Most discounted bills were of foreign origin, highlighting London's connection to international trade. To limit moral hazard, the Bank implemented strict supervision based on the reputation and guarantees of discounters and acceptors. This crisis underscored the Bank's vital role in supporting the global financial system and reinforcing sterling as a leading international currency, shaping the modern banking system (Flandreau, Ugolini 2013). Overall, Britain adopted a largely *laissez-faire* approach toward its banking system, underpinned by the assurance that a «lifeline» would have been provided whenever required. Yet, in response to the upheavals of the early 1930s, this model of "gentlemanly regulation" (Ugolini 2017, p. 131) gave way to a more interventionist strategy, ushering in a period of «financial repression» (Toniolo, White 2016). In fact, after the devaluation of the British pound in September 1931, UK authorities created in secrecy the Exchange equalisation fund. Its establishment was intended to protect the pound from foreign speculation and maintain gold transactions at the pre-devaluation exchange rate, without the Bank of England recording gains or losses. The Fund consisted of Treasury bills, foreign currency reserves (mainly dollars and francs), and gold deposits. It could intervene in currency markets by buying or selling foreign exchange to stabilise the pound's value (Paish 1935).

Overall, Since its establishment, Comit-London has benefited from a well-developed financial infrastructure, which—as previously mentioned—enabled it to become one of the most significant branches of the Comit group. The first major crisis it faced came with the outbreak of the First World War. At that time, the management of Comit-London—largely of German or Swiss-German origin—was forced to resign, in line with the broader trend towards the so-called 'Italianisation' of the bank. This shift saw the replacement of figures such as Siegfried Bieber, then managing director of the London branch, with Italian personnel like Enrico Consolo. Similarly, senior executives at Comit headquarters, including Joel and Weil, were compelled to step down following fierce criticism from

[215] However, the author of this book specifies how, in reality, this form of informal control was particularly prevalent in the interwar period, while there are doubts about the preceding decades, in which historical evidence has shown a conflictual relationship between the governor of the Bank of England and big banks (Ugolini 2017, pp. 142-143).

the pro-interventionist press[216]. Following the 1931 crisis, which saw a sharp decline in the branch's core activity of acceptances—as illustrated in figure 21—Comit-London was dealt an additional external blow that compelled it to halt all deposit and collateralised lending operations: the economic sanctions imposed on Italy by the League of Nations between November 1935 and July 1936, in response to the Fascist invasion of Ethiopia. These sanctions extended beyond trade to include financial restrictions, severely affecting Italian bank branches operating in London. Although the sanctions were lifted in mid-1936, Comit-London did not resume its suspended credit facilities until late 1936 or early 1937.

On the other hand, since its establishment, the Comit's network in the U.S. had to face different challenges, derived from a divergent institutional and legislative framework. In fact, the development of the U.S. banking system was profoundly shaped by enduring tensions between federal and state powers, particularly over centralisation, since the early XIX century. This produced a fragmented, dual structure of regulation that has persisted to the present day. Early on, states imposed diverse rules for banking charters, capital requirements, and branching, while federal intervention remained inconsistent. By the 1830s, innovative frameworks like deposit insurance and capital requirements were introduced at the state level, though often with mixed success. The National Banking Acts of 1863–65 aimed to unify regulation for federally chartered banks, introducing measures such as reserve and capital requirements, double liability, and note issuance backed by Treasury bonds—but without providing deposit insurance. Lending-of-last-resort in the United States remained largely *ad hoc* and discretionary, echoing—albeit only partially—the *ex-post* interventions traditionally carried out by the Bank of England (Ugolini 2017, pp. 150–152). In this sense, the Federal Reserve's facilities for emergency liquidity provision were, with a few local exceptions, mostly inactive during the three major waves of bank failures in 1929, 1931, and 1933 (Calomiris, Flandreau, Laeven, 2016). Throughout the 1920s, U.S. policymakers faced a constant tension between supporting banks and communities to prevent collapse (lending liberally to preserve stability) and avoiding moral hazard by not rescuing institutions weakened by poor management or unsound policies.

For this set of reasons, the creation of the Federal Reserve in 1913 sought to offer a more consistent and European-style lender-of-last-resort to the U.S. banking system[217]. However, decentralisation and limited bank membership, combined with reluctance to engage in non-securitised lending,

[216] *Ibidem*.

[217] Moreover, as previously highlighted in this chapter, the establishment of the US central bank was accompanied by the development of an acceptance market. This marked the beginning of a broader effort to build a financial infrastructure capable of rivalling that of London. The United States took advantage of World War I and the financial crisis that severely impacted the UK—forcing the Bank of England to suspend the pound's gold convertibility—to fill the resulting void. By maintaining the dollar's convertibility into gold and emerging as a leading exporter of goods and, more importantly, capital, the US laid the groundwork for its currency to gain gradual acceptance and significance in international payments (Myles 2024; Eichengreen, Mehl, Chitu 2018; Eichengreen, Flandreau 2012; Ferderer 2003).

undermined this aim. By the 1920s, the discount window had become increasingly stigmatised and was rarely used, even during times of severe financial turmoil such as 1929–33. Earlier in the decade, the Federal Reserve had actively deployed the discount window to provide emergency liquidity, lending against collateral to troubled banks and, in some cases, even shipping cash to affected areas to reassure depositors and calm panics. These measures often succeeded in preventing wider financial contagion, but they also created concerns about banks becoming overly dependent on central bank support. By the late 1920s, lessons from these experiences led the Fed to adopt a more cautious stance, tightening access to credit—a shift that contributed to its relatively restrained response during the banking crises of the early 1930s (Carlson 2025).

More broadly, between 1915 and 1935, the evolution of the Federal Reserve and the behavior of the New York money market were deeply intertwined, revealing a gradual but decisive shift away from the decentralized structure envisioned by the Federal Reserve Act of 1913 toward a more centralized and informal system of power. This transformation profoundly shaped monetary policy, often with destabilizing consequences. Although the original legislation designed the Federal Reserve as a regional system supervised by a public Federal Reserve Board, effective authority increasingly migrated to the Reserve banks themselves, especially the Federal Reserve Bank of New York. This shift occurred largely outside the explicit legal framework. Reserve bank governors, positions not clearly defined in the original Act, organized extra-legal coordinating bodies such as the Conference of Governors and early open market committees. Through these institutions, policy initiative passed from the Board, whose members were publicly appointed, to a small group of officials closely aligned with private financial interests. At the center of this process stood Benjamin Strong, Governor of the New York Fed. Strong treated the New York Bank as a de facto central bank, not only for the United States but also for the international financial system. His influence was reinforced by the strategic position of New York as the country's dominant money market and by close cooperation with the Treasury, particularly under Secretary Andrew Mellon. Mellon frequently used the Federal Advisory Council, itself dominated by bankers, to pressure the Board and promote policies favourable to financial liquidation and the defense of creditor interests (Staff Report 1971, pp. 31-58). The intellectual framework guiding policy during this period was dominated by the "real bills" doctrine. According to this view, Federal Reserve credit should be supplied only against short-term commercial paper arising from the production and marketing of goods, while credit used for speculative purposes was considered illegitimate. In practice, this doctrine proved deeply pro-cyclical. Credit expanded during booms, when business activity generated ample "real bills", and contracted during downturns, precisely when monetary support was most needed. The doctrine encouraged the Federal Reserve to focus narrowly on restraining stock market speculation, particularly through the New York money

market, rather than on stabilizing output, employment, and the overall money supply. During the early 1930s, this bias contributed directly to catastrophic errors, as the Fed allowed credit and the money stock to collapse in the midst of deflation. Open market operations emerged gradually within this intellectual and institutional environment. Initially, Reserve banks purchased securities simply to earn income to cover operating expenses. Coordination arose mainly to prevent competition among Reserve banks, which officials feared would "spoil the rate" by driving interest rates too low. Under Strong's leadership, however, the system learned to use open market operations as a powerful instrument for influencing money market conditions and stabilizing interest rates. The creation of the Open Market Investment Committee in 1923 marked a critical step (Staff Report 1931, pp. 82-86), but it also highlighted the imbalance of power: the committee operated largely independently of the Board, asserting the authority of the Reserve banks, especially New York, over national policy. Throughout the 1920s, Federal Reserve policy was increasingly oriented toward maintaining stability in New York money market rates, which officials regarded as a proxy for overall financial soundness. Open market operations were preferred over discount rate changes because they could influence rates quietly, without the "red flag" effects associated with formal rate moves. Prime commercial paper rates, for example, remained within a relatively narrow range for much of the decade. Yet this emphasis on rate stability masked deeper fragilities. As Adolph Miller later warned, low interest rates during a depression could give a false impression of credit health, even as money remained idle and economic activity deteriorated.

Two segments of the New York money market were especially central to Federal Reserve policy: bankers' acceptances and call money. Bankers' acceptances embodied the real bills doctrine in practice. The Federal Reserve actively promoted the development of an acceptance market, modelled on European precedents, as a channel for supplying "legitimate" commercial credit. The New York Fed dominated this market, often purchasing bills on behalf of other Reserve banks to avoid competitive bidding. Repurchase agreements were widely used to provide dealers with cheap financing, allowing them to carry bills without penalty. In the late 1920s, the Fed simultaneously expanded acceptance purchases to support business credit while raising discount rates to restrain stock market speculation, an internally contradictory policy that ultimately tightened overall money market conditions. Call money, by contrast, financed speculative positions on the New York Stock Exchange and was widely viewed by policymakers as inherently dangerous. Rates were highly volatile, particularly during periods of stress. In the postwar adjustment of 1919–1921, call rates swung violently following discount rate increases, amplifying financial instability. During the mid-1920s, unusually low call rates were sometimes interpreted as signs of market weakness rather than strength, reinforcing the Fed's preoccupation with speculation and rate control.

The discount rate itself became a focal point of institutional conflict. In orthodox theory, it was meant to function as a penalty rate, set above market rates to discourage routine borrowing from the Fed. Wartime policies undermined this principle through preferential rates on loans secured by government bonds, which allowed banks to profit from rediscounting and contributed to postwar inflation. After the war, sharp increases in the discount rate, especially the New York Fed's move to 7 percent in 1920, triggered severe deflation. Later rate increases in 1928 and 1929 sought to curb the stock market boom but interacted destructively with open market policies and acceptance operations. The most damaging error came in October 1931, when the Fed sharply raised discount rates to defend gold reserves, worsening domestic liquidity shortages and accelerating bank failures. These structural weaknesses were fully exposed during economic crises. The Federal Reserve responded passively to the depression of 1920–1921, clinging to high rates as prices collapsed. During the Great Depression, responsibility was fragmented across institutions, decision-making was slow, and policy was paralyzed by procedural obstacles. Warnings that low interest rates masked severe monetary contraction were ignored, and the Fed allowed the money stock to fall dramatically (Staff Report 1971, pp. 125-132).

The Banking Acts of 1933–35, particularly the very infamous Glass-Steagall Act, introduced landmark reforms including federal deposit insurance (FDIC) and the separation of commercial and investment banking. These replaced double liability for shareholders and ushered in an era of «financial repression» that lasted until deregulation in the late 20th century. The U.S. thus became a heavily regulated banking environment, marked by dual supervision and selective access to safety nets such as deposit insurance or emergency lending. In contrast to Europe's universal approach, U.S. policy continued to rely on discretionary interventions. Moreover, after 1933 all foreign operations were placed under the supervision of the Fed's Board of governors. Under this regulatory framework, banks were permitted to conduct international activities only through specifically authorised entities. Foreign banking corporations, which had to be registered as U.S. companies, were allowed to accept deposits, issue drafts, and make investments in other banking institutions abroad. However, no foreign entity—whether banking or financial—was allowed to carry out operations within the domestic United States (Tamagna 1959, p. 478).

Overall, the Federal Reserve's establishment brought new supervisory responsibilities, but conflicts arose with existing bodies such as the Office of the Comptroller of the Currency. Financial crises repeatedly caused severe economic dislocation, undermining growth and harming depositors and investors. In balancing price stability with financial stability, the Federal Reserve's policy dilemmas became increasingly apparent. The Great Depression thus marked a turning point, with reforms such

as the creation of the FDIC and the abolition of double liability, aiming to restore trust and prevent systemic collapse (White 2013; Bordo, Wheelock 2013).

Following the establishment of BCI-NY, its initial objective, as previously noted, was to gather deposits in lire from the Italian immigrant community in New York. However, prevailing banking legislation prohibited foreign banks from accepting savings deposits. To circumvent this restriction, the management of the Comit branch exploited a loophole by issuing drafts on its Italian branches. These practices were declared illegal in 1923, and alongside new legislation requiring foreign banks to register as American companies, the Comit branch was restructured in 1924 and reconstituted as the Banca Commerciale Italiana Trust Company[218]. Moreover, the financial service of collecting deposits and remittances was shared with two other Italian banks operating in the area—namely, Banco di Sicilia and Banco di Napoli. However, both adopted a stance of open competition, which was, in some respects, unfair and economically unsound. For instance, Banco di Sicilia lowered interest rates on dollar deposits and waived service fees for small accounts, while Banco di Napoli introduced a home collection service for customer deposits, thereby significantly increasing its operating costs[219]. Although the remittance business gradually began to decline, partly due to the decision of U.S. authorities to reduce immigration by implementing stricter border controls, regarding BCI-NY, up to 1929 the amounts reached L.250,000,000 and only after the beginning of the Great Depression figures sharply decreased to L.48,000,000 in 1934. Overall, the general trend was downward also for the other Italian banks in New York and that is one of the reason BCI-NY and its subsidiaries in Boston and Philadelphia experienced a period of severe distress that led to their reorganisation between 1935 and 1938. Although the remittance business gradually declined (Gomellini, Ó Gráda 2011—mostly due to the decision of U.S. authorities to tighten immigration controls and restrict entry (Schneider 2011, pp. 69-74)—BCI-NY managed to handle remittances amounting to L.250,000,000 up until 1929. However, following the onset of the Great Depression, this figure dropped sharply to L.48,000,000 by 1934[220]. A similar downward trend affected the other Italian banks operating in New York, and this decline was one of the factors that led BCI-NY and its subsidiaries in Boston and Philadelphia into a period of severe financial distress, ultimately resulting in their reorganisation between 1935 and 1938.

Given that the aftermath of the Great Depression severely affected Italian communities and, together with stricter immigration laws, led to a decline in the remittance business, two additional factors contributed to the reorganisation of the Comit network in the United States. Firstly, regarding BCI-

[218] ASI-BCI, AD2, fo. 22, f. 3.
[219] *Ivi*, f. 4, p. 13.
[220] *Ibidem*, pp. 13-15. Furthermore, the average amount of remittances from BCI-NY fell from Lit. 3,300 per remittance in 1929 to Lit. 760 in the first half of 1935. ASBI, *Carte Beneduce*, folder 223, f. 10, pp. 9-10.

NY and its city agencies, The difficulties faced by the organisation can be attributed to a series of structural and managerial shortcomings. Chief among these was a lack of prudence in management, which adopted a predominantly speculative approach at the expense of sound, traditional banking practices. The mandate to assess the organisation's operational scope was either neglected or poorly executed[221], while the selection of both managerial and executive staff proved to be ill-judged[222]. This was compounded by an artificially inflated management structure that burdened the institution without adding real value. Further problems stemmed from the actions of the local management, who in several instances either withheld critical information from the central office or presented it in a deliberately misleading manner. This led to the deliberate shadowing of problematic situations, designed to delay inevitable consequences. Legal support was also inadequate, leaving the organisation vulnerable in matters requiring professional legal oversight. An overambitious expansion policy—particularly the acquisition of failing banks and the opening of branches in ill-suited locations—further weakened the organisation. This strategy placed considerable strain on an already fragile structure that lacked the capacity to sustain such disproportionate growth. Internal controls were insufficient, and the imbalance between operational costs and realistic profit potential became increasingly untenable. Finally, the criteria used in appointing members to the Board of Directors were questionable, and the board itself failed to provide effective collaboration or oversight[223]. Overall, BCI-NY's five city agencies—located in Harlem, Brooklyn, Long Island, and in Manhattan (on Mulberry Street, in the heart of Little Italy, and on Sixth Avenue)—were all closed and merged into the main office on William Street in Manhattan.

Secondly, the reorganisation of Comit's branches occurred within a broader context that also drew the attention of the then Minister of Finance, Paolo Thaon di Revel[224]. In a report, his Ministry proposed a merger of the various Italian trust companies operating in New York, with the aim of enhancing the reputation of a single consolidated Italian bank, while simultaneously reducing management costs. The institution intended to absorb the other trusts was Banco di Napoli. However, due to concerns over a significant loss of deposits—stemming both from the natural dispersion expected after a bank liquidation and from potential damage to customer confidence among the

[221] In this regard, the new management of BCI-NY began establishing a research department tasked with monitoring and analysing the trust's client base. The aim was to maintain an up-to-date understanding of investment and financing opportunities within the New York financial centre, both for BCI-NY itself and for the wider Comit group. ASI-BCI, AD2, fo. 22, f. 3, p. 73.

[222] Among the trust's personnel, former members of the Italian Army were generally regarded as the least competent, yet dismissing Italian staff was viewed almost as an act of betrayal. One of the key reasons the former management of BCI-NY strongly resisted the new leadership was precisely the introduction of efficiency measures and staff restructuring carried out by the incoming trust manager and his team. *Ivi*, p. 77.

[223] *Ivi*, p. 72.

[224] Fondazione Einaudi, Historical Archive of Paolo Thaon di Revel, fo. 21, f. 197, pp. 12-13.

Italian-American community—as well as differing strategic approaches within Comit and the other banks, the BCI-NY trust ultimately maintained its *status quo*[225].

A similar situation unfolded with the Comit trust companies in Boston and Philadelphia. In both cities, the Italian communities were undergoing a process of progressive Americanisation and detachment from Italy, compounded by the continued economic crisis, which had left many of them impoverished. In this context, the possibility of Banco di Napoli acquiring the two trusts was considered, given that their core activities—deposit collection and remittances—closely aligned. Nevertheless, Comit's Head office opted for their liquidation after being informed by the reports prepared by Guglielmo Reiss Romoli and his staff between 1935 and 1937. In the specific case of Boston, the decline in banking activity was also partly due to the growing relationship between the First National Bank of Boston and Credito Italiano, which displaced Comit from a partnership it had previously held exclusively[226].

4.2.1 Becoming a correspondent bank: the transformation of Banca Commerciale Italiana's US network during the 1930s

The aim of this section is to compare the credit lines opened between January 1935 and two key dates: June 1940 and December 1941. These latter dates correspond to the closures of the London and New York branches respectively, following Italy's entry into the war—first against Great Britain and later against the United States as part of the Axis powers. In the words of the Manager of Comit's Overseas Branch to the BCI-NY manager, dated 6 April 1937, an evolution in the activities of the American affiliate was outlined, in light of the economic and financial context of the mid-1930s:

> […] It is our intention to develop, within your institution, the business of correspondence with foreign banks—the very function characteristic of a foreign agency, which ought to represent your principal sphere of activity. To this end, firm offers on exchange transactions serve as the most practical incentive in the present circumstances, while we likewise regard the 90-day discounting of commercial paper as another instrument to be effectively employed here[227]

Correspondent banking refers to a relationship between two banks, typically based in different countries, in which one bank (the correspondent) provides services on behalf of the other (the respondent). These services include the execution of international payments, foreign exchange transactions, and trade finance, allowing smaller or regionally based banks to access the global

[225] Comit itself had prepared a similar report, which was also sent to Beneduce. The report acknowledged the state of the Italian trusts operating in New York State: «It cannot be denied that the three small Italian trusts—each controlled by different entities and managed according to current practices marked by duplication and irrational competition—are unable to operate profitably in New York. It is therefore considered essential that, if the three (or two) institutions are to continue operating, clear agreements must be reached regarding the general policy each is to follow». ASBI, *Carte Beneduce*, fo. 223, f. 10, pp. 30-31.
[226] ASI-BCI, AD2, fo. 22, f. 1.
[227] ASI-BCI, SE, s, fo. 1, f. 1, pp. 472-743.

financial system without maintaining a physical international presence. Banks enter into formal agreements that involve holding reciprocal accounts and agreeing on fees, interest rates, and settlement procedures. For instance, if an importer requests a payment to be made to an exporter abroad, the importer's bank may instruct its correspondent in the relevant country to carry out the payment, with balances settled between their accounts. When no direct correspondent link exists, intermediary banks must be used, making the transaction path more complex. This delay introduces a number of risks: market risk due to currency fluctuations, counterparty risk in the event of a bank's failure, and operational risk arising from potential system failures. The high volume and interconnectedness of such transactions also give rise to systemic risk across the banking sector. To avoid the high cost of pre-funding or waiting for complete reconciliation, banks accept these risks in exchange for revenue through service fees and spreads. Unlike the internal transfers handled within a multinational bank's own branch network, where risks and costs can be managed internally, correspondent banking relies on contracts between separate legal entities. Nonetheless, it remains a fundamental function of commercial banking, long associated with trade-related credit and currency exchange. It generates income not only from fees and margins but also through the cross-selling of additional financial services. While technology has evolved, correspondent banking continues to play a pivotal role in enabling cross-border financial activity worldwide (Molteni, Pala, Schenk 2025, pp. 4-5).

Correspondent banking literature has presented across the years manifold case studies that have contributed to have a better understanding on the topic. This research strand has attracted both the attentions of economists and economic historians. Lawrence and Lougee (1970) have analysed the demand for correspondent banking services in the United States, considering both their spatial distribution and the volume of demand. They have highlighted bank size as a key factor in explaining variations in the total number of correspondent ties and their geographical reach. Similarly, Osterberg and Thomson (1999) have investigated the effects of regulatory changes in the U.S. on the concentration of correspondent balances and domestic deposit markets. Concerning the Australian banking system between 1830-1960, Merrett (1995) has argued that certain types of 'transaction' services were well suited to the use of agent banks, whereas banks seeking to provide 'intermediation' services across borders were more likely to establish multinational branches. He has also demonstrated that the settlement of international trade payments—one of the fundamental functions of international banking—was particularly well suited to market-based transactions. Panza and Merrett (2019) have provided new quantitative evidence on the number and geographical distribution of correspondent banking relationships in the 1930s. Using data from Thomas Skinners' Bankers' Almanac, they have documented over 2,000 correspondent banking connections, primarily

concentrated in London and New York, alongside a smaller cohort of multinational banks. In recent years, scholarly research has increasingly focused on this area.

Moreover, scholars have also examined correspondent banking networks during periods of crisis. For example, Richardson (2007) has analysed the role of the correspondent check-clearing system in the collapse of the banking sector during the Great Depression. His research has demonstrated that correspondent clearing networks were particularly vulnerable to counterparty cascades, a weakness exacerbated by accounting conventions that overstated available reserves. Similarly, Accominotti (2012; 2019) has explored the role of London merchant banks in transmitting the 1931 banking crisis that affected Austria and Germany, highlighting its impact on sterling devaluation and the United Kingdom's exit from the Gold Exchange Standard.

Recently, Kisling and Molteni (2023) have explored the relationship between the London money market and the credit provision of non-British overseas banks in peripheral economies during the first wave of globalisation (1889-1913). On the other hand, Molteni, Pala, and Schenk (2025) have examined thousands of bilateral payment connections between banks in Italy and London throughout the 20th century, adopting a much more granular approach than previous studies. This perspective enhances the understanding of the geography of cross-border economic activity by moving beyond the national scale of most existing analyses of trade and payments, revealing instead the highly localised nature of these financial networks.

Delving into data analysis, this part leverages archival sources of Intesa Sanpaolo archive, specifically the collection named *Verbali del Comitato della Direzione Centrale* (Minutes of the Central Direction Committee). The time frame selected for the analysis is intended to align with the appointments of new managers at both BCI-NY and Comit-London, marking important shifts in branch leadership. More importantly, it encompasses the period surrounding the imposition of financial sanctions (November 1935–July 1936), which will be the focus of the following chapter. Figure 23 illustrates the evolution of credit lines extended by Comit-London and BCI-NY between January 1935 and December 1941. To offer an accurate depiction of the actual credit volumes, the dataset accounts for the specific dates on which each credit facility was opened, suspended, renewed, or matured, alongside any adjustments such as increases, reductions, or cancellations affecting the companies and banks involved. The graph clearly highlights that, during the period of financial sanctions, a significant number of credit lines were suspended at both the London and New York branches, reflecting Comit's status as an Italian institution. Nevertheless, in the New York hub, several credit lines remained active, and new ones were even established in the early months of 1936, despite the ongoing sanctions. Although the graph might give a misleading impression—suggesting that the total volume of credit extended in New York exceeded that of London—it is important to note that the

trends are expressed in US dollars (red line) and pounds sterling (blue line), respectively. In reality, if the amounts recorded by BCI-NY were converted into pounds, they would be lower than those in London. However, the decision was made to retain the original currencies in order to emphasise that, proportionally, the recovery of credit activity following the imposition of sanctions was markedly quicker in New York than in London. Moreover, BCI-NY maintained its credit lines throughout 1940 and the majority of 1941, even if some of these remained largely unused. This strategy was pursued deliberately, as keeping the facilities open was considered preferable to closing them and potentially jeopardising valuable trading relationships.

Figure 23. Monthly credit lines of BCI-NY and Comit-London (in millions of dollars and millions of pounds).

Source: ASI-BCI, VCD, vols. 26-51.

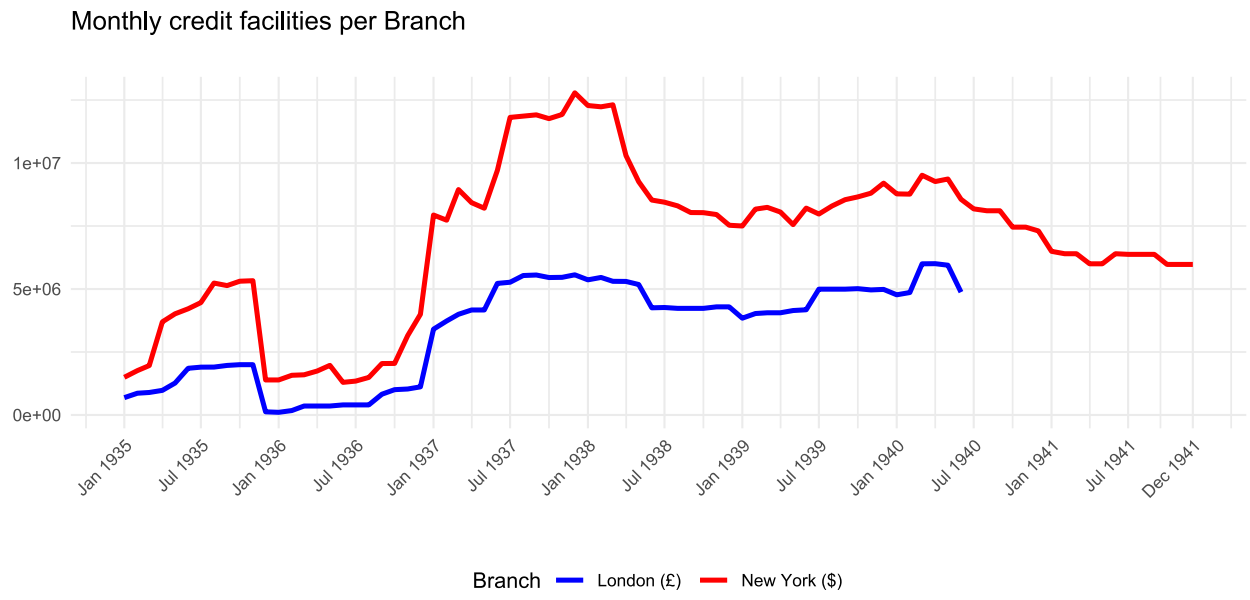


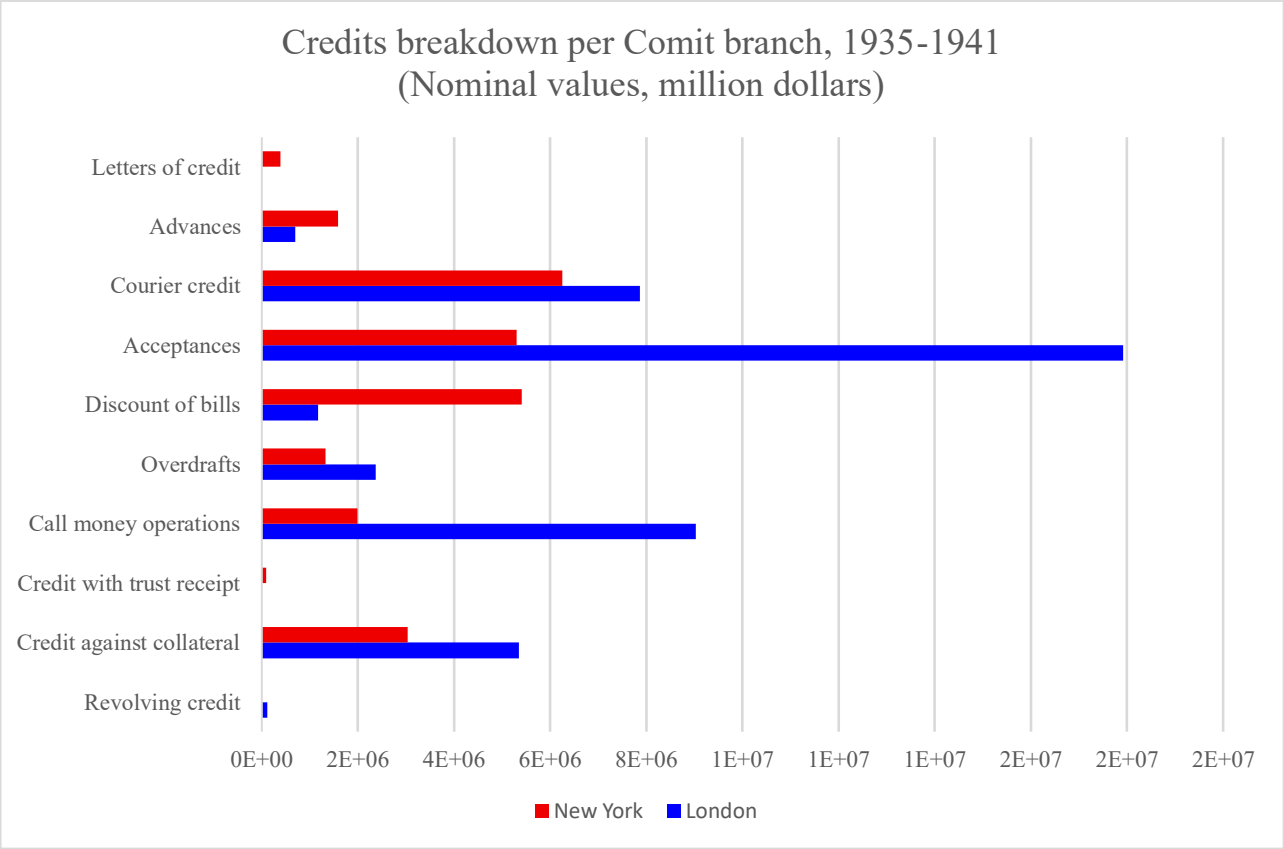
Figure 24 provides a comparative overview of the principal credit operations carried out by Comit-London and BCI-NY, with all figures converted into US dollars to allow for a direct comparison between the two branches. The data reveals some clear distinctions in operational focus and business specialisation between the London and New York offices. In London, the core areas of activity remained centred around acceptances, which reached over $17.9 million, by far the most substantial figure. This was followed by call money operations, which totalled approximately $9 million—reflecting the city's role as a hub for short-term interbank lending—and courier credits, at around $7.9 million. Credit against collateral also represented a significant portion of London's credit operations, exceeding $5.3 million. By contrast, BCI-NY displayed a different set of priorities. The most significant component was the discount of bills, totalling $5.4 million, indicating the branch's strong involvement in commercial paper financing. This was followed by courier credits ($6.25 million) and

acceptances ($5.3 million), which remained an important part of its activity, albeit to a lesser extent than in London. Credit against collateral also accounted for $3 million, while call money operations in New York stood at $1.99 million—considerably lower than in London.

Other smaller operations included overdrafts, advances, and letters of credit, the latter appearing only in New York at $390,000. London registered no activity in trust receipt credits, whereas New York reported $95,000 in this category. Revolving credit was minimal in London and absent in New York. Overall, figure 24 underscores how London maintained its traditional strengths in core financial services such as acceptances and interbank lending, while New York was more focused on commercial bill discounting and diversifying across other credit types. This reflects not only market preferences but also broader structural differences in the financial ecosystems of the two cities.

Figure 24. Comparison between the different types of loans opened by BCI-NY and Comit-London (million dollars)[228].

Source: ASI-BCI, VCD, Vols. 26-51.



A few remarks are necessary regarding the types of credit reported in figure 24. Some of these do not fit neatly within standard financial classifications. For instance, bills discount refers to the purchase and potential resale of bills; acceptances serve more as guarantees for the payment of goods by

[228] For comparison purposes, the credit lines of Comit-London in pounds have been converted into dollars. See: FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/USUKFXUKQ, April 18, 2025.

exporters than as actual credits (Accominotti, Ugolini, 2025); and revolving credits involve the extension of credit facilities upon maturity. Call money has also been included. These items have been incorporated into the overall calculations in order to provide a more complete picture of the business conducted by the BCI affiliate in New York and the BCI branch in London. The Italian branches of BCI are not included in this analysis—indeed, they were not mentioned in the board committee's minutes—suggesting that the total volume of business was likely even greater.

Figure 25. Geographical distribution of Comit-London's credit facilities (million pounds).

Source: ASI-BCI, VCD, vols. 26-51.

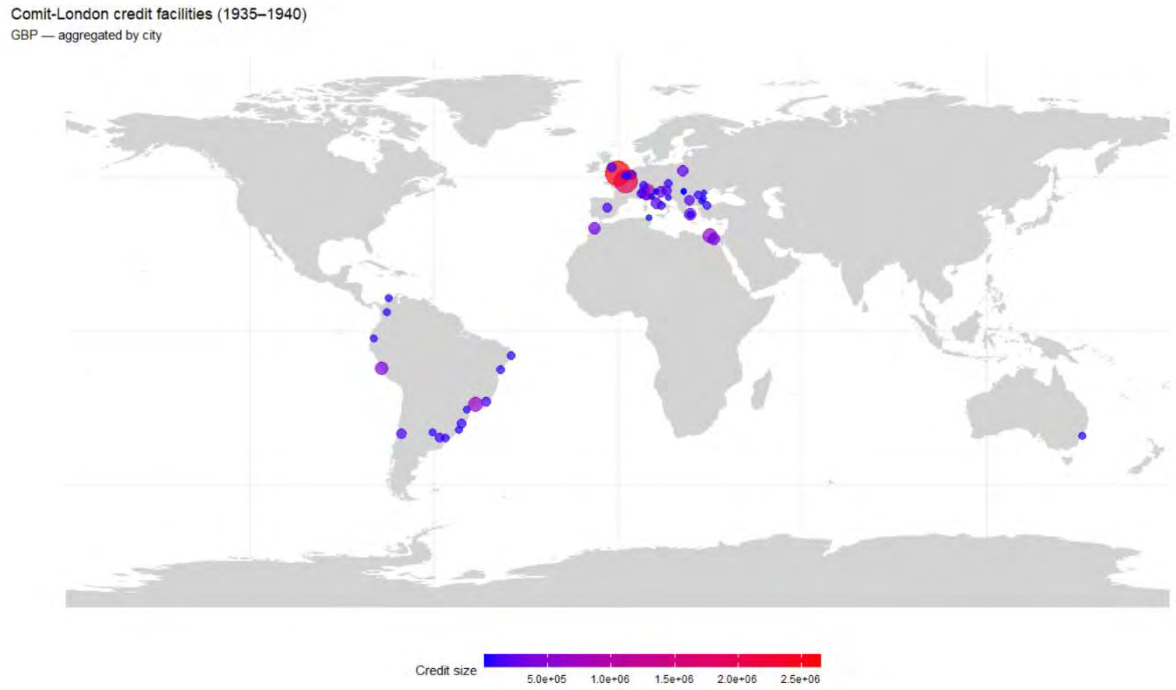


Figure 25 visualises the geographical distribution of credit facilities extended by Comit-London between 1935 and 1940, aggregated by city and expressed in GBP (nominal values). Each circle corresponds to a city where credit was granted, with the size and colour intensity of the circle indicating the volume of credit: smaller, blue circles represent lower amounts, while larger, red-toned circles signal higher values. The largest facilities were clearly concentrated in Western Europe, particularly in London and Paris[229], suggesting a strong focus on intra-European financial operations. Cities of Eastern Europe and Eastern Mediterranean basin (including Cairo and Alexandria) also show

[229] The total figure for London (£2,647,068) also accounts for call money transactions—very short-term loans, typically maturing within a day, that are exchanged between banks and financial institutions to manage temporary liquidity surpluses or shortfalls. These are essentially overnight loans issued at variable interest rates and repayable on demand. Regarding Paris, the total amounts of the credit lines opened was £2,021,739.

notable activity, reflecting Italy's political and economic interests in the region during this period. South America, especially Brazil, with the centre of São Paulo, and Argentina, emerges as another important area, likely linked to longstanding Italian diasporic and trade connections. The smaller circles scattered across Colombia, Norther Brazil, Balkan peninsula, and even Australia indicate Comit's global reach, though with more limited financial engagement.

In Italy, Milan was the centre that was more financed, with a total of £839,766, followed by Trieste, and Rome. In addition to the import of raw materials, financing was also provided for aircraft components—for example, a loan granted to Alfa Romeo for the purchase of 21 engines and three compressors from Rolls-Royce, on which Comit charged a 1.5% commission[230]. Funding was likewise extended for the acquisition of merchant vessels, a topic that will be examined in greater detail in the following chapter. Furthermore, Comit consistently sought to preserve and strengthen its relationships with commercial partners that enabled it to expand its business volumes, with particular emphasis on strategic sectors such as oil imports. These partnerships were crucial for maintaining the bank's international relevance and operational breadth. In this context, Comit-London often acted on behalf of the Rome branch by settling payments for oil imports, thereby playing a key role in facilitating Italy's access to raw materials while supporting the group's financial interests abroad. However, the Italian state-owned oil company AGIP (*Azienda Generale Italiana Petroli*) reached a direct agreement with the U.S. company Socony Vacuum Oil for a credit facility to finance oil imports into Italy. In response, the committee approved a reduction in the credit lines previously extended to AGIP, although it expressed concern over this contraction. The cancelled facilities included 30/60/90-day acceptances on Comit-London, 90-day acceptances on Midland Bank arranged via Comit-London, and similar arrangements in New York in favour of Socony. As a result, the committee instructed the Rome branch to remain wary and to ensure that AGIP's direct dealings did not undermine the hard-earned positions previously secured by the bank[231].

In addition to the substantial credit facilities denominated in pounds sterling, Comit-London also extended financing in various foreign currencies, albeit on a more limited scale. These included loans in US dollars, Italian lire, Chilean pesos, Turkish lira, and Romanian lei. Specifically, revolving credit was issued in Chilean pesos for a total of 1,300,000, while credit against collateral included $270,526 and 10,000,000 Romanian lei. Overdraft facilities were provided in Italian lire (1,500,000) and Turkish lira (100,000). This diversification reflects the bank's wider international reach, even though such transactions remained secondary in volume compared to those conducted in sterling. Overall,

[230] ASI-BCI, VCD, vol. 26, pp. 1-3.
[231] ASI-BCI, VCD, vol. 39, p. 15.

the geographical distribution of the map underscores both the breadth of Comit-London's operations and the strategic prioritisation of certain economic zones on the eve of the Second World War.

Looking at figure 26, the most substantial portion—over $10 million—was directed to New York, confirming BCI-NY's central role in lending and liquidity support within the U.S. market, as compared to the other markets in which it was present. Other significant allocations included Milan ($1,946,344), São Paulo ($1,765,000), Paris ($1,105,000), Antwerp ($1,000,000), and Rome ($995,000). A considerable number of credits were also extended to Latin American cities such as Lima, Bogotá, Buenos Aires, Rio de Janeiro, Guayaquil, and Montevideo, underlining the strategic importance of the region for Italian financial and commercial interests, since the major South American cities had been also interested of Italian immigrants' colonies. Moreover, cities in Eastern Europe and the Balkans—such as Budapest, Sofia, Zagreb, and Tirana—received moderate levels of credit, reflecting the bank's outreach across the Balkan Peninsula, although this presence was affected by a gradual downturn throughout the 1930s.

In fact, despite the widespread presence of Comit's affiliates across the region, trade between individual Balkan countries and Italy remained modest, with figures significantly lower than those achieved by Germany (Iaselli, pp. 161-163). Even after the adverse effects of the League of Nations' sanctions had subsided, Germany's commercial performance in the Balkans far outstripped Italy's—reaching levels four times higher in the case of Romania, and as much as twenty times higher in the case of Bulgaria[232]. In this context, a compromise with regard to Germany's clear economic dominance might have been worth considering. Specifically, the Turkish branches and Balkan affiliates could have collaborated with the major German banks—which lacked direct branches in the region—by acting as their agents for advance payments on goods or for issuing guarantees on supplies from German firms[233]. Such a strategy, which might have boosted Comit's banking activities in the area, was never pursued due to its evident political ramifications. As Italy grew increasingly economically aligned with and dependent on Germany, any overt competition in the Balkans would almost certainly have encountered strong resistance from the German banking sector.

Meanwhile, smaller but widespread credit lines were issued to various locations across Italy, including Naples, Palermo, Genoa, and Trieste, likely in support of export and import-related activities. Among the Italian cities which were financed, it is interesting to remark that Rome, after Milan, was the main Italian city in which companies were financed. Delving into details, AGIP received the bulk of these credits. BCI-NY confirmed a $65,000 credit at sight against documents for AGIP to purchase 9,000 tons of oil, with payment deferred by three months. It also opened a $300,000

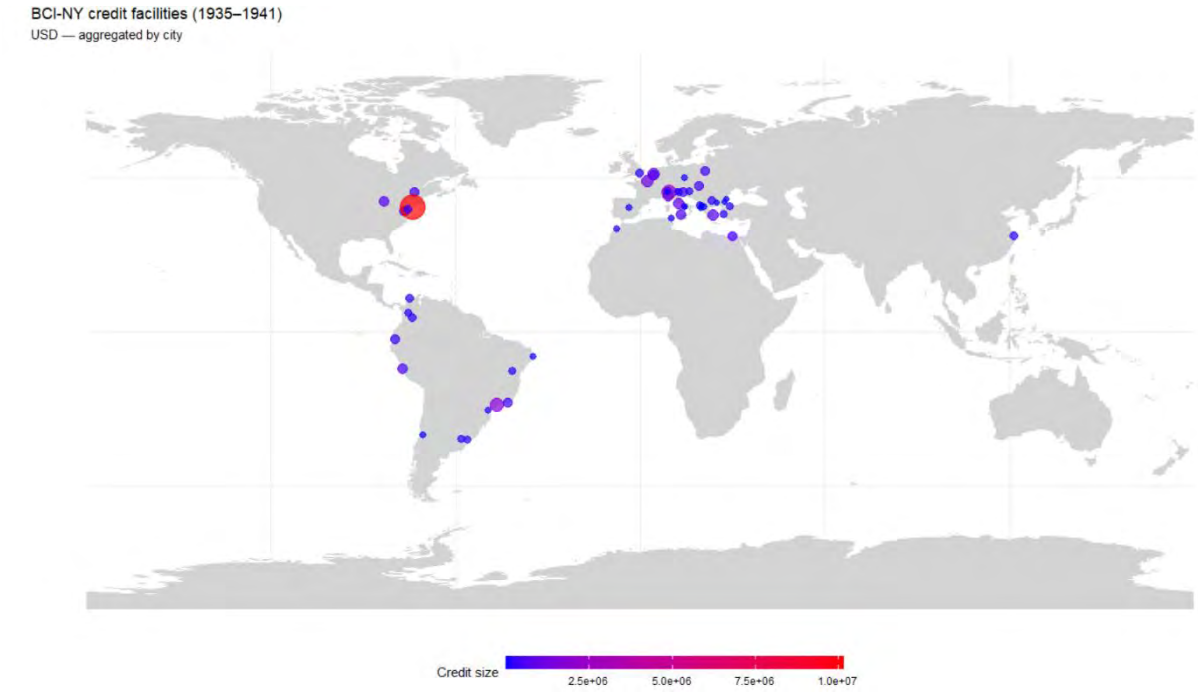
[232] ASI-BCI, SE, s, fo. 12, f. 3.
[233] *Ibidem*.

credit line in 90-day acceptances. Both credits were issued on account of the Rome branch and were charged with a 1/8% commission for sight credits and 1% for acceptances. BCI-NY granted AGIP an additional $285,000 in 90-day acceptances, confirmed a further $134,000 credit for oil imports, and issued another $285,000 in 90-day acceptances to settle payments to the Socony Vacuum Oil Company[234]. Credits were also extended to other markets like Shanghai, Casablanca, and Istanbul, in which Comit was present with a branch.

Alongside its primary operations in U.S. dollars, BCI-NY also issued a limited number of credit facilities in foreign currencies, although these were modest in scale compared to its dollar-denominated business. In particular, revolving credit and acceptances were both extended in Italian lire, each amounting to 1,000,000, reflecting the bank's continued ties to Italian clients and institutions. Additionally, a small amount of credit against collateral was granted in sterling, totalling £21,186. These figures illustrate BCI-NY's selective engagement in foreign currency lending, complementing its main activities within the US financial system.

Figure 26. Geographical distribution of BCI-NY's credit facilities (million dollars).

Source: ASI-BCI, VCD, vols. 26-51.



Between January 1935 and 10 June 1940, the London branch opened credits amounting to £10,809,923, of which £9,266,150 were in favour of foreign banks and companies. This does not imply, however, that no credits were issued for imports into Italy. Credits totalling £1,543,773 were, in fact, opened in favour of Italian banks and companies. As for BCI–New York, during its

[234] ASI-BCI, VCD, vol. 32, pp. 12-16; vol. 33, pp. 15-16; vol. 38, pp. 22-23 vol. 45, p. 26.

reorganisation, it opened credits totalling $26,713,344 between January 1935 and 7 December 1941. Of this amount, $21,687,000 were issued in favour of foreign banks and companies, while $5,026,344 were in favour of Italian ones. The general trend observed in both Comit branches was a clear preference for foreign markets, consistent with the historical context outlined in the previous chapter, which described a reduction in acceptance activity for Italian firms during the 1931 banking crisis. Finally, Comit-London remained the foreign subsidiary with the highest volume of financing at the end of the 1930s, even though it was surprisingly absent from the New York market.

4.3. *Stepping in from the periphery: the reorganisation of Banco Italiano di Guayaquil by BCI-NY branch manager, 1939–1941*

In addition to providing medium-to-short-term financing for the Italian productive sector through bills of exchange, BCI-NY also served as the key point of reference for all Comit's affiliates and subsidiaries in South America, including the Banco Italiano di Guayaquil (Italbanco). This pivotal role was obtained thanks to its ability to accept and rediscount bills on the New York discount market and being a credit institution registered in the United States—an essential condition for operating within the country. From the second half of the 1930s, the branch also took on a supervisory role over Italbanco. This new duty was part of a broader process of decentralising management and oversight activities from the Head office in Milan, implemented during the bank's administrative and accounting reorganisation between 1933 and 1934 (Leopizzi 2015). This policy was borne by managing director Raffaele Mattioli[235] and his team of central directors (Giovanni Malagodi, Antonello Gerbi, Giuseppe Zuccoli, Giorgio Di Veroli, Enrico Righi). With the branches granted greater autonomy in the initial phases of credit approval and the drafting of annual reports on economic and financial performance, operations became more streamlined, easing the burden on the Head office and the Foreign Accounting and Control office.

The monopolistic control of every banking activity, a feature of the leadership of the former managing director Giuseppe Toeplitz (Telesca 2008, pp. 823-824), was replaced with a collegial approach, particularly during organisational restructuring. For example, Malagodi was assigned the task of reorganising Comit's Italian branches[236], while Enrico Righi oversaw the accounting reorganisation. Moreover, starting in 1934, Comit was relieved of all its industrial sector holdings by the Istituto di Ricostruzione Industriale (IRI), becoming, albeit with significant autonomy, a state-controlled bank. All of these developments reflected a shift in the bank's governance model, marked by greater state

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[235] Mattioli R. (2010), *Uscire dalla crisi: comunicazioni interne sul salvataggio della Banca commerciale italiana, 1933-1934*, edited by Pino F. and Gaido F., Torino, Aragno.

[236] Malagodi G. (2010*), Dalla crisi allo sviluppo: scritti per la riorganizzazione delle filiali Comit, 1934-1935*, edited by Pino F. and Gaido F., Torino, Aragno.

control embodied in the figures of Alberto Beneduce, Donato Menichella, and Vincenzo Azzolini (the directors of the IRI and the Governor of the Bank of Italy, respectively). Following the 1936 banking reform—which prohibited banks from engaging in both long-term and medium-to-short-term financing—the phenomenon of interlocking directorates, characteristic of bank boards since 1913, significantly diminished. However, in the more remote branches of Comit, as the selected sources will show, utilitarian management practices and conflicts of interest persisted. The case of Italbanco provides an in-depth look into the dynamics within a credit institution and its links to the industrial sector.

Sponsored by the Italian Company of Ecuador, led by the Senator of the Kingdom of Italy, Delfino Parodi, Italbanco had a capital of 2 million Sucres (S.) in 1923[237], which was decreased to S.700,000 in 1927. Subsequently, with Comit's intervention, there was a recapitalisation of S.1,000,000, with a new issue of 800 shares assigned entirely to SICMI. by Comit[238]. The bank also acted as guarantor for long-term loans to the Compañía Italiana de Construcciones (CIC), which was involved in several contracts commissioned by the Ecuadorian government and the municipal administration of Quito. Although not among the most prominent banks in Ecuador, in 1933 it held the largest reserves in foreign currency, amounting to S.1,860,943.34, followed by *Banco Anglo-Sudamericano* with S.1,254,239.25. Moreover, it held a greater volume of 'non-discountable' bills and investments with the central bank (S.1,030,420.78) than those eligible for rediscounting (S.849,716.88). Of the total ordinary loans, which amounted to S.1,471,400, a sum of S.465,000 consisted of documented credit facilities. The remainder was distributed among approximately forty clients, primarily in the form of agricultural loans for cocoa exports, as well as loans secured by securities and personal guarantees. At the time of the Bank of Italy's inspection, Italbanco was experiencing a relatively stable period and was under the supervision of *Banco Italiano di Lima*, which, however, held no direct interest apart from having seconded some of its personnel, including the then Italbanco's branch manager, who will be discussed in this section.

In the second half of the 1930s, its performance deteriorated under the management of director Federico Saporiti, who was at the centre of a network whose members held top positions in companies with large overdrafts and debt positions with the bank. As mentioned earlier, in 1935 Italbanco came under the direct control of Comit's New York branch, whose director, Guglielmo Reiss Romoli, also sat on the Board of directors' member. For this reason, Romoli reproached Saporiti for the heavy debt

[237] ASBI, *Direttorio – Azzolini*, fo. 82, f. 1, p. 8. Divided into 2,000 shares of S. 1000 each, distributed as follows:
- No. 920 to CIDE (*Compagnia Italiana dell'Ecuador* – Parodi Group). Majority shareholder.
- No. 200 to Comit (through the financial holding *Società Internazionale di Credito Mobiliare e Immobiliare*).
- No. 60 to Zaccaria Pisa Bank and no. 80 to *Banca Nazionale di Credito* (National Credit Bank).
- No. 800 to Ecuadorian shareholders.

[238] *Ivi*, p. 9. ASI-BCI, VCA, vol. 9, pp. 146-147.

position towards New York and the exposure to multiple businesses (some based in Ecuador, others in Italy) that were unable to repay their debts. Between 1935 and 1939, this oversight could not be fully exercised due to staff shortages and the considerable time required to manage operations in the United States.

In 1937, an official from New York, Emilio Mayer, had already been sent and drafted a report dated 31 December on the situation he found. The institution had actual liquidity of 1,364,000 Sucres, consisting of the balances of two companies (about one million Sucres) that could be withdrawn on demand. To offset this, Italbanco had covered the liquidity by overdrawing at its branches in London, New York, and Paris for a total of 1,363,000 Sucres. As Mayer reported, the insufficiency of treasury funds was «mainly attributable to credit lines extended in amounts exceeding the customers' capacities, for which Italbanco must intervene upon the arrival of goods»[239]. The warnings from New York were systematically ignored and «too often remained a dead letter in the face of an attitude of complete independence, poorly concealed by respectful reassurances of having taken 'due note'»[240]. Therefore, in 1938 Mayer was sent to Guayaquil as a commissioner, to whom Saporiti concealed the guaranteed deed of 440,000 Sucres in favour of the CIC. The positions of various companies and local entrepreneurs with respect to Italbanco were as follows:

Table 15. Italbanco's financial exposure Breakdown (thousands Sucres)[241].

Compañía Italiana de Construcciones.

Position at	*Assets*	*Liabilities*
28/02/1939	601,000	101,000
30/04/1939	1,094,000	407,000
07/07/1939	1,567,000	503,000

Illescas group (Francisco Illescas, Ignacio Illescas Barreiro, Carlos Illescas Barreiro, Carolina Oil Company, Petropolis Oil Company).

Position at	*Assets*	*Liabilities*
28/02/1939	128,000	—
30/04/1939	231,000	—
07/07/1939	542,000	200,000

Fiore group (Riccardo Fiore, UNICA, Hanna & Compañía, Compañía Immobiliaria Fiore).

Position at	*Assets*	*Liabilities*
28/02/1939	1,090,000	164,000
30/04/1939	953,000	929,000

[239] ASI-BCI, CM 247, f. 3, no. 4/att. 3.
[240] *Ivi*, no. 1/att.
[241] *Ivi*, no. 1.

07/07/1939	1,226,000	351,000

Italbanco's substantial immobilisation in these three business groups fundamentally compromised its ability to meet its obligations in the event of a crisis and a potential bank run. This was precisely the concern raised in the observations from New York, which were repeatedly ignored. As stated in a report by Romoli to Raffaele Mattioli in September 1939, Saporiti «behaves like a syrupy local despot, treating every form of oversight as a bureaucratic machine that suffocates him with its numerous requests for clarification—requests triggered by his habit of concealment»[242]. He had already marginalised the bank's co-director, Ottavio Delle Donne—a respected official in New York since 1927—who became deputy manager of Italbanco in June 1938, replacing Commissioner Tabacchi. After Mayer's arrival, Tabacchi supported the policy of credit reduction explicitly requested by Romoli, helped by Saporiti's temporary medical leave. This led to alarming rumours about the bank's situation spreading in the local market, which the Consul in Guayaquil reported to his superior in Quito. The latter found no basis for the concerns, prompting Romoli to suspect that the rumours originated from «personal manoeuvres or hostilities»[243] involving the Guayaquil Consul and Saporiti himself. In a note to Mattioli, Romoli pointed out that the Consul had previously served as director of the bank until 1935 and as president of the CIC[244], thus closely tied to Saporiti. He amplified the Consul's complaints, accusing Mayer and Delle Donne of lacking diplomacy in navigating such a volatile environment, as he himself observed:

> This is a country that is both easy and difficult – one must live here to understand it. When the new managers have come to know it, perhaps in a few years' time, they may find it even harder to collect the promises debtors are now making to pay as soon as possible. Also, in these small countries, many clients believe that the bank belongs to whoever sits at the director's desk.[245]

There was clearly a climate far from conducive to cooperation with the socio-economic fabric orbiting Italbanco—its own director, as already noted, was at the centre of high-risk activities and maintained personal ties with leading figures in local businesses. Saporiti's connections were not limited to the industrial sector; he also gained control over the flow of information entering and leaving Guayaquil.

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[242] *Ibidem*.
[243] *Ivi*, no. 3.
[244] *Ivi*, no. 27. «It is interesting to recall that our current representative [the consul] in Guayaquil, former director of Italbanco, was president of the CIC until 1935, at which time Eng. Parodi Delfino, his principal, sent to Ecuador the Baron Luigi Cataldi to reorganize his interests and the presidency was "offered" to Saporiti from whom it then passed to Almerini».
[245] *Ivi*, no. 29/att. 1.

Evidence of this was found in a report by Mayer, prepared for Romoli, describing Saporiti's return from leave:

> Just for the record, I inform you that as soon as he returned from his short leave, S. [Saporiti] isolated himself on the ground floor in the offices used by Navigazione Italia [a company linked to Italbanco], completely cutting us off from the bank's administration. The entire old clique of Illescas […], Fiore, Navarro Allende, Ana Zavala, etc., reappeared in the bank offices as if by magic. From 2 September onward, all operations were conducted directly by S., not only without consulting us but without even informing us (as he had done before, meaning only once the operation was already completed). His adviser is [Adeodato] Tabacchi, and his trusted assistant is Pattay, who, I found out, took note of the figures from the encrypted messages I sent. Therefore, I believe it necessary to use a different code in confidential communications, especially considering that one of S.'s brothers-in-law works at the Cable Company, and we know from experience that obtaining copies of cables addressed to third parties is easy.[246]

By early October 1939, in order to deal with an increasingly unmanageable situation—by Mayer's latest assessment in July 1939, Italbanco's exposure to the CIC had ballooned to a staggering 2,400,000 Sucres—Romoli suggested to Mattioli the gradual removal of Saporiti from Italbanco, to avoid backlash or hostile reactions from companies linked to him. He also approved Mayer's proposed recovery plan, which essentially continued the previous policy of reducing liabilities, now with the added objective of eliminating delinquent clients. In the following months, despite being aware of the changing direction, Saporiti persisted in his activities. On 2 December 1939, the *Superintendencia de Bancos* sent Saporiti a report on Italbanco's balance sheet, which he failed to share with Romoli, Mayer, or Delle Donne. The latter two only obtained the report from the Superintendent by subterfuge[247]. The report highlighted excessive credit extensions to the aforementioned companies associated with Italbanco and also flagged irregularities in Saporiti's communication with the Superintendent during inspections between April and September 1939—inspections from which Mayer and Delle Donne were barred. As noted by the official in charge:

> In referring to the overall credit distribution to the firms Carolina Oil Co., Petropolis Oil Co., Dr Francisco Illescas B., Compañía Italiana de Construcciones, Compañía Inmobiliaria Fiori, Ricardo Fiori and Unión Nacional Industrial C.A., [Saporiti] stated that the total credit granted to these firms amounted to 117.56% of the Bank's Paid Capital and Reserve Fund, that is S/. 1,763,440.07, when in reality, the total credit extended to those firms was as follows:
>
> - Carolina Oil Co., Petropolis Oil Co., and Dr Francisco Illescas Barreiro: S/. 546,140.04.
> - Compañía Italiana de Construcciones: S/. 667,483.17.
> - Compania Inmobiliaria Fiori, Ricardo Fiori, and Unión Nacional Industrial C.A.: S/. 969,720.80.
>
> For a total of S/. 2,183,344.01, or 145.55% instead of the stated 117.56% of the Paid Capital and Reserve Fund.[248]

[246] *Ivi*, no. 20/att.
[247] *Ivi*, no 35/att.
[248] *Ivi*, no. 35/att. 1-att.

During his tenure, Saporiti repeatedly violated various articles of the Ecuadorian General Banking Law, exceeding the 10% lending limit to individual companies and the bank's reserve capital, as well as surpassing by four percentage points the 5% limit on the volume of foreign currency operations. In terms of bank acceptances, Italbanco affixed its signature to guarantee medium-to-short-term bills of exchange—which lacked the necessary conditions at the time of issuance—for a value exceeding its capital by 82,000 Sucres. By the final months of 1939, the imbalance in Italbanco's accounts began to reduce, albeit slowly. At the beginning of 1940, Corrado Del Vecchio was appointed as Saporiti's successor. Del Vecchio was a respected and well-known figure at Comit's central management in Milan, having previously served as director of the Sudameris branch in Santiago, Chile. Before relocating to Guayaquil, he travelled to New York to be thoroughly briefed by Romoli on the situation there. As reported by Delle Donne in a letter to Romoli, the transition in management occurred without major issues, and a professional and serious working environment was re-established—something that had been missing in the previous years. Furthermore, the New York branch's position towards Italbanco changed: at the request of its director, and for professional reasons, it was formally relieved of its supervisory duties in August 1940 (officially at the end of that year).

The reorganisation and rescue of Comit's small Ecuadorian subsidiary provide a compelling case study for a close examination of the internal workings of a credit institution and its relationships with businesses and entrepreneurs, offering a concrete example of insider lending in practice. By capitalising on his integration within Comit's international network, Saporiti managed to outpace local competitors by drawing on his accounts in US dollars and British pounds held at the bank's New York and London branches—resources he mobilised in response to Ecuador's currency depreciation and to finance short-to-medium-term trade through the use of acceptances. The geographical distance from Comit's head office in Milan, combined with an initial lack of stringent operational guidelines, contributed to the emergence of moral hazard and insider lending at Italbanco. This section has shown how Comit's central management responded to this issue within a peripheral group subsidiary. With support from the management team at BCI–NY, the bank was at least able to replace Saporiti with a manager who was demonstrably more detached from clientelist dynamics and less inclined to grant credit without proper due diligence.

4.4 *Concluding remarks of the chapter*

The acceptance activity of both BCI-NY and Comit-London experienced a marked contraction around the crises of the late 1920s and early 1930s, and volumes never returned to pre-1929 levels, as shown by the monthly trends in Graphs 12 and 13. Moreover, by comparing the institutional frameworks of London and New York, it is possible to trace the diverging paths of the two Comit branches. The London office, on the one hand, had to contend primarily with external shocks—starting with the 1914 crisis and later the sterling crisis in September 1931—but it also operated in an increasingly unfavourable environment during the latter half of the 1930s, particularly after Italy's gradual political and economic alignment with Germany following the imposition of international sanctions between November 1935 and July 1936.

The dataset used in this research enables a more disaggregated examination of credit activity, permitting a breakdown of credit flows by both city and credit type. This granularity enhances our understanding of the geographic and functional dimensions of the bank's operations. The latter half of the 1930s was shaped by complex regimes of exchange, import, and capital controls. Yet, what emerges as particularly noteworthy is the way in which a multinational banking institution such as Comit continued to operate across international boundaries despite these constraints. The case of Comit highlights the nuanced and often heterogeneous nature of global correspondent banking, even within the same banking group and timeframe, such activity could vary considerably, as demonstrated by the differing financial roles and strategies of the New York and London branches. These findings underscore the adaptability of multinational banks and the importance of local context in shaping international financial operations during the interwar period.

Moreover, Historical evidence suggests that, proportionally, BCI-NY's credit lines recovered more readily than those of Comit-London during and after the sanctions period. While both branches operated within a context of overall credit contraction, they attempted to return to 'business as usual'. In particular, BCI-NY gradually shifted its role—from a bank focused primarily on deposit-taking and remittances, as outlined in the previous chapter, to that of a more conventional correspondent foreign agency, similar to Comit-London. This transition was driven by both external shocks, which

negatively affected the economic condition of Italian immigrant communities in New York, Boston, and Philadelphia (impacting the three Comit trusts), and internal issues, such as a relatively ineffective management team and entrenched patronage practices among staff. These challenges necessitated a rationalisation of operating costs, leading to the closure of the Boston and Philadelphia trusts and the consolidation of the New York City trust's agencies into a single office. In both cases, the outbreak of the Second World War brought a sudden halt to further developments. However, post-war reopening followed different timelines: a new Comit representative office in New York was established soon after the war, while a new London branch was not opened until the early 1970s.

Finally, the last paragraph on the reorganisation of Italbanco illustrated a case of insider lending within the Comit group and how the Head Office delegated to the BCI-NY branch manager, Guglielmo Reiss Romoli, and his management team the task of restructuring the Ecuadorian subsidiary. This involved outlining a plan to reduce exposure to clients linked to Guayaquil's import-export and construction sectors, as well as appointing a new branch manager for Italbanco, replacing the previous one.

PART THREE

NAVIGATING SANCTIONS: FASCIST ECONOMIC POLICY, CLEARING AGREEMENTS, AND THE MEDIATING ROLE OF COMIT-LONDON BRANCH (1935–1940)

Chapter V explores the strategies employed by Italy—and Comit in particular—to navigate the complex landscape of international economic sanctions imposed by the League of Nations following the invasion of Ethiopia in 1935. It begins with a review of the theoretical literature on economic and financial sanctions, assessing their intended effectiveness, patterns of compliance, and the various methods of circumvention used by targeted states.

The chapter then turns to the measures adopted by British authorities to enforce and monitor compliance with these sanctions. At the time, the United Kingdom's central position within the international financial system—anchored in the pre-eminence of the City of London—enabled it to implement financial sanctions with relative efficiency and to employ them as a deterrent against evasion. In addition, Britain's extensive diplomatic infrastructure, consisting of embassies and consulates worldwide, played a vital role in monitoring maritime commercial traffic. This network allowed British officials to gather intelligence on merchant vessels suspected of transporting prohibited goods, particularly materials intended to support Italy's war effort in Ethiopia.

Subsequently, the analysis shifts to the transformation of international trade relations following the devaluation of the pound sterling in September 1931. In this context, the chapter examines the emergence of bilateral clearing agreements as a mechanism regulating commercial flows, alongside the continued—though reduced—use of traditional financial instruments such as bank acceptances. Within this evolving framework, Italian financial diplomacy actively sought to re-establish stable relations with the United Kingdom, adapting its strategies to the dual pressures of the new international economic architecture and the sanctions' regime enforced between November 1935 and July 1936.

It is within this reconfigured environment that Comit's role becomes particularly significant. From 1936 to 1940, the bank was instrumental in reasserting Italy's presence within international financial circuits in London. Comit not only facilitated the gradual normalisation of financial relations with Britain and its banking system but also extended critical support to sectors such as maritime trade. In doing so, it contributed to Italy's broader strategy of economic reintegration and stabilisation in the face of enduring external constraints.

CHAPTER V

FINANCIAL CHOKEPOINTS AND NEW TRADE PATHS: HOW COMIT AND FASCIST ECONOMY FACED THE AFTERMATH OF ECONOMIC SANCTIONS.

Since the outbreak of the war in Ukraine in 2022, the discussion on the effectiveness of economic sanctions has regained considerable attention among scholars and policymakers. The conflict has provided a stark illustration of the varied impact of different types of sanctions: while financial measures—such as the exclusion of Russian banks from SWIFT and restrictions on access to international payment systems—have demonstrated significant coercive power, broader economic or trade sanctions appear less immediately effective in altering state behaviour. These contemporary developments highlight the relevance of understanding not only the political outcomes of sanctions, but also the mechanisms through which targeted countries adapt to financial pressure. Against this backdrop, this study examines the historical case of Fascist Italy, exploring how sanctions intersected with banking strategies and alternative trade mechanisms, and offering insights into the dynamics of financial coercion and economic adaptation.

From this standpoint, the present research focuses on the experience of Comit, one of the most internationally oriented Italian banks of the period, with significant branches in both London and New York. By shifting the analytical lens onto Comit, the study aims to shed light on the mechanisms through which Italian financial actors responded to the combined pressure of economic and financial sanctions, and how they engaged in a process of strategic adjustment to maintain their operational capacity in foreign markets. Particular attention is paid to the way in which British authorities employed financial instruments as tools of coercion, leveraging the threat of exclusion from London's financial market as a means to ensure compliance by both domestic and foreign banks. This approach allows for a more fine-grained analysis of the role played by financial institutions in mediating and, at times, mitigating the effects of sanctions. Furthermore, the research examines how the development of bilateral clearing agreements from 1931 onwards intersected with the sanctions' regime and, in practice, provided Italy with an alternative channel for international trade. These agreements, which did not require transactions to pass through the financial hubs of London and New York, became an increasingly important instrument for sustaining commercial flows during the period of sanctions. Unlike conventional trade arrangements, clearing agreements did not involve any advance payment in foreign currency; rather, imports and exports were balanced bilaterally, allowing countries such as Italy to avoid the need to route transactions through major financial centres and thus circumvent the constraints imposed by sanctions. By analysing archival materials from The National Archives, the Bank of England Archives, and the United Nations Archive in Geneva, the study reconstructs the

interaction between Comit's financial strategies and the broader evolution of Italy's clearing agreements, showing how both contributed to Italy's capacity to adapt to financial coercion. In doing so, it links the sanctions' regime to the structural reorientation of Italian international economic relations in the second half of the 1930s, offering new insights into the nexus between financial sanctions, banking strategies, and trade diplomacy.

Sanctions are widely understood as a coercive way a sender country or countries—or an international/regional organization—seek to impose pressure at the expense of a target country. Overall, sanctions are used as a last resort before war and attempt to change a certain behaviour, force nations away from pursuing authoritarian and war policies, or act against human rights (Giumelli 2023). The logic behind them lies in the interdependence between nations: this can be weaponised to withdraw benefits such as preferential trade access or inclusion in international payment circuits. State relationships are not hierarchical, and there is no universally agreed set of laws for the implementation of measures against them, excluding international organisations. Therefore, the terms "countermeasure" or "retaliation" may be more precise than "sanction" in certain contexts (Marossi and Bassett 2015). Although the research questions addressed by economists, sociologists, political scientists, historians, and jurists are not new (e.g., how can sanctions be measured? can they change target behaviour?), Giumelli (2023) sought to organise them around evolution, effectiveness, and legitimacy, the latter from an international law perspective. He provided analytical instruments for assessing economic sanctions, offering a detailed record of all types—unilateral, multilateral, extraterritorial, horizontal—and all actors involved: sender and target countries and the audience, meaning the reception of these measures by other nations, institutions, or individuals. By doing this, Giumelli aimed to diminish the discretion with which the success of sanctions is addressed. A first dataset forming the basis for subsequent academic work was compiled by Hufbauer, Schott, and Elliot (1990), who used a case study approach to present 116 cases of sanctions, ranging from the trade blockade against Germany by the Entente in 1914 to the UN embargo on Iraq in 1990. Their aims were to determine when sanctions succeeded in accomplishing foreign policy goals (effectiveness), what factors aided their success, and what costs were incurred by senders and targets. Effectiveness has long been a vexed issue in sanctions literature. James M. Lindsay (1986) proposed a broad framework for assessing success, including compliance, deterrence, international symbolism, and domestic symbolism. If at least one objective was achieved, the sanction could be considered a 'success'. This debate continued in International Security, where Robert Pape and David A. Baldwin disagreed on methodology: Pape assessed success based on behaviour change, while Baldwin focused on comparative usefulness, examining how alternative measures could achieve better results at lower costs. Lacy and Niou (2004) introduced a game-theoretic perspective, noting that even threatened

sanctions—without actual implementation—can affect outcomes by shaping expectations. Kaempfer (2007) argued that the effectiveness of sanctions relies on commitment and conflict expectancy, while Giannella et al. (2015) analysed types of measures and success rates, relying on the HSE dataset. Their conclusion was that effectiveness depends on measure relevance, sender and target costs, sanction severity, circumvention, and clarity of policy goals.

Another research strand investigates the consequences of sanctions and sender decision-making. Kaempfer and Lowenberg (1988) used a public choice approach to identify domestic political and economic incentives within sanctioning countries and noted that even ineffective sanctions could provoke regime changes in targets by signalling threats. Drezner (1998, 1999) introduced a game-theoretic model of economic coercion, highlighting that countries expecting frequent conflicts may resist immediate concessions, implying that senders often gain more from allies than enemies. Dichotomous views are found in Fearon (1994), Nossal (1999), Bolks and Al-Sowayel (2000), and Nooruddin (2002), discussing the influence of regime type and audience costs on sanction compliance. Krustev and Clifton (2011) showed that specific sanctions lead to faster target compliance and lower sender capitulation. Pond (2017) illustrated how economic sanctions can reorient domestic markets, though with potential distortions. Attia et al. (2020) emphasised the importance of sender capitulation and target compliance, noting higher political volatility increases chances of target compliance. Felbermayr et al. (2021) and Özdamar and Shahin (2021) called for interdisciplinary approaches, integrating economics, political science, law, and network analysis to better understand sanctions.

Financial sanctions, particularly when employed extraterritorially, have been a focus of recent scholarship (Drezner 2015; Arnold 2016; Eichengreen 2022; McDowell 2023). The effectiveness of such measures depends on sender authority and financial sector compliance. For instance, the exclusion of Syrian banks from SWIFT produced severe humanitarian crises due to overcompliance by financial intermediaries fearful of penalties. This pattern has prompted Russia and China to develop alternative payment systems post-2014 and 2015 respectively, challenging Western dominance of international finance (Farrell and Newman 2019).

Sanctions also have legal dimensions: Marossi and Bassett (2015) discuss the difficulties of implementing sanctions within international law. Orakhelashvili (2015) questions whether EU sanctions on Syria (2011) were truly multilateral, as they lack a formal legal basis. Extraterritorial sanctions have been critiqued for their legal precariousness (Mohamad 2015; Marossi 2015). Giumelli et al. (2022) offer a framework of “implementation” encompassing transposition, application, and enforcement at the domestic level. A gap in the literature exists regarding post-sanctions effects on

the banking sector in targeted countries. Farrell and Newman (2019) underexplored how the UK, US, and EU weaponised finance to deny access to discount markets, the dollar, and SWIFT, prompting target countries to seek independence. Studies have largely focused on sender perspectives, neglecting overcompliance and exit strategies of target banks (Besedeš et al. 2021; Giumelli 2023; Arnold 2016). Historically, literature has concentrated on diplomatic aspects of the Abyssinian crisis. Villari (1943) presented early accounts, though biased by Fascist propaganda. Quartararo (1980) provided a more comprehensive analysis of Fascist foreign policy, while Chiavarelli (1969) examined naval operations affecting sanctions enforcement. Rochat (2005) noted the limited deterrence efforts by Britain. Strang (2013) highlighted imperial constraints and US-Italy dynamics, while Waddington (2013) explored German opportunism. Moreover, scholarly literature has traced the roots of Italian imperial ambitions pre- and post-Versailles (Mallett 2015; Podestà 2004; 1996). Holt (2011) discussed British domestic concerns influencing sanctions, while Ristuccia (2000) analysed economic implications of coal and oil embargoes. Kindleberger (1970) portrayed sanctions as largely ineffective, though Strang (2008) offered counterarguments regarding practical limitations.

A key missing perspective concerns the effect of financial sanctions on Italian banks and how the British authorities strategically weaponised banking exclusion to enforce compliance. Studying Comit's operations in London and New York can illuminate how Italian banks navigated the ban on bank acceptances from October 1935 to July 1936, a measure whose lifting lagged behind that of broader economic sanctions. Historical analyses have focused on Fascist government countermeasures and autarkic policies, but less on the analytical tools to examine banking strategies, sender compliance, over- or undercompliance, and links between sanctions of 1935–36 and later British Defence finance regulations (1939). During the 1930s, a new mechanism for financing international trade emerged: bilateral clearing agreements. These arrangements allowed countries to settle imports and exports bilaterally without the need for advance foreign currency payments, effectively bypassing major financial centres. For Italy, this system provided a practical route to sustain international commerce despite restricted access to London and New York, as transactions could be balanced directly between partner countries. The clearing agreements were, therefore, both a response to the structural limitations imposed by sanctions and a strategic tool enabling Italian banks, such as Comit, to maintain trade flows while avoiding legal or financial obstacles in conventional markets.

In the context of global trade contraction, bilateral trade agreements, and beggar-thy-neighbour policies, these clearing agreements complemented Comit-London's efforts to restore conventional financial operations and Italian economic diplomacy with British counterparts between 1935 and 1940, showing that ties persisted until shortly before hostilities in June 1940.

Building on this historical and analytical background, the study formulates two core research hypotheses. The first posits that financial sanctions were particularly effective in constraining Italian economic activity due to the strong deterrent influence of London's financial centre, whose threat of exclusion induced high compliance even among foreign banks. The second hypothesis considers the role of Comit as a critical intermediary in the post-sanctions recovery of Italian international banking relations, investigating how the bank leveraged its London and New York branches to restore conventional credit flows and re-establish operational capacity in global markets. By integrating these hypotheses with archival evidence and the broader literature on sanctions, the research links the coercive effects of financial exclusion to the strategic adjustments of Italian banks, highlighting the interplay between sanctions, banking strategies, and international economic diplomacy in the late 1930s. This integrated perspective combines sanctions literature, financial coercion, and historical analysis, linking Comit's banking strategies with the evolution of clearing agreements and the broader trajectory of Italian international economic relations in the 1930s.

5.2 *Effectiveness, compliance, and monitoring: the multi-faceted aspects of League of Nations' sanctions*

From February 2022 to the present, the European Commission alongside the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) have progressively implemented a series of economic and financial sanctions targeting Russia in the wake of its military aggression in Ukraine. It is important to emphasise, however, that without sustained political resolve, sanctions are unlikely to achieve their intended impact. Despite efforts by NATO and European Union countries to limit Russian oil exports through the introduction of a price cap on crude oil, these exports have continued. Concurrently, Russia has sought to develop a shadow fleet composed largely of very old oil tankers. In recent times, OFAC has begun imposing sanctions on some of these vessels, which frequently operate without transponders once they reach international waters. Nevertheless, from 2022 to the present, this fleet's expansion has been supported by the willingness of Western shipowners to sell tankers to Russia, with particularly active participation from European shipowners, notably those of Greek origin (Brooks, Harris 2025). Although the situation cannot be directly compared to that of 90 years ago, it is notable that the British Board of Trade did impose certain controls on commercial vessels suspected of carrying goods that could support Italy's military efforts in Ethiopia. At a time when there were no transponders to track maritime movements and no supranational, universally acknowledged, authority to regulate or sanction cargoes directly, the Board of Trade, through the network of British embassies and consulates, was nonetheless able to monitor shipping activity where there were indications of a potential link to Italy.

For instance, one example is provided by the British Consul in Panama, who on 12 November 1935 reported the departure from the port of Colón of two cargo ships carrying nitrate, originating from Chile and reportedly bound for the Azores, although their final destination remained unclear. Roughly a week later, the Consul communicated further details concerning a third vessel: the Hungarian steamship *Osarda*, registered in Budapest, had sailed from Colón with a cargo of nitrate from Iquique, also bound for the Azores. The registered owners were the Anglo-Hungarian shipping company, managed by C. Barthe of Trieste, while the beneficial owners were reported to be Messrs. Craggs and Company, 4 Lloyd's Avenue, London[249]. Furthermore, in a communication dated 31 October 1935, the British consul of Athens reported to the Board of Trade a matter of potential concern regarding the shipment of emery—a material used in the manufacture of abrasives and possibly of war-related equipment—from the Greek island of Naxos to Italy. The report included a despatch from the British Vice-Consul in Syria highlighting the arrival of the Italian steamship *Cadamosto*, registered in Venice, at the port of Moutsouna on 24 October 1935. The vessel had remained at the port for 48 hours awaiting loading and was expected to require an additional four to five days to complete the consignment of approximately 1,500 tons of emery. The report emphasised that the cargo was destined for an Italian port and explicitly noted that emery could be utilised in the production of military material. The dispatch was marked as urgent and referred to the Board of Trade for consideration in light of Britain's undertakings to apply economic sanctions against Italy following its invasion of Ethiopia.

On the same date, a separate memorandum was issued by the British Vice-Consul in Dunkirk to H.M. Consul in Lille, reporting intelligence received from a reliable source concerning the imminent departure of the Norwegian tanker *Sildra*. The vessel was due to sail on 31 October 1935, carrying a cargo of 10,000 tons of aviation spirit intended for delivery to an Italian port, the specific destination yet to be determined. The memorandum further noted that the freight charges—totalling £26,400—were to be settled in London prior to delivery. The petrol was supplied by the *Raffinerie des Pétroles du Nord*, based in Dunkirk. The transaction raised concerns about the possible circumvention of sanctions through neutral carriers and commercial arrangements involving British financial channels[250].

[249] The National Archives, *Board of Trade* 11 (henceforth TNA, BT), folder 370/3311/35. While the available information did not confirm the vessels' ultimate destinations, the route—Panama to the Azores and onwards to Europe—raises the possibility that such trips could have continued to Italian ports. The pattern observed suggests that, even in the absence of modern surveillance technologies or binding international mechanisms, British authorities were able to exercise a degree of vigilance over maritime traffic that might have been connected, directly or indirectly, with Italy's military logistics.

[250] *Ibidem*.

In this context, a brief digression is appropriate to outline the background to the imposition of sanctions and to clarify the limits of British enforcement. The United Kingdom was only in a position to monitor and restrict the importation into Italy of goods linked to the war effort in Ethiopia when such transactions involved some form of British intermediation—as in the example discussed above, the financial intermediation provided a point of leverage. However, while oil was never formally included among the categories of sanctioned goods during the League of Nations' enforcement of economic measures against Italy in response to its invasion of Ethiopia, documentation from late August and early September 1935 already points to patterns of procurement consistent with war preparation. In particular, rising demand for aviation spirit and kerosene, alongside notable logistical and infrastructure efforts in Eritrea and Italian Somaliland, underscores the military significance of oil imports during this period[251]. British and American oil companies, notably Shell and Socony-Vacuum, were actively engaged in transactions involving fuel products, albeit often through intermediaries or under specific financial terms aimed at limiting direct state involvement. In correspondence forwarded by the British Consul General in Alexandria, the Shell Company (in Egypt) provided details regarding the supply of motor spirit and other petroleum products to Eritrea and Italian Somaliland. The correspondence reveals a complex trade environment in which British and American oil companies continued to operate, despite the deterioration of diplomatic relations. In Eritrea, Shell and other firms were selling motor spirit and kerosene in Italian currency, on a cash basis, to agents operating primarily from Massawa. The logistical challenges inland were considerable, with significant road congestion making it difficult to maintain inland fuel stocks; as a result, nearly all commerce was concentrated in depots at the port. The Fascist dictatorship typically sourced its petroleum needs from AGIP (*Azienda Generale Italiana Petroli*), the main state-owned oil company, but frequent shortages led Italian authorities to seek supplementary supplies from foreign firms, sometimes on credit. Shell reported that, in contrast, it sold to its agents strictly on a cash basis.

For large Italian government orders, Shell and the Socony-Vacuum Corporation provided quotations F.O.B.[252] Suez, requiring cash in sterling against shipping documents. Aviation spirit, essential for military air operations, was being supplied directly to the Italian government in Eritrea, strictly against cash in sterling. In Italian Somaliland, oil companies sold motor spirit and kerosene in Italian currency, though attempts to enforce a cash system had met with limited success. AGIP and Texas Oil operated through Italian agents, who were reportedly obliged to extend credit to government entities.

[251] *Ivi*, no. 40.

[252] FOB, which stands for Free On Board, is a term used in international trade, specifically in Incoterms, which indicates the point at which responsibility and costs for a shipment pass from the seller to the buyer. In practice, the seller is responsible for delivering the goods on board the ship.

Shell, for its part, maintained its policy of selling to the Italian government only for sterling cash prior to delivery. Supplies of aviation spirit for use in both Eritrea and Somaliland followed the same cash-in-sterling policy[253]. Attached to the report (illustrated in table 16), there was a statistical summary comparing petroleum product consumption in Eritrea and Italian Somaliland for the period January to July 1935, with corresponding figures for the whole of 1934. Notably, the figures for «motor spirit» in Eritrea appeared inflated due to the inclusion of large shipments from AGIP, most of which had not yet been consumed—indicating possible stockpiling ahead of military operations. This quantitative evidence, combined with the qualitative reporting on supply routes, infrastructure expansion, and aviation logistics, offers a compelling illustration of how petroleum trade—though not prohibited under sanctions—functioned as a critical enabler of Italy's East African campaign, consistently with scholarly literature that investigated why the economic sanctions against Italy in 1935 did not work (Strang 2008; Ristuccia 2000).

Table 16. Oil imports in Eritrea and Italian Somaliland (thousand tons).

Source: TNA, BT 11, 370/3311/35, no. 40.

Eritrea	*Motor spirit*	*Aviation*	*Kerosene*	*Fuel oil*	*Asphalt*
1934	1,064	108	1,170	334	79
January-July 1935	14,778	864	2,22	1526	5518
Italian Somaliland	*Motor spirit*	*Aviation*	*Kerosene*	*Fuel oil*	*Asphalt*
1934	2,123	2	1,736	1,102	121
January-July 1935	4,676	3,557	1,196	988	120

Financial sanctions are designed to restrict a country's capacity to engage in intertemporal trade—namely, its ability to borrow abroad, use accumulated foreign reserves to finance current imports, or employ current export earnings to secure future imports. The central principle is that while export revenues might ordinarily fund trade across time, financial sanctions serve to disrupt this mechanism.

[253] TNA, BT 11, 370/3311/35, no. 40. Moreover, British reports painted a bleak picture of conditions in Eritrea: the port of Massawa was described as «almost chaotic», overwhelmed with goods piled unguarded along the quay, and plagued by theft. Efforts to complete the Massawa–Asmara road, being asphalted with Shell material, were significantly delayed—Shell's own foremen doubted completion would occur before the following year. The only element of effective organisation noted in the reports was the Royal Italian Air Force, whose logistical and aerodrome development was described as efficient and methodical.

Targeting a country's existing foreign financial assets tends to be the most politically feasible form of sanctions, as it avoids the broader economic fallout associated with trade restrictions. However, such measures may undermine confidence in the stability of global asset markets, potentially affecting the sanctioning states' own reputations. Financial sanctions are particularly effective when the targeted state is dependent on access to international capital markets to source imported goods and inputs. Under such conditions, sanctions may provoke or exacerbate a sudden halt in financial inflows, thereby impeding the country's ability to finance trade and possibly triggering a wider financial crisis, including bank runs. In these scenarios, the impact of international financial sanctions is likely to be most pronounced (Itskhoki, Ribakova 2024, p. 441).

In this regard, as will be further discussed below, financial sanctions proved to be the only truly effective measures, for a variety of reasons. Chief among them was the continued centrality of London as the hub of international finance. Exclusion from the City—understood primarily as the inability to access its financial intermediaries for short-term trade financing—became the principal instrument wielded by British authorities against Italy and its banking system. While the overall efficacy of economic sanctions has been the subject of debate—particularly given that oil and coal exports to Italy were never physically obstructed, except where such transactions relied on financial channels passing through London—financial sanctions had a demonstrable impact. In particular, Comit-London saw a marked decline in its acceptance business, owing in part to the caution exercised by merchant and clearing banks. These institutions, fully aware of the potential ramifications, referred their concerns to HM Treasury and the Bank of England for guidance. Likewise, American banks, especially those based in New York, exhibited reluctance to risk jeopardising their access to the London financial market and, also in respect of the figures showed in the previous chapter, the acceptance activity of BCI-NY had also a substantial downturn during the sanctions. This broader international financial alignment, motivated by the strategic importance of the City, was a significant factor in the relative success of the financial sanctions imposed on Italy.

More broadly, however, the United States, not being a member of the League of Nations, was officially classified by the Italian customs authorities as a non-sanctionist country. This status proved crucial for the Italian economy, as it enabled the Fascist regime to mitigate the effects of the economic siege by accessing goods that were otherwise restricted through the American market. As a result, the proportion of Italian imports originating from the United States increased significantly, rising from 11.2 per cent in 1935 to 14.8 per cent in 1936 (Ristuccia 2000). In the Federal Reserve's Annual Reports for 1935 and 1936, specific information can be found concerning the official position of the U.S. central banking system on the financing of merchandise shipments to belligerent nations, with explicit reference to the ongoing conflict between Italy and Ethiopia. The documents of the Board of

Governors reveal that, in November 1935, the Governor of the Federal Reserve Bank of New York sought guidance from the Board regarding the appropriate conduct to be adopted in relation to the financing of trade with countries involved in the conflict[254]. In its response, the Board emphasised that the Federal Reserve System was expected to cooperate with the United States Government in implementing its official policy of neutrality. This policy, articulated by the State Department in November 1935, held that trade in what were defined as "essential war materials" ran directly counter to the interests and declared policy of the United States. The Board further noted that questions might arise concerning the use of the Federal Reserve Banks' rediscount facilities in support of such commercial transactions and indicated that any such cases should be brought to its attention should they occur[255]. However, as shown in figure 23, the volume of credit lines extended by BCI-NY to its clients experienced a sharp decrease, as documented in the minutes of the Comit Executive Committee. Many lines were suspended due to the sanctions, further evidence of the strong deterrent effect exerted by the financial centre in London. This, in turn, meant that allowing an Italian bank to conduct its operations in New York represented a risk too great for U.S. authorities to permit. It is also noteworthy that, although the overall level of credit never fell to zero, the minutes of the Comit directors reveal that some lines remained technically active but were effectively unused because of the sanctions.

In the immediate aftermath of the imposition of sanctions against Italy in October 1935, Italian financial institutions operating in the United Kingdom, including the London branch of Banca Commerciale Italiana (Comit-London), were subject to a complex and tightly enforced regime of restrictions. Notably, compliance was not merely procedural but carried a tone of grave legal obligation; as expressed internally by Carlo Lovioz, in a letter to his managing director Raffaele Mattioli, the atmosphere was likened to being «in the trenches», and even the most experienced professionals found little room for interpretation or clemency. The sanctions held the force of law, and any infringement risked personal criminal liability, leaving no doubt as to the seriousness with which enforcement was pursued[256]. The financial sanctions were a group of measures that British authorities adopted, leveraging on the centrality of the London hub, which acted as a real bottleneck for Italian banks:

- Deposits: All new loans to Italians—interpreted to include deposits by non-Italians (including Italians resident in the UK) at Italian banks—were prohibited. However, demand deposits were allowed to continue at the levels recorded on 29 October 1935, which served as the benchmark for permissible holdings.
- Cash Loans: Existing cash loans to Italian clients were permitted to be maintained but not exceeded beyond the level registered as of 29 October.

[254] Federal Reserve, Annual report for the year 1935.
[255] Federal Reserve, Annual report for the year 1936.
[256] ASI-BCI, CM 154, f. 1, no. 50.

- Lira Accounts: While there was initial pressure to liquidate lira accounts held at Italian banks, due to their classification as indirect loans via central bank counterparts, these accounts were ultimately allowed to be maintained. Foreign currency accounts were not restricted, and banks were not required to hold equivalent cash in banknotes.
- Commercial Credits: All new commercial credits in favour of Italian entities were prohibited unless covered in advance. There was legal ambiguity around previously confirmed credits, as clearing banks argued these were irrevocable under statutory obligations. A compromise was likely, permitting enforcement of credits linked to contracts entered into before 25 October. For Comit-London, however, the issue had become largely moot, as most confirmed credits had already been provisioned by clients.
- Acceptances: The discounting of acceptances involving Italian interests was banned. This stemmed from a broader prohibition against endorsing any bill drawn for the benefit of an Italian. Nonetheless, holding such acceptances in portfolio (i.e. without rediscounting) remained technically permitted, and some foreign firms (e.g. a Japanese company) had indicated willingness to do so.
- Remittances to Italy: Transfers to Italy were allowed only when funded in advance, either through existing deposits or newly made funds lodged at the ordering bank.[257]

In a meeting between Lovioz and the Bank of England's manager, Cameron Cobbold, this latter conveyed the Bank's strong interest in ensuring that Comit-London remained operational. He informed Lovioz that this view had been communicated to the Treasury and reflected a broader institutional stance. Additionally, the Bank of England had taken the initiative to express to the Treasury its confidence in the willingness of both Italian banks in London to comply fully with the sanctions' regime. Cobbold characterised the sanctions as a political instrument, suggesting they should be met with patience in the hope that they would not be prolonged unnecessarily[258].

As extensively discussed in Chapter Two (p. 94), the atmosphere within the City's financial circles and in the wider public debate surrounding the sanctions regime grew increasingly sombre as 8 November—the date of their formal implementation—approached. Contemporary observers emphasised the particularly precarious position of the London agencies of Credit and Banca Commerciale Italiana. As Italian institutions operating under British law, they found themselves exposed to overlapping and, at times, contradictory regulatory constraints. On the one hand, their status as Italian companies prevented them from accepting new deposits from Italian residents in Great Britain, who were treated as British subjects for the purposes of domestic legislation; existing deposits could be maintained, but any reduction in balances could not be offset by new inflows. On the other hand, being subject to British jurisdiction, these agencies were required to refrain from extending credit to Italian clients, further restricting their operational capacity. Despite this unfavourable legal and political environment, limited reassurances concerning the continued operation of Italian banks in London did emerge, albeit in a restrained and cautious manner. As reported by the *Financial News* on 1 November, the British banking community expressed concern that the forced closure of Italian agencies would damage London's international standing as a financial centre, echoing the reputational losses experienced after the outbreak of the First World War.

[257] *Ivi*, no. 60/att. 1.
[258] *Ivi*, no 63. Meeting held on 8th of November 1935.

The newspaper noted that the difficulties faced by Italian bank agencies were widely regarded with sympathy and warned against a repetition of the post-war experience, when German bank branches had been compelled to relocate their activities to Amsterdam. Their disappearance, it was argued, would constitute a loss for the London market and weaken the City's position within the global banking system. This concern for preserving London's financial centrality also emerges clearly from the archival evidence examined in this chapter. On the very day sanctions were imposed, Carlo Lovioz obtained confidential information during a meeting with Cameron Cobbold, adviser to the Governor of the Bank of England, which he subsequently conveyed to Raffaele Mattioli. According to Mattioli's account, the Bank of England had no desire to see Comit–London closed as a consequence of sanctions, which were primarily understood as a political instrument. Instead, British monetary authorities favoured a strategy of cooperation in their practical implementation. As already foreshadowed in the analysis of Comit's governance and elite networks in Chapter One, this episode illustrates the willingness of London's banking establishment to preserve institutional continuity and to facilitate a future normalisation of relations with Italian banks. At the same time, it provided the Milan head office with a measure of reassurance regarding the survival of its London branch, highlighting the mediating role played by financial elites even at the height of international political tension.

Comit-London's commitment to full compliance with financial sanctions is further evidenced by a letter addressed to the Solicitor of UK Treasury, in which the bank expressed—in markedly deferential terms—its eagerness to apply the measures in the most rigorous and scrupulous manner. In this context, the bank sought urgent clarification on a matter of routine banking relevance, reflective of many of similar transactions. The case in question concerned a request from a British bank, which had asked Comit-London to telegraph instructions to its Rome office authorising the encashment of cheques belonging to a British national resident in Italy. These cheques, drawn on the British bank itself, were guaranteed by that institution to be honoured upon presentation in London. Comit-London, citing Article 1, sub-paragraph (a), section 1 of the explanatory notice accompanying the sanctions legislation, felt compelled—albeit reluctantly—to decline to execute the instructions. The British bank, however, contested this interpretation. Accordingly, Comit-London respectfully requested the Treasury Solicitor's view on the matter, underscoring the practical importance of a definitive ruling[259].

In this sense, various British and foreign banking institutions sought interpretative guidance from the Bank of England, aiming to ensure strict compliance and thereby safeguard their continued operation

[259] Bank of England Archive, *Overseas Department: Trade and Payments, Files* 6 (hereafter OV6), folder 39, f. 1, p. 47/b.

within the London financial centre[260]. An accepting house (Goschens & Cunliffe)[261], for instance, queried whether it could lawfully issue a confirmed acceptance credit for a shipment of coffee from Brazil to Italy, given that the requisite funds were already in its possession. The Bank advised that, although such an arrangement would eventually entail participation in a bill of exchange, the transaction could be categorised as a cash operation and was therefore not, in their view, prohibited. However, it was emphasised that if the collateral were in the form of securities rather than cash, the transaction would be deemed impermissible. Similarly, the Bank of London and South America, operating in Brazil, requested clarification on whether it could continue providing banking services to its Italian clientele. The Bank of England responded that lending to Italian individuals' resident in Brazil would be treated analogously to lending to Italians resident in London—that is, it remained permissible. Conversely, any extension of credit to Italian corporations or individuals domiciled in Italy was to be refused, in line with the sanctions.

Other banks, such as Rothschilds and Hambros, raised concerns regarding the permissibility of credits related to Brazilian coffee exports and the endorsement of bills drawn by Italian entities. Luigi Capodanno, Bank of Italy's representative in London, submitted a series of queries, including whether an unconfirmed credit opened for an Italian buyer—under a contract concluded prior to 25 October—could still be honoured. The Bank's position was that if the bill of exchange had not yet been accepted, the credit should be cancelled. The Yokohama Specie Bank presented a more technical scenario: its branches routinely issued lire drafts on its account with Credito Italiano in Rome and periodically funded this account via remittances from its London office. While the explanatory memorandum listed remittances as permissible, the Bank of England stated that, strictly under the terms of the Order, such payments to an Italian bank would appear to be prohibited. However, transactions already underway—specifically, drafts already issued—might fall within the exemptions. Lastly, Midland Bank sought guidance on a set of hypothetical credit arrangements involving Italian beneficiaries and segregated cash funds. In both cases—whether the credit was in favour of an Italian with cash already on hand or involved a non-Italian seller supplying goods to an Italian buyer—the Bank of England affirmed that, as long as the transactions were strictly cash-based, they would not fall foul of the Order. These exchanges underscore the practical challenges faced by financial institutions in interpreting and adhering to the sanctions' framework, and the pivotal role played by the Bank of England in providing authoritative clarification to maintain orderly compliance within the City.

Further evidence of the cautious and rigorous approach adopted by British financial institutions in complying with the sanctions is provided by a letter dated 5 December 1935 from A. R. Capey,

[260] Bank of England Archive, OV6/39/1, p. 34-39.
[261] In account of an unspecified Swiss Bank.

Foreign Manager of District Bank Limited, to the Secretary of the Treasury[262]. The inquiry concerned a complex case involving the reconstitution of an Italian firm's branch in Rangoon. Capey reported that certain clients of the bank had been conducting business with the Rangoon branch of an Italian-incorporated company. However, the Italian firm had recently established a new entity in Switzerland—incorporated under Swiss law—into which the Rangoon operations had ostensibly been transferred. The clients sought guidance whether, under the sanctions imposed on 25 October, they could lawfully continue to extend credit to their Rangoon counterparts. While acknowledging that, in a formal legal sense, the new company constituted a Swiss juridical person, Capey expressed the view that the capital, management, and operational control remaining entirely Italian in nature rendered the change effectively nominal. He concluded that by shipping goods to Rangoon and drawing bills in sterling, the customers would, in substance, be extending credit to Italian interests, thereby breaching the sanctions' framework. This correspondence illustrates both the ambiguity and the prudence that characterised British banking compliance during the period, as firms sought Treasury clarification on edge cases and demonstrated an evident desire to uphold not only the letter but also the spirit of the sanctions' regime.

[262] Bank of England Archive, OV6/40, p. 211.

5.3 *Dealing with clearing agreements: the Anglo-Italian financial diplomacy throughout 1930s*

In the economic context of the 1930s, following the devaluation of the pound sterling in September 1931 and the United Kingdom's subsequent departure from the Gold Exchange Standard—an event that marked the beginning of its irreversible decline—nations increasingly turned to alternative channels of trade that bypassed traditional monetary mechanisms. As early as the first months of 1932, countries began entering into bilateral agreements that dispensed with the need for currency transfers in the execution of transactions. The emergence of clearing agreements[263] was a direct consequence of the introduction of exchange controls—that is, state-imposed restrictions on the purchase of foreign exchange on the open market. Although governments, in their official responses, often avoided delving deeply into this issue, it must be noted that exchange control represented just one of several defensive measures adopted by countries whose economic and financial systems were particularly vulnerable to the effects of the global depression. The sharp decline in prices and the collapse of international credit markets, in the absence of stabilising capital flows, inevitably disrupted the established patterns of international trade. This disruption exerted pressure on monetary systems, impeding the normal processes of international settlement.

The consequences were twofold: on the one hand, they gave rise to abnormal trade routes; on the other, they led to defaults in international payments or to circumstances in which artificial methods of payment had to be devised. Although clearing agreements ostensibly served as mere mechanisms to facilitate the settlement of payments, they were often employed deliberately to steer the direction of trade. This distortion of trade and of the payments' mechanism under the strain of the economic crisis was a widespread phenomenon, manifesting in varied forms across different national contexts. In response to the mounting scarcity of foreign exchange, certain governments found it necessary to restrict or even suspend external transfers in relation to financial obligations, and to curb the ability of private citizens to purchase the foreign currency required for imports using their national currency. It was in this context that the so-called clearing agreements began to multiply. Among the countries that increasingly adopted such bilateral arrangements was Italy.

Scholars have examined the historical trajectory of trade liberalisation, questioning the relative effectiveness of multilateral and bilateral trade policies across different periods of modern economic history. One of the most comprehensive overviews provides a long-term perspective on how trade liberalisation has been historically achieved and the mechanisms that have facilitated or obstructed it. This review observes that while post-Second World War trade liberalisation was largely orchestrated through multilateral frameworks such as the General Agreement on Tariffs and Trade

[263] United Nations Archives of Geneva (hereafter UNAG), *Secretariat,* C/153/M/83/1935/II-B, «Enquiry into Clearing Agreements», 3rd April 1935.

(GATT), earlier liberalisation efforts in the nineteenth century were carried out entirely via bilateral treaties—without any overarching multilateral cooperation. Notably, the MFN (Most-Favoured Nation) clause, widely used in those treaties, served to generalise tariff concessions and thus expand the reach of bilateral agreements across the continent (Irwin, 1992). The research also identifies a key turning point in 1860 with the signing of the Anglo-French Cobden-Chevalier Treaty. Although the agreement was bilateral in nature, its inclusion of the MFN clause had systemic consequences, encouraging other European states to negotiate similar arrangements to prevent trade diversion. As a result, a dense network of bilateral MFN treaties developed, establishing non-discrimination as a central principle of European trade policy—remarkably similar to the post-war GATT system. Conversely, in the interwar period, Irwin notes a reversal of this liberalising trend. Amid macroeconomic instability and pressures to defend gold reserves, countries increasingly resorted to quantitative restrictions, exchange controls, and clearing agreements. These policies fostered a 'pernicious' form of bilateralism that diverted trade and stifled international economic cooperation, contrasting with the earlier, more benign form of progressive bilateralism.

Building on Irwin's narrative, David Lazer (1999) offers a micro and macro level model of how bilateral trade agreements spread in the 1860s. He argues that changes brought about by the Industrial Revolution—particularly increasing economies of scale and lower transportation costs—amplified the risks of trade diversion for states excluded from preferential trade agreements (PTAs). This, in turn, generated political pressure from export sectors for governments to secure market access via treaties. Lazer presents a contagion model, suggesting that PTAs spread through the international system not linearly but in waves—initially slowly, then rapidly once a threshold is reached, and finally slowing again. The Cobden-Chevalier Treaty is identified as the trigger event that prompted a cascade of MFN-based agreements across Europe. Interestingly, while Britain is often portrayed as the primary mover in liberalisation, Lazer finds that France, by becoming the pivot of the MFN treaty network, was just as central in driving the proliferation of agreements.

However, this interpretation is significantly challenged by the fact that the supposed take-off in liberalisation associated with the Cobden-Chevalier Treaty and the ensuing MFN network is largely a myth (Accominotti, Flandreau 2008). In fact, trade growth in Europe had already accelerated in the 1840s and 1850s, well before 1860, and actually slowed down after the wave of bilateral treaties. The Cobden-Chevalier Treaty, they contend, did not mark a watershed moment but rather an inflection point where liberalisation began to stall. Far from deepening liberalisation, the proliferation of MFN clauses may have frozen progress by discouraging further concessions—since any benefit granted to one partner would automatically extend to all. In this sense, bilateralism functioned more as a vehicle for protectionism dressed in liberal rhetoric than a true engine of trade openness.

The 1930s were broadly marked by high tariff barriers, exchange controls, and restrictions on the movement of capital. Within this context, the expansion of bilateral trade agreements played a significant role in mitigating the most severe potential consequences for Italy's international trade. Although the sanctions imposed during this time fell short of their intended impact—partly due to the failure to include vital commodities such as oil and coal—the conflict in Ethiopia nonetheless placed a considerable financial burden on the Fascist dictatorship. As a result, by the eve of the Second World War, Italy was not in a strong position to sustain the level of mobilisation that the conflict would ultimately demand. While it is generally accepted among historians that, from the latter half of the 1930s, Italy gradually moved towards closer diplomatic and economic alignment with Germany (Tiedke 2016; Martini 2021; Tattara 1991)[264], Italian financial diplomacy did not entirely neglect other channels. Representatives from institutions such as the Bank of Italy, the Ministry of Trade and Currency, and the National Institute for Foreign Exchange (*Istituto Nazionale per i Cambi con l'Estero*, INCE) maintained a steady dialogue with their British counterparts. This engagement led to the conclusion of successive clearing agreements, notably in November 1936 and April 1938.

Anglo-Italian trade negotiations had already begun prior to the Ethiopian crisis: indeed, by the end of March 1935, a new commercial agreement was concluded between Italy and the United Kingdom. As a result of Italian measures regulating imports, which followed the stipulation of the first clearing agreements[265], further discussions between the two governments led to a provisional trade arrangement. While both sides expressed the intention to conclude a more permanent agreement as soon as possible, Italian importers were required to deposit the equivalent amount in lire with INCE. These funds would have remained untouched until sufficient sterling had been secured by the *Istituto* for transfer to the British exporters. Any costs related to the currency exchange would have been borne by the Italian importer, ensuring full settlement of the sterling obligation[266].

The success of the new commercial arrangements between Britain and Italy, established under the Anglo-Italian Clearing Agreement of March 1935, was increasingly threatened by delays in payments both to the Bank of England and from the Istituto Nazionale per il Commercio Estero (INCE).

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[264] However, it is worth noting that various of scholars have highlighted that trade relations between Germany and Italy were not without friction during the 1930s. Italo-German relations during this period cannot be understood solely through the lens of the Pact of Steel. Rather, they were characterised by a complex interplay of cooperation and rivalry. The Germans recognised that Italy represented one of the most reliant markets for their exports, while at the same time, Germany depended on Italy for certain agri-food products (Tiedke 2016, p. 1). This competition was also present in the financial sector, with Comit adopting a policy of strong expansion in Eastern Europe and the Balkans during the 1920s, an area that had traditionally been under Austro-German influence (Iaselli 2001).
Moreover, according to the Italian director of the Ministry of Trade and Currency (Felice Guarneri) at the time, the primary objective of Italy was to promote exports, and trade flows with Germany were expected to be constrained by the obligations set out in the clearing agreement (Gagliardi 2005, p. 1046).

[265] Between October 19320 and October 1934, Italy signed five clearing agreements, namely with Hungary, Yugoslavia, Romania, Turkey, and Germany. UNAG, *Secretariat,* R4400/10A/13583/2874, «Clearing Agreements – List of agreements», 15th October 1934.

[266] Bank of England Archive, OV6/35.

Archival correspondence between officials from the Bank of England and representatives of Italian financial institutions reveals growing frustration over the inefficiencies and imbalances within the clearing mechanism. In discussions held between Harry. A. Siepmann, a manager at the Bank of England, and Joe Nathan[267], acting on behalf of the Bank of Italy in London, significant concern was expressed regarding the disparity between amounts declared by Italian exporters and those actually paid. As of 19 June, credits of Italian exporters declared totalled £1,351,383, whereas payments made amounted to only £644,274. Siepmann noted that this gap was likely understated, as declarations often reflected the state of accounts sometime prior, while the figures for payments were more current. After more than three months had elapsed since the agreement came into force on 18 March, it was expected that payments into the Sterling Account would broadly align with the value of imports from Italy—over £700,000 in April and £550,000 in May. However, receipts into the account were averaging only £70,000 per week, indicating a troubling lag.

One hypothesis offered by British officials was that Italian exporters might be deliberately extending the maturity dates of their receivables, possibly to retain assets in sterling for longer periods. Siepmann proposed that INCE investigate outstanding credits owed to large exporters—both for shipments made before and after the agreement date—to determine whether systematic deferral of payments was occurring. He further requested that INCE categorise declared credits according to their due dates, distinguishing between amounts already due and those maturing over one, two, and three months, and beyond. Additional insight was provided by Mr Babcock, Foreign Manager at Martine Bank Limited in Lombard Street[268], who suggested that while only a minority of importers refused to settle their lire debts via the Bank of England, many of these had compelling reasons to circumvent the clearing mechanism. Typically, such importers were obliged to pay freight or full costs in advance of shipment from Italy. With telegraphic transfers enabling same-day payments via commercial banks in Italy, resorting to the clearing system would entail delays of up to ten days—resulting in additional costs such as demurrage and insurance, which many importers were understandably keen to avoid.

Meanwhile, the British Board of Trade, the Federation of British Industries, and the Association of British Chambers of Commerce, decided to reject applications for compensation arrangements under Article 9[269] of the Anglo-Italian Agreement unless it could be clearly demonstrated that such arrangements would result in genuinely additional trade. British banking authorities argued that if proceeds from ordinary imports were diverted to fund compensation exports, this would unfairly

[267] Bank of England Archive, OV6/36/2.
[268] *Ibidem*.
[269] Private compensation arrangements for the exchange of goods between persons in Italy and persons in the United Kingdom will only be permitted after specific approval by the two Governments. Requests for such approval should be addressed respectively to the Istituto and to His Majesty's Embassy at Rome. Bank of England Archive, OV6/35.

benefit a subset of exporters who could exceed the agreed export ceiling of 80% and receive faster payment than others. Moreover, the fear was raised that permitting compensation deals might provoke a flood of similar applications, undermining the integrity of the agreement and displacing trade via the established channel. Reports from British commercial counsellor in Rome also indicated that Italian authorities gave preference to raw materials over manufactured goods when approving compensation imports, raising further concerns that a shift in trade composition could ensue.

A pro-memoria dated 20 August 1935 from the Bank of England acknowledged that while payments in lire were indeed reaching INCE in substantial volumes, the equivalent sterling transfers expected in the UK were lagging behind. This discrepancy was cited as the principal cause of delays in payments to British exporters, leading to mounting dissatisfaction and the emergence of efforts to bypass the clearing mechanism altogether. The memorandum proposed a corrective measure: compelling British importers to deposit the sterling equivalent of Italian goods into a designated account at the Bank of England. Such a move, it was argued, would facilitate timely payments to British exporters and reduce the need for transactions outside the clearing arrangement. Simultaneously, it would offer reassurance to Italian exporters by stabilising the contractual and payment conditions under which they operated.

Overall, the initial difficulties in implementing the Anglo-Italian trade agreement would re-emerge after the lifting of sanctions in July 1936. Archival evidence shows that the agreement, signed in March 1935 with the aim of facilitating bilateral trade, faced significant operational challenges as early as June to August of that year. Discrepancies between declared and settled credits, delays within the clearing mechanism, and the tendency of traders to circumvent official channels exposed its inherent weaknesses. Concerns expressed by both the Bank of England and commercial stakeholders reflected a growing lack of confidence in the system. These concerns were substantiated by the data presented in table 17, which summarises the figures reported by the Board of Trade and INCE between 18 March and 26 August 1935. As the table illustrates, the gap between the amounts transferred to the Sterling Account by Italian exporters and the outstanding sums began to widen steadily—rising from just £4,000 on 30 April to £337,000 by the end of August. Ultimately, the agreement underscored the structural fragility of international trade under tight financial constraints and increasing foreign policy tensions, as the Ethiopian crisis would erupt only a few months later.

Table 17. Liquidation of the Italian exporters' debts in the Sterling Account since the establishment of the agreement (thousand pounds).

Source: Bank of England Archive, OV6/36/2.

	Total of lire deposits from 16/03/1935 (in £.)	*Amount transferred*	*Amounts outstanding*
Up to 30 April	322	159	163
4May	342	194	158
11 May	514	277	237
15 May	602	281	321
23 May	753	345	408
31 May	912	457	455
5 June	1,131	493	638
12 June	1,376	558	818
19 June	1,679	643	1,036
26 June	1,870	708	1,162
3 July	2,031	774	1,257
10 July	2,249	893	1,356
17 July	2,421	983	1,438
24 July	2,661	1,072	1,589
31 July	2,824	1,155	1,669
7 August	3,036	1,365	1,771
14 August	3,180	1,349	1,831
21 August	3,448	1,484	1,964
26 August	3,559	1,611	1,948[270]

With the end of sanctions in July 1936, the League of Nations countries that had imposed them were eager to enter into new trade agreements with Italy. However, Italy approached these negotiations from a position of strength, as it was in a position to adopt discriminatory measures against the former sanctioning countries (Tattara 1985, pp. 130-131). In the case of the United Kingdom, the willingness to initiate trade talks was also driven by the need to resolve outstanding arrears stemming from the 1935 trade agreement. At the end of September 1936, during discussions involving Alberto D'Agostino, manager at INCE, Giovanni Battista Ceccato, commercial advisor to the Italian Embassy in London, and a delegation from the British Board of Trade led by Herbert Brittain[271], it was conveyed that the Italian government had agreed to include, within the clearing system, arrears related both to goods shipped to Italy from third countries and to those sent to Italian colonies. Regarding the settlement order of non-Agreement debts, while the British side suggested payment in chronological order of due dates, the Italian representatives indicated that such an approach would be impractical. Instead, they proposed that payments be made based on the chronological order of deposit. The British side noted the Italian position and ultimately did not press further for their own proposal.

[270] Outstanding sterling credits of Italian exporters.
[271] Bank of England Archive, OV6/45/4, p. 372.

Trade negotiations between Italy and the United Kingdom continued into the autumn of 1936, culminating in the signing of the Anglo-Italian Clearing agreement in November[272]. Among the matters under discussion, particular attention was given to acceptance credits, which were included in the negotiations as a pivotal instrument in the financing of international trade. Their treatment was essential to ensuring continuity in commercial operations amidst the constraints of exchange controls and clearing mechanisms. In a letter dated 27 October 1936, addressed to D'Agostino, Cobbold outlined provisions related to the handling of acceptance credits following the Agreement's implementation. He referred specifically to scenarios in which Italian importers, having secured authorisation from INCE, sought to open acceptance credits in the United Kingdom. It was understood that the *Istituto* would have provided the necessary sterling funds outside the Clearing framework to meet such obligations at maturity, particularly where British financial institutions had extended credit on behalf of Italian clients. In cases where these credits pertained to imports of British goods, sterling would be made available outside the Clearing system upon request by the relevant Italian bank—should sufficient funds not be present in the Clearing at the time of payment. The Italian bank in question would then assume the position of the original creditor and be reimbursed through the Clearing mechanism in the appropriate chronological order. For credits related to trade other than imports from the United Kingdom, the provision of sterling was to occur entirely outside the scope of the Clearing arrangements. Moreover, even a year after the establishment of the agreement, Felice Guarneri (INCE director)[273] made clear in his correspondence of September 1937, the Italian authorities continued to press for the inclusion of transit and re-exported goods—particularly those not originating in the United Kingdom but merely routed through it—within the scope of the clearing. The refusal to allow settlement of such goods through the clearing was seen by the Italians as a threat to British re-export trade and to the general equilibrium of exchange arrangements involving third countries.

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[272] «The clearing agreement was signed on November 27, 1936. As in the old agreement, two accounts were instituted, the Lire Account in Italy and the Sterling Account in Great Britain; but these were now divided into sub-accounts." The pounds sterling paid by British importers into the Sterling Account were. allocated as follows:

1) 18% to the Sterling Arrears Account A, for payment of Italian debts for goods and freights incurred from March 17, 1935, to November 18, 1935 (the period of the previous agreement).
2) 99% to the Sterling Arrears Account B, for payment of the same from the pre-agreement period (before March 17, 1935) and the period of sanctions (November 17, 1935, to July 6, 1936).
3) 3% in the Sterling Arrears Account C, for financial debts and payments.
4) 70% in the Sterling New Account for current trade after July 14, 1936, with priority for the payment of freights». (Tattara 1985, p. 132).

[273] Former civil servant and negotiator of trade negotiations on behalf of the government abroad, during the economic crisis of the 1930s, Guarneri emerged as one of the key figures in shaping Italy's financial policy, which aimed to equip the country with instruments adapted to the evolving landscape of international trade. Notably, in May 1935, Guarneri founded and led the Superintendency of Currency Exchange. Initially established to defend and stabilise the national currency, the Superintendency gradually evolved into a regulatory body overseeing imports and exports, notably *Ministero per gli Scambi e Valute* (Gagliardi 2024; 2006; Zani 1987).

Despite the formal implementation of the Anglo-Italian Clearing agreement in late 1936, negotiations and correspondence between Italian and British financial authorities revealed that the bill of exchange—well-known and long-established financial instrument—remained a present but contested element in the broader framework of commercial relations between British Empire and Italy. While the Clearing agreement was intended to regularise payments through controlled accounts, the persistence of bills of exchange as a vehicle for financing international trade led to recurring ambiguities and institutional friction. Acceptance credits and bills of exchange were discussed at length during the 1936–1937 trade negotiations, acknowledged by both sides as pivotal tools for enabling commercial operations, particularly in an environment marked by exchange controls. As Lewis Huth Walters of the Accepting Houses Committee noted in November 1936[274], specific assurances had been exchanged between British and Italian authorities to ensure that acceptance credits could function effectively outside the clearing when necessary. These arrangements allowed INCE to advance sterling to meet maturing acceptances and later seek reimbursement through the clearing system, though this entailed additional complications, such as the imposition of Clearing Office commissions, whose allocation became a point of negotiation between private banks and public institutions.

Dealing with bills of exchange, especially those related to colonial trade and discounted by British financial institutions such as the Union Discount Company, remained a source of administrative tension. The Bank of England's internal memoranda from early 1938[275] indicate concern over the lack of formal clarity regarding the position of these instruments under the clearing framework. British authorities debated whether to allow payments of discounted bills 'off the books' of the agreement, particularly when the amounts involved were minor. A report from May 1938 reveals that disputes had arisen over cases where the full value of discounted bills had been retained by financial intermediaries, leaving the clearing office to absorb the associated costs—a practice not explicitly regulated, but tacitly tolerated until challenged by administrative scrutiny[276]. Thus, even as the Anglo-Italian Clearing Agreement aimed to bring structure and predictability to bilateral trade settlements, the persistence of bills of exchange as a complementary channel exposed the limits of such frameworks. The recurring need for interpretative adjustments and ad hoc diplomatic interventions underscores the continued relevance of traditional financial instruments and the difficulties states faced in reconciling evolving monetary controls with established commercial practice. The discussions over acceptances and discounted bills not only reflected practical financial concerns but

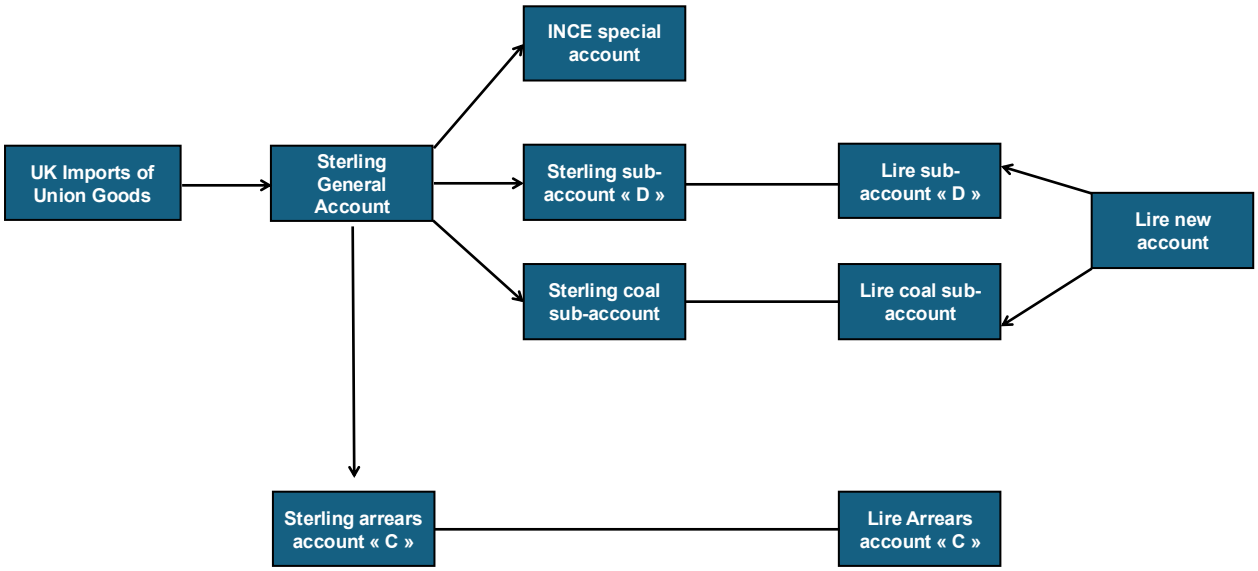
[274] Bank of England Archive, OV6/46/5, p. 604.
[275] *Ivi*, OV6/50/9, p. 1141.
[276] *Ivi*, OV6/51/10, p. 1290.

also highlighted deeper structural frictions in the conduct of regulated international trade during the interwar period.

In March 1938, following Italy's trade surplus and rapid clearance of arrears, a new Anglo-Italian clearing agreement was signed to favour current trade. The share of sterling available to British exporters increased from 70% to 87%, with higher quotas also allocated for financial and commercial arrears (Tattara 1985, pp. 135-136)[277]. Remaining funds were managed by INCE for payments outside the clearing system. To avoid delays caused by coal imports, the Sterling Account was split into two sub-accounts—one for coal (41%) and one for other goods (46%).

Figure 27. Diagram illustrating the Anglo-Italian Clearing Agreement of March 1938, in-payments and out-payments between the United Kingdom and the Kingdom of Italy (colonies and Albania included).

Source: Bank of England Archive, OV6/53/12.



This diagram illustrates the structure of the Anglo-Italian clearing agreement following its 1938 revision. British importers deposited sterling into a central Sterling General Account, which was then allocated across sub-accounts: Subaccount "D" for current trade, a Coal Subaccount for coal

[277] UNAG, *Secretariat*, R4352/10A/33676/415, *Trade and clearing agreements between Italy and the United Kingdom*, 18 March 1938. «The proceeds of Italy's active balance enabled the liquidation of practically all the trade arrears due to United Kingdom creditors through the allocation to their payment of 27% of the sterling receipts of the clearing. Up to the end of February, over 28 million had been credited to the Sterling General Account in London under the 1936 Agreement and of this sum, nearly 28 million had been distributed to United Kingdom creditors, including over 22.6 million in respect of trade arrears and about £400,000 in respect of non-commercial debts.
Thus, early in 1938, it became desirable to revise and readjust the old clearing structure, since it was no longer necessary to allocate to the settlement of arrears so large a proportion of the sterling proceeds of Italian exports to the United Kingdom. At the same time, in view of the larger volume of sterling that would thereby become available for the payment of current United Kingdom exports to Italy, it was possible to envisage an increase in the quotas granted in respect of such current exports».

transactions[278], and Account "C" for settling arrears. Each sterling sub-account had corresponding lire subaccount on the Italian side, with funds ultimately flowing into a consolidated Lire New Account for payments to Italian exporters. A portion also went to a special INCE account for administrative use, ensuring centralised control and regulation of bilateral trade under Italy's exchange regime. The Lire New Account covers a range of authorised transactions, including arrears previously allocated to the Lire Arrears Account "A", imports of Newfoundland stockfish and codfish, associated freights via British ships, imports of British goods other than coal, freight for these goods, and the reproduction and exhibition of British films in Italy. Meanwhile, the sterling and lire Arrears Accounts "C" are reserved for other types of debts: those not covered by the agreement, debts excluded at the beneficiary's request with *Istituto* approval, debts restricted by Italian law, and those voluntarily waived by the creditor.

Alongside the bilateral commercial agreements in place, discussions concerning the use of British financial channels for trade financing continued—particularly after the outbreak of the Second World War on 1 September 1939, which triggered the implementation of strict war finance regulations. However, its implementation was not without complications caused by the war itself. As reported by the British Embassy in Rome to the Treasury on 3 November 1939, the clearing mechanism was underperforming. The core issue lay in the mismatch between British purchasing interests—focused primarily on arms and highly manufactured goods, which Italy was either unable or unwilling to supply—and the types of goods that would typically generate clearing balances. As a result, the volume entering the clearing account fell well short of Italian expectations, frustrating officials such as D'Agostino. He began pressing for all British purchases of non-manufactured goods, as well as private payments, to be routed through the clearing, while insisting that government purchases of arms be channelled through a separate Special Account. Meanwhile, progress on key British orders such as hemp, sulphur, and explosives was slow, and the Italian side imposed further restrictions, including a requirement for aircraft deliveries to transit through neutral countries. Moreover, in regard to the war finance regulations implemented by UK banking authorities, any exports that might support Germany's war effort were explicitly prohibited. In this context, on 11 October 1939, Cameron Cobbold of the Bank of England wrote to Luigi Capodanno (Bank of Italy's representative in London, succeeded to Joe Nathan) to clarify the position of the British authorities regarding the use of London's credit facilities[279]. The British aim was to prevent any benefit to the enemy while allowing neutral countries, including Italy at that stage, to continue normal business operations in London without undue restriction. Cobbold requested formal assurance from the Bank of Italy that Italian

[278] This subaccount was established to prevent excessive coal purchases from causing delays in payments for other types of goods (Tattara 1985, p. 136).
[279] Bank of England Archive, *Admiralty* (ADM) 26/8, pp. 645-645a.

banks would not use London-based credits to finance trade from neutral countries to Germany. If such a guarantee were provided, Italian banks could continue operating on the same terms as British banks, subject to regulations concerning credit approvals, renewals, and the condition that such credits did not exceed 90 to 120 days and reflected normal business activity.

Despite mounting diplomatic tensions due to Italy's increasingly overt proximity to belligerent Germany—already at war with Britain and France since September 1939—negotiations on trade and financial matters between London and Rome continued into early 1940. Comit-London, in regular contact with Italian banking and economic authorities through its manager Lovioz, was deeply involved in talks for the supply of various goods, including military equipment[280]. One of the most advanced deals was a contract between *Isotta Fraschini* and Vosper Limited (a supplier to the British Admiralty), signed in November 1939, for the delivery of marine engines and drives worth nearly 44 million lire. A third of the sum had already been paid in advance, and by mid-December, a confirmed irrevocable credit was opened via the Anglo-Italian Clearing mechanism for the remaining balance. Even more significant were the negotiations for the purchase of *Caproni* warplanes: by January 1940, a tentative contract for 400 aircraft (valued at approximately £4.7 million) had been agreed, following technical inspections in Italy and reciprocal visits by Caproni's director Prospero Gianferrari and Air Ministry representatives. Additional orders for armaments—such as machine guns, explosives, and ammunition—were also under discussion, and H.M. Government had incorporated these potential deliveries into its procurement plans. However, Italian authorities ultimately vetoed the export of war material, including aircraft, in the early months of 1940. Nevertheless, it is remarkable that such negotiations reached an advanced stage so close to Italy's formal entry into the war in June 1940.

Table 18. Contracts already agreed for export to the United Kingdom from Italy.

Source: Bank of England Archive, OV6/54/13.

	Net of the amount payable in 1940 (£)
Hemp (concluded)	1,250,000
Mercury (concluded)	250,000
Sulphur (concluded)	400,000
Isotta Fraschini engines	400,000
Aluminium extrusions (balanced by equal copper supplies)	180,000

Delving into details, table 18 outlines contracts for goods considered non-military, either already concluded or under discussion, with payments scheduled for 1940. Notably, hemp accounted for the largest share, valued at £1.25 million. These substantial imports were made possible in large part due

[280] *Ivi*, OV6/53/12.

to the active intermediation of Comit-London, which played a central role in negotiating and facilitating the transactions[281]. Other items included mercury and sulphur—both strategically important raw materials—along with Isotta Fraschini engines and aluminium extrusions, the latter balanced by reciprocal exports of copper. This list reflects ongoing commercial collaboration between Britain and Italy, even as foreign policy tensions mounted.

5.4 *Banca Commerciale Italiana and the re-establishment of Italy's international economic relations after the sanctions, 1936-1940*

This section emphasises the international outreach of the Italian banking system during the interwar period. The focus of this contribution will be on the *Banca Commerciale Italiana* (Comit) foreign network, which was the most extensive worldwide as compared to Banco di Roma and Credito Italiano (Credit), with a focus on its branches in London and New York, between 1936 and 1940. Furthermore, the chosen timeframe is intended to offer new and preliminary insights into the impact of the implementation of economic and financial sanctions by the League of Nations on the Italian banking sector, through the perspective of a multinational bank (Brambilla 2002, pp. 437-448). In November 1935, Italy declared war on the Ethiopian Kingdom, despite both nations being members of the League of Nations, an international organisation led by the United Kingdom and France. Trade restrictions were imposed on the export and import of goods, particularly military equipment, and munitions, to and from Italy. Notably, Germany and the United States refrained from participating in the sanctions, the latter due to its non-membership of the League. Moreover, the discounting of bills of exchange in London on behalf of Italian banks was hindered, thereby obstructing the potential for short-term financing in trade between Italy and other nations (Arnold 2016; Strang 2013; Clavin 2013; Hufbauer, Schott, Elliott 1990; Ristuccia 2000).

This part aims to unravel the intermediary role of Comit's London branch through its manager, Carlo Lovioz, in keeping export and import flows open from and to Italy. In addition, this study will assess to what extent Comit, through its network of domestic and foreign subsidiaries, has granted loans to Italian shipping companies to purchase merchant vessels, vital for the carriage of goods and raw materials. In this context, the archival sources kept in the historical archive of Intesa Sanpaolo will be employed. This research will involve an examination of the collections of correspondence between the managing director of the Comit, Raffaele Mattioli, and Lovioz. In addition, this chapter will analyse the minutes of the Head Office Committee (*Comitato della Direzione Centrale*), as these documents provide insight into determining the extent of credits given to support one of the key sectors of the Italian economy (of 'national interest'), namely, the shipping and shipbuilding industry.

[281] ASI-BCI, CM 158, f. 3, no 55/att., 64; CM 159, f. 2, no. 45/a/att.

Following the banking crisis that severely hit Europe in 1931, which had profound repercussions on the European financial sector, the fascist government of Italy intervened to bail out the three Italian universal banks, including Comit. These banks experienced widespread deposit withdrawals, intensifying an already precarious situation, due to the difficulties arising from the reduction in long-term loans from the United States, which were crucial for the recovery of the war-affected European economy (Cassis 2011; Feinstein, Temin, Toniolo 2008; Eichengreen 1996).

Along with Comit, Credit and *Banco di Roma* underwent nationalisation, becoming state-owned banks through a government holding company, namely, *Istituto per la Ricostruzione Industriale* (IRI). Raffaele Mattioli, the new Comit managing director, collaborated with the executives of the IRI in the comprehensive reorganisation of the bank. This restructuring initiative encompassed salary reductions, workforce downsizing and a thorough reassessment of the bank's branch network. Notwithstanding these adjustments, the profit margins derived by Comit from the collection and exchange of foreign hard currencies suffered a substantial decline (Di Quirico, 2008, p. 138), particularly following the decision to anchor in 1931 lira to the gold bloc instead of pursuing devaluation in tandem with sterling (Eichengreen 1996, p. 302). In other words, sterling was a strong currency and through Italian banks, it allowed the financing of Italian trades with other countries via acceptance credits. The exit of sterling from the gold exchange standard led to the dissolution of the international monetary system (the dollar opted out in 1933), creating currency areas guided by highly industrialised countries, thereby marginalising those under-industrialised states, such as Italy, which could not import goods without settling payments in hard currencies (Di Quirico 2008, pp. 141-142; Storaci 1993, pp. 441-456).

In the 2 years before the Ethiopian invasion, which led to important changes in European diplomacy and Italy facing sanctions as a 'rogue' state, Mussolini and the fascist regime elite focused on establishing the IRI. They also worked on drafting a banking law in 1936 to restrict banks from simultaneously providing both long and short-term financing. Concurrently, preparations for the invasion of Negus Haile Selassie's kingdom were being finalised, increasing the imports of essential raw materials crucial for the logistical and supply requirements of Italian Army forces, particularly crude oil and coal (Ristuccia 2000, p. 90). Upon the imposition of sanctions by the League of Nations, in November 1935, the Italian banking sector encountered limitations in accessing the financial hubs of London and New York. This restriction extended to the utilisation of acceptances[282] for funding short-term trade. Within a few months—bills of exchange had already started to be no longer accepted from the end of September 1935—all British clearing banks stopped accepting bills of exchange

[282] For more comprehensive information, see: Accominotti, O., Lucena-Piquero, D., Ugolini, S. (2021), «The origination and distribution of money market instruments: sterling bills of exchange during the first globalization», *Economic History Review*, 74(4), pp. 895-898.

drawn on London by Italian banks, thereby rescinding their acceptance credits. Even after the removal of sanctions in July 1936 from the London financial market, it was still difficult to find a clearing bank willing to extend an acceptance credit to an Italian bank.

5.4.1 Comit's role in the normalisation of Anglo-Italian financial relations…

The removal of sanctions in July 1936 did not lead to an immediate resumption of Anglo-Italian financial relations. Indeed, the Italian banks in London suffered from the impossibility of redeeming bills of exchange at British banks, which were vital for financing short-term trade. The latter hesitated in reinstating acceptance credits, waiting for the settlement of trade relations between Italy and the United Kingdom. The re-normalisation of trade dealings, even though for a short time, also passed through the meetings and talks of Comit's London manager—alongside Mattioli—the City's banking elite. Hired at its London branch in 1912, Carlo Lovioz was widely recognised as a valid interlocutor, as testified by the following excerpt from an article in the Financial Times: «Mr Lovioz has contributed to the friendly trading and financial relations between Great Britain and Italy. [he] came to London when his bank was first established here in 1913 [*sic*] and has a profound knowledge of every branch of British banking. His popularity in financial circles in the City testifies to ability and charm of manner»[283]. Lovioz became director of the branch in 1934 and began active involvement after the lifting of sanctions, coinciding with the reopening of acceptance credits from autumn 1936 to winter 1937. In his discussions with London bank managers, Lovioz had been arguing since the end of August that there was an unexplained delay in the resumption of acceptance credits for Italian banks. Consequently, he sought permission from Mattioli (which he later obtained) to address this concern with Midland's manager, Arthur Jackson, as follows:

> I would like to request your [Mattioli] consent to discuss the matter of credits, maintaining a strictly confidential approach. Specifically, I aim to convey that American banks have shown a more considerate attitude, suggesting that Midland should not expect a request for assistance from B.C.I. [Comit] in case of urgent needs. Furthermore, Midland should not choose to present itself or await clearings from other banks to reinstate credits in favour of another Italian bank.
> [...] Naturally, I would communicate to Jackson that certain colonial banks have already approved 120-day credit facilities without reservations. [...] I have a suspicion that these individuals may be devising another excuse to shield themselves and prolong the reinstatement of Italian credits indefinitely.[284]

The blockade resulted from a disagreement between the Italian and British governments regarding the resumption of trade. Given the regulations of that period, the exporter of the United Kingdom had to pay an Italian bank for goods before they left Italy. Whitehall, however, had forbidden such payments and had stipulated that they should be made to the Bank of England for the Anglo-Italian

[283] ASI-BCI, CM 159, f. 2, no. 43/a.
[284] ASI-BCI, CM 155, f. 2, n. 12.

clearing office. Notably, the only goods that were freely exportable from Italy were those of a perishable nature, such as fresh fruit and vegetables[285]. Furthermore, the Anglo–Italian clearing office was an institution created to settle the commercial exchanges between Italy and the United Kingdom after the introduction of protectionist policies in 1931, which were issued to avoid speculation on the purchase of goods (Tattara 1985, pp. 119-120; de Bromhead, Fernihough, Lampe, O'Rourke 2019). It was established on 10 July 1936, «with a view to ensuring that the sterling derived from Italian exports to the United Kingdom should be used to meet Italian liabilities to the United Kingdom. […] the sterling received by the Clearing office should be placed in a reserve account pending the conclusion of negotiations with the Italian government» (Parliament. House of Lords 1943).

Thus**,** Whitehall insisted on the repayment of outstanding debts from the pre-sanctions period, while Rome maintained that it could not afford to clear all such debts at once. Therefore, the fascist government permitted exports from Italy only on the condition of payment in advance of the shipment of goods[286]. The situation in the context of Anglo-Italian trades persisted until November, when outstanding Italian debts and all the commercial arrears of both countries began to be settled because of the ongoing negotiations between the two countries. This development ended with the ratification of the new Anglo–Italian clearing agreement on 27 November 1936—which would have later morph into the 'Gentlemen's Agreement', in 1937[287]—a symptom of a diplomatic and economic reconciliation between the two countries[288]. In short, the clearing agreement between the United Kingdom and Italy existed in two accounts, a lire account in Italy and a sterling account in the United Kingdom, in which the payments had to be made. In the sterling account were also included the outstanding financial debts and the commercial arrears for the freight exported from Italy before March 1935, between March and November 1935, and during the period of sanctions (Tattara 1985, p. 132). Therefore, it is not by chance that Lovioz returned to the door of the Martins Bank's[289] foreign

[285] ASI-BCI, CM 155, f. 2, n. 10/all. 3, article from the «Financial Times», 19th August 1936.
[286] ASI-BCI, CM 155, f. 2, no. 22/all. 4, article from "The Times", 4th September 1936.
[287] The Gentlemen's Agreement, signed on 1 January 1938, was a pact between Great Britain and Italy aimed at reconciling differences in their Middle Eastern policies and ensuring unimpeded passage through Lake Tana and the Suez Canal. Subsequently, it was reaffirmed in the Easter Accords in April of the same year. See «The Anglo-Italian agreement» (1938), *Bulletin of International News*, 15(8), p. 11.
[288] However, the situation was far from naive, as reported in: Gualtieri, R. (2005), «Da Londra a Berlino. Le relazioni economiche internazionali dell'Italia, l'autarchia e il Patto d'acciaio (1933-1940)», *Studi Storici* 46(3), pp. 638-640. Overall, in the 1930s, Italy exhibited firm import demand, coupled with exports that were readily replaceable in the global market. In addition, the deficiencies of the Italian manufacturing sector were evident in the commodity composition of both imports and exports, see Tattara, G. (1993) «La persistenza dello squilibrio dei conti con l'estero», in P.F. Asso, A. Santorelli, M. Storaci, G. Tattara (eds.), *Ricerche per la storia della Banca d'Italia, volume III. Finanza internazionale, vincolo esterno e cambi 1919-1939*, Bari-Roma, Laterza, pp. 375-377, pp. 395-396. See also: Berbenni, E. (2021) «External devaluation and trade balance in the 1930s Italy», *Structural Change and Economic Dynamics*, 57(2), pp. 97-99.
[289] Another clearing bank.

branch manager to inquire once more whether his bank and his British colleagues had any news on the restoration of loans to Italian banks, as reported below:

> I inquired whether he was aware of any colleagues who had reinstated loans to Italian banks, mentioning that I had received this information from Italy. He firmly dismissed this possibility for two reasons: firstly, no such request had been made from Italy yet, and secondly, despite positive sentiments, the loans could not be reinstated until the status of our issuing institution had been officially disclosed. He emphasized that the loans had been cancelled previously due to the increasingly precarious situation at that time.
> In a jovial manner, I then remarked 'if you wait for the Italians to come and knock at the door, you will get grey hair...' he told me that, quite recently and influenced by their representative in Paris, he had informally raised the issue with his Board. [...] He noted that he had obtained a reassuring evaluation of our financial condition, specifically concerning gold and dividends, from a trustworthy source. He shared this optimistic assessment with his board members and expressed regret that our situation still remained shrouded in mystery[290].

In early February 1937, Lovioz inquired with Frederick Bunker, the overseas branch manager of Midland Bank, about the delayed resumption of post-sanctions acceptances. Bunker responded, indicating that the reconsideration of re-establishing credit relations to Italy through Comit had been deliberated by the board, prompting him to undertake another journey to Italy for a current assessment to present to the board with the intention of recommencing relations. Afterwards, Mattioli wrote a memorandum on the Italian economic landscape for Bunker, revealing that following Italy's economic alignment with the exchange rate of sterling, prices had indeed increased compared to the 1927 value of the lira but to a lesser extent. Furthermore, two validating factors served as indirect confirmation of the currency's readjustment:

1. No hoarding of gold has taken place, though it was legal to detain gold in Italy and deals in gold were not forbidden.
2. The prices of securities with fixed interest, issued both by the State and by industrial concerns, have improved after a small decline immediately after the monetary adjustment, and remain very steady[291].

Mattioli pointed out that only in 1935 Italian balance of payments was in deficit, due to sanctions. In fact, the net balance in November 1936 had a surplus of 55 million lire (£). In contrast to Italy's official statistics, the balance of payments in 1936 showed a deficit of £497 million, although it was still lower than the preceding year's figure of £2,552 million[292]. Therefore, the data provided by Mattioli to Bunker is inaccurate in quantitative terms, yet it proves correct when considering the improvement in the Italian balance of payments in 1936. The second meeting between Lovioz and Bunker, after the latter's return to London, ended positively. The impression Bunker got from his trip

[290] ASI-BCI, CM 155, f. 2, n. 49.
[291] ASI-BCI, CM 155, f. 3, no. 15/all.
[292] Istituto centrale di statistica del Regno d'Italia, *Annuario statistico italiano. Anno 1938 – XVI*, Roma, Istituto Poligrafico dello Stato, 1938, p. 130.

was that of «a country that works, that goes about its business without worrying too much about what is happening and what is said abroad». Mattioli's efforts were rewarded as, on 1 March, Bunker conveyed the news that Midland's board had authorised the reinstatement of former credit facilities amounting to £250,000. This allocation could be employed for initiating new lines of credit for goods intended for Italy. Furthermore, as reported by Lovioz: «Bunker told us that in compliance with previous promises, this was the first credit that Midland Bank restored in Italy»[293].

Formerly, Lovioz engaged with the foreign manager of Martins Bank, who was aware of Bunker's trip to Italy to re-establish acceptance credits in favour of Comit, for similar purposes[294]. Bolstered by previous discussions with Bunker, he successfully secured the reopening of a credit line amounting to £50,000. Lovioz's awareness of the difficulties in reinstating acceptance credits dates back to September 1936, as he engaged in talks with the Midland's managers. He initiated meetings with both the Midland and Martins Banks' managers, particularly following the introduction of the new Anglo–Italian clearing agreement. Consequently, in early 1937, although the prevailing trend might have leaned towards a recovery of commerce, through acceptances, Comit-London's manager indisputably put pressure on the negotiation process (to some extent trying also to hasten it), recognising from the outset the importance of this financial instrument[295].

The major London clearing bank, the Midland, demonstrated over compliance in undertaking financial sanctions against Italy, given the reluctance to promptly reinstate acceptance credits to Italian banks once the sanctions had been removed. Moreover, the Midland pre-emptively interrupted acceptances to Italian banks, when the threat of war intensified following Hitler's ultimatum to the Czechoslovak government, demanding the relinquishment of the Sudetenland territory to the Third Reich (Zagare, Kilgour 2023; Bouverie 2019; Di Nolfo 2015).

In light of the political alliance between Czechoslovakia and France-United Kingdom, the prospect of a new European conflict loomed, temporarily averted—by only a year—due to Chamberlain's policy of appeasement towards Hitler. Nevertheless, the mere anticipation of war led the Midland's board of directors to opt for the suspension of acceptance credits to Comit (and Credit). Lovioz (with Mattioli's aid) pursued the reinstatement of acceptance credits at the Midland Bank after the crisis and the Munich Conference. Indeed, the Midland only agreed acceptance credits against cash; therefore, there was not a real credit: the drawer of the bill was supposed to have already paid the amount corresponding to the value of the bill before its acceptance. This request also applied to the

[293] ASI-BCI, CM 155, f. 3, no. 24.
[294] ASI-BCI, CM 155, f. 3, no. 14.
[295] Acceptance credits were finally re-established in early 1937. The difficulties in their reinstatement are also demonstrated by the decrease in the number of credits issued by Italian banking system between 1936 and 1937, which were £1,150 and £1,080 million lire (Di Quirico 2008, p. 156, p. 162).

bills already accepted and those still in force[296]. Therefore, Lovioz made an urgent plea for a review of this decision, both on the grounds of general policy and in terms of the particular relations between Comit and the Midland. Bunker himself described Comit as one of his institution's oldest friends (Green 2017).

During a meeting with the managing director of the Midland, Lovioz contested the request for cover, asserting that it ran counter to the established practices between the two institutions. Indeed, suspending those credits could have endangered the nearly 30-year bond of mutual trust and esteem between the two banks. Conversely, the Midland's managers highlighted the political nature of their decision, citing the alignment of Mussolini's speeches in Padua and Verona with Hitler's ultimatum to Czechoslovakian Premier Edvard Benes. This thorny situation was settled thanks to Mattioli, who wrote a letter to the Midland's chairman, Reginald McKenna, emphasising the urgent need to maintain unimpaired business relations[297] (Farese 2020, p. 19). Lovioz reiterated his stance in another meeting with McKenna, during which he claimed that «Italy's foreign debts were trifling, and banking credits were altogether moderate and used in an orthodox manner, in accordance with the traditions of the London market and not, as was the case with the huge German credits, for the purpose of creating internal finance and for all sorts of illicit purposes»[298]. The chairman acknowledged the Comit claims, and acceptance credits were finally re-established at the beginning of November 1938.

Comit-London, bolstered by the director's frequent meetings, became a respected interlocutor within the City's banking elite. This contributed to the normalisation of Anglo-Italian financial relations, particularly on the subject of bank acceptances. Concurrently, with the endorsement of the bank's central management in Milan, the branch played a pivotal role in financing the acquisition of merchant vessels, alongside two other Comit branches, namely Genoa and New York.

5.4.2. …and in supporting Italy's mercantile fleet

Comit's intervention in financing Italy's shipping industry in the latter half of the 1930s inevitably aligns with the broader theme of fascist governmental involvement in the economy, during the "final season" of the Mussolini's dictatorship. Although the recent economic historiography on fascist economy has broadened the view about state intervention in Italian industrial sectors regarding the ties between Italian industries and the propagandistic slogan of autarky (Bertilorenzi, Cerretano, Perugini 2022; Cerretano 2022), the perspective has remained on the domestic side of the Italian economy, not considering some international aspects of the banking sector (few scholars focused on

[296] ASI-BCI, CM 157, f. 3, no. 2/all. 1.
[297] ASI-BCI, CM 193, f. 13, no. 2
[298] ASI-BCI, CM 157, f. 3, n. 7/all.

this topic, for instance, Astore 2011, Farese 2009, pp. 92-106, Gagliardi 2006). As previously mentioned, scholars have focused their efforts on analysing how the fascist government intervened in the Italian economy, nationalising those sectors crucial for rearmament on the eve of the invasion of the Ethiopian Kingdom.

The shipbuilding industry was actively financed by Italy, in the first half of the twentieth century, for the establishment and expansion of a merchant and war fleet (Giulianelli 2016). In the late 20s Alberto Beneduce[299], under Mussolini's orders, ousted the Italian universal banks from their role in financing shipping companies. This move led to the creation of the state-owned *Istituto per il Credito Navale* (ICN)[300], in 1928, in response to *Il Duce*'s aspirations to restore the prestige of the Italian navy, severely hit by the previous economic policy brought forward by the Minister of the Treasury, Giuseppe Volpi (De Ninno 2017, p. 129). His economic policy**,** following Mussolini's directives in setting the lira–sterling exchange rate at 90, led to a deflationary spiral, diminishing export capabilities and imposing constraints on industrial wages. As a result, the shipbuilding sector suffered considerably, experiencing a steep decline in the tonnage of ships launched from 1926 to 1928, falling from 218,000 tons to 58,000 tons (Ciocca, Toniolo 1976, pp. 127-131; Giannetti 1993, p. 446). Furthermore, Beneduce opted to establish the ICN for two further reasons. First, to dismantle the monopoly held by Italian universal banks in financing shipping and shipbuilding companies, thereby enabling access to international markets to finance that sector. Second, Beneduce aimed to stimulate private savings investment in the maritime sector by issuing long-term bonds (Giulianelli 2016, pp. 341-342).

In the early thirties, due to the economic and banking crisis that had severely hit the shipbuilding and shipping companies and the Italian universal banks to which the latter were tied, the bailout of the maritime sector was necessary. Initially established to face the banking crisis of 1931 by relieving the mixed banks of their stakes in Italian industries, the IRI evolved into a permanent, state-driven

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[299] Beneduce played a key role in advocating for state intervention in the economy and was the architect behind the establishment of institutes dedicated to funding public works and Italian industries (including the two discussed in this chapter, namely the IRI and the ICN). The distinctive feature and success of these institutes were rooted in the concept of long-term financing facilitated by gathering public savings, with the assurance backed by the issuance of state bonds. See: Dell'Orefice, A. (2007), «La politica industriale del fascismo», in F. Domenicantonio (ed.) *L'intervento pubblico e la politica economica fascista*, Milano, FrancoAngeli, pp. 252-253; Magnani, M., Franzinelli, M. (2009), *Beneduce: il finanziere di Mussolini*, Milano: Mondadori; Armani, P. *et al*. (1985), *Alberto Beneduce e i problemi dell'economia italiana del suo tempo. Atti della giornata di studio per la celebrazione del 50° anniversario dell'istituzione dell'IRI: Caserta, 11 novembre 1983*, Roma, Edindustria.

[300] Alberto Beneduce founded and chaired the ICN, which played a crucial role in supporting the maritime industry between 1928 and 1940. Established in late 1928, the ICN aimed to financially assist shipping companies in building new vessels, thereby fostering the modernisation of the national fleet. Nevertheless, during the latter half of the 1930s, the ICN's contribution to the rejuvenation of the shipping sector waned because of conflicts with the Italian Treasury, the unstable framework of the shipping industry, and ongoing reorganisation processes within the sector. See: Roberto Giulianelli (2015), «The state and the sea. Economic policy for the shipbuilding and the marine-equipment industry in Italy between the two world wars», *The Journal of European Economic History*, 44(1), pp. 170-171, p. 178.

institution by the second half of the 1930s (Castronovo 2011, Fausto 2007). The institution eventually gained substantial influence over the Italian economy. Between 1933 and 1937, the IRI undertook a restructuring of the maritime sector by establishing a sub-holding to enhance the coordination of maritime traffic and eliminate inefficiencies. In 1936, the existing agreements were revoked, leading to the dissolution of the four major shipping companies (*Italia-Flotte Riunite*, *Lloyd Sabaudo*, *Tirrenia*, *Adriatica di Navigazione*). They were replaced by other entities designated as 'of major national interest', under the control of Finmare (*Società Finanziaria Marittima*), an industrial sub-holding controlled by the IRI. These newly formed entities assumed responsibility for managing all subsidised services, although no new agreements were concluded before 1939[301] (Doria 2011, pp. 341–342, Giulianelli 2015, p. 176).

Overall, the government's support for the Italian shipbuilding sector primarily centred on enhancing the war fleet and producing passenger ships (notably, two ocean liners, *Rex* and *Conte di Savoia*, launched between 1928 and 1931). Although the fascist government gave priority to the army in the ministerial budgetary lines (and to a lesser extent to the air force), as far as the Italian navy was concerned, a large part of the funding was earmarked for the production of new destroyers, oceanic submarines, and corvettes, while the financing and the launching of cargo and passenger ships, through companies controlled by the IRI, was downsized until 1934[302] (Giulianelli 2015, p. 137, Fragiacomo 2012, pp. 91-93, Mallett 1998, pp. 59-61). In 1939, the ICN exhibited renewed activity—its final resurgence before being dissolved in April 1940—by extending a loan of £161,000,000 to *Società Italiana di Armamento* (Sidarma) and the *Cooperativa Garibaldi* (two shipbuilding companies) for the production of ten freight vessels. The state-controlled institution's response aligned with the government's call for an accelerated expansion of the national merchant navy during that period (Giulianelli 2015, p. 178).

In this context, Comit and its branches, in London, Genoa and New York also played an active role in giving credit to Italian shipping companies for the purchase of tankers and steamships. After the removal of economic and financial sanctions, in addition to the provision of raw materials, there was also a necessity for mercantile ships to support the logistical transportation of goods (Savoretti 2013, p. 143). Before their acquisition and utilisation for both military and civilian applications, raw

[301] In 1936, a committee established by IRI annulled the conventions of the shipping companies, placing them into liquidation. Subsequently, four new entities (Italia, Tirrenia, Lloyd Triestino, and Adriatica) assumed control, and it was only in 1939 that they stipulated a new agreement with the Italian government for the provision of maritime transport services.

[302] This economic policy towards the shipping industry was undoubtedly influenced by external factors affecting the entire inter-war period, namely the reduction in international trade, as reported in Giulio Mellinato, "Il sistema internazionale della mobilità commerciale fra le due guerre: deglobalizzazione e involuzione", in *Attraverso i conflitti. Neutralità e commercio fra età moderna ed età contemporanea*, Daniele Andreozzi (Trieste: Edizioni Università di Trieste, 2017), 111-129.

materials required transportation to Italy and its colonies. Considering this necessity, the London branch of Comit extended its endorsement for the purchasing of tankers and steamships, often prepaying portions of the amounts owed by Italian shipping companies. For instance, in July 1937, the private shipping company *Nivose Società Anonima di Navigazione* bought a steamship for £70,000[303]. The owners of the company negotiated with Comit-London—on behalf of the Naples branch—a guarantee of £28,000, reimbursed within seven months from the rental fees of a vessel in their fleet and through a counter-guarantee of government bonds pledged to the Naples office.

In August 1937, Comit's New York branch was authorised by the Head office in Milan to extend a credit of $96,000 for the purchase of a US steamship, in favour of the private shipping company *Garibaldi Società Anonima Cooperativa di Navigazione*[304]. In the autumn of the same year, the *Consorzio Industriali Demolitori Navi per Acquisto di Navi Estere per Demolizione* (Cidnave, or Ship Breaking Industrial Consortium for the Purchase of Foreign Ships for Dismantling) contacted Comit to obtain the wherewithal to participate in an auction of 25 US steamships[305]. Regarding to the amount of $800,000, Cidnave had already requested (and obtained) from *Banco di Napoli* a credit of $100,000 and then reached out to Comit's Genoese branch for the remaining part ($600,000). The negotiations ended positively as this latter granted a credit of $300,000, which would have been increased to $600,000 if Cidnave had pledged the entire foreign currency coverage of the initial steamers purchased at the auction. Another example which shows the entanglement between parastatal and private companies dates back to mid-December 1937. Owing to the requests of the state-owned company *Azienda Generale Italiana Petroli* (General Italian Oil Company) regarding increases in mercantile tonnage, the Venetian office of *Compagnia Industrie Marittime & Affini* (Cimar, a private shipping company) formally requested Comit-London's aid in acquiring an English tanker with a cargo capacity ranging from 8,000 to 10,000 tons in mid-December 1937[306], for £60,000. Comit—through its London branch—and Cimar agreed on the advance payment, in cash. This prepayment was contingent upon depositing an equivalent amount in the Anglo–Italian clearing account, along with an additional sum equivalent to 10% of the previously deposited amount. In July 1938, one year later of the previous guarantee, Comit granted a one-year-credit of £27,000 for the purchase of a steamship to the Nivose. As a guarantee, Nivose pledged government bonds to the value of £1,500,000[307]. In this episode, as evident from the minutes, it is noteworthy that Comit initially granted a credit of £40,000 to Nivose. However, Comit central managers made the necessary adjustments because Nivose did not receive permission from the *Ministero per gli Scambi e Valute*

[303] ASI-BCI, *Verbali del Comitato della Direzione Centrale* (hereafter VCD), volume 35, assembly of the 21/07/1937.
[304] ASI-BCI, VCD 35, assembly of the 13/08/1937.
[305] ASI-BCI, VCD 36, assembly of 19/10/1937. The headquarters of the consortium were located in Genoa.
[306] *Ivi*, assembly of 14/12/1937.
[307] ASI-BCI, VCD 39, assembly of 19/07/1938.

(Ministry of Trade and Currency), which authorised the purchase of merchant vessels for £27,000. In September of that year, once again in favour of Garibaldi, Comit-London granted another credit of £10,000 (against the total of £25,000) to acquire a US steamer. The repayment was facilitated through the freight income generated by one of Garibaldi's fleet of steamships[308].

In February 1940, just a few months before Italy entered the war, the New York branch of Comit granted a credit of $150,000 to another shipping company, *Società Anonima Leonardo Arrivabene-Trasporti Marittimi e Fluviali* (Venice)[309]. As with prior credits of this nature, the company planned to reimburse the Comit loan using the freight revenues generated by the newly acquired tanker. The entire credit was authorized in advance by Scambi e Valute, to which the company needed to furnish evidence of generated freight, and upon the repayment of the financing, it was obligated to waive the earnings from the tanker's operations in favour of *Istituto Nazionale per gli Scambi con l'Estero* (INCE). Overall, all the aforementioned transactions received prior approval from Scambi e Valute, because of exchange controls implemented in 1934 to defend the lira from speculative activities and to stop capital outflows from Italy. Any international financial operation required approval from both INCE and *Scambi e Valute* (Raitano 1995, pp. 323-326, Toniolo 2022, pp. 612-614).

Despite its secondary significance (as it was not a direct loan for purchasing a cargo ship), the following episode is representative of the assistance provided by the Comit branch of Genoa to the shipping company Garibaldi in June 1937. To avoid the seizure of one of its fleet's steamships resulting from a collision with a German ship (which subsequently sank), the Garibaldi company sought and secured a bank guarantee of 600,000 Reichsmark (£4,580,400) from Comit's Genoa branch[310]. In December 1937**,** the latter granted another bank guarantee of £33,000 (£3,135,000) in favour of *Unione Italiana Sicurtà Marittime* (an Italian ship-insurance company) to release an Italian steamship stranded in German waters due to an accident[311]. Once again, in Garibaldi's aid, Comit-London assisted this company in a shipping accident in Dutch waters, in January 1939[312]. The vessel *Montesanto* from the aforementioned society was seized by a British shipping company in the Dutch port of Vlissingen after colliding with one of their steamers. The owners of the British company demanded a bank guarantee of £17,500 (£1,557,150) for the release of the Montesanto, to be paid through a Dutch bank. Consequently, Lovioz was directed by Comit's central management to mediate with the two partner banks in the Netherlands, namely, the *Rotterdamsche Bankvereeniging* and the *Amsterdansche Bank*, to facilitate the payment of the 'fine' for the release of the *Montesanto*. Overall, from 1937 to 1939, Comit played an active role in supporting Italian shipping companies. This

[308] *Ivi*, assembly of 21/09/1938.
[309] ASI-BCI, VCD 45, assembly of 13/02/1940.
[310] ASI-BCI, VCD 34, assembly of 01/06/1937.
[311] ASI-BCI, VCD 36, assembly of 31/12/1937.
[312] ASI-BCI, VCD 41, assembly of the 20/01/1939.

involvement also included assisting stranded steamships in foreign waters following accidents with other steamers, enabling their release, and allowing them to proceed to their ports of arrival. This assistance was facilitated through the provision of bank guarantees totalling £9,272,550.

Although the maritime sector had become of national strategic interest and was controlled almost in its entirety by the fascist establishment, it is interesting to make some comparisons between the credits granted by Comit, acquired through its intermediation, and the ones granted by governmental bodies, along with the associated figures (table 19). Certainly, the loan figures between the ICN and Comit are not directly comparable on a quantitative basis. However, if we examine the number of ships launched thanks to the ICN and contrast them with those purchased through credits extended by Comit, a remarkable contribution from the latter becomes evident. Indeed, over its 10-year span of activity, the ICN contributed to the construction of 29 ships, encompassing 220,000 of gross register tonnage for both merchant and passenger vessels (including notable ones, such as the *Rex* and the *Conte di Savoia*). In contrast, Comit acquired 17 ships within the 3 years under analysis, with 18,000 tonnes[313].

Delving into a more microscopic level (table 20), when comparing the figures of the Italian merchant fleet with the ships acquired through Comit, it is noteworthy that in the 3 years from 1936 to 1939, the latter played a substantial role, contributing 10.96% to the growth of merchant vessels (excluding the one purchased on behalf of *Società Anonima Leonardo Arrivabene* in February 1940). Compared to the other two banks of 'national interest', Credit and *Banco di Roma*, the case of Comit's domestic and foreign branches is a unique example in terms of the quantity of ships acquired on behalf of Italian shipping and shipbuilding companies. Although Credit and *Banco di Roma* were involved in financing the Italian shipping industry through various means such as promissory notes, overdrafts and sureties, it is noteworthy that they did not rely on their foreign subsidiaries in the two primary centres of the global economy to guarantee loans.

[313] The tally only includes ships whose tonnage is explicitly indicated in the documents. In the case of the 12 steamships of Cidnave, precise data are unavailable; therefore, it was deemed inappropriate to include even approximate figures in the count.

Table 19. ICN and Comit loans to shipping and shipbuilding companies (million lire).

Sources: Giulianelli (2015), «Ship financing in Italy», p. 343; ASI-BCI, VCD. In total, 3.01% of the loans were granted by Comit, compared to those extended from ICN[314].

	ICN (bonds on the market)	Comit (loans)
1937	356,000,000	21,574,760
1938	314,000,000	3,443,360
1939	312,000,000	1,557,150
1940	---	2,970,000

Table 20. Total Italian commercial fleet compared to the number of ships purchased by Comit on behalf of shipping companies.

Sources: Doria, M. (2011), «I trasporti marittimi, la siderurgia», in V. Castronovo (ed.), *Storia dell'IRI. Dalle origini al dopoguerra, 1933-1948*, Bari-Roma, Laterza, p. 335. In total, 10.96% of the overall number of vessels that joined the Italian fleet between 1936 and 1939 were obtained through Comit's brokerage.

	Total	Cargo ships obtained through Comit
1936	1072	---
1939	1227 (+155)	17 (+17)

[314] Nominal values. Comit loans have been converted into lire by utilising the historical series of exchange rates between the lira, dollar, and sterling, as provided on the Bank of Italy website: https://tassidicambio.bancaditalia.it/terzevalute-wf-ui-web/timeSeries.

5.5 *Concluding remarks of the chapter*

This final chapter has drawn extensively on previously unpublished archival material from the Bank of England Archives, The National Archives (UK), the Intesa Sanpaolo Historical Archives, and the United Nations Archives in Geneva. Through this documentation, it has illustrated how, during the 1930s, the international economic context increasingly gravitated towards alternative frameworks for conducting trade—most notably, through bilateral clearing agreements. The decision to focus specifically on Anglo-Italian relations has been driven by the need to understand how Italy and its banking system confronted financial sanctions, particularly in terms of effectiveness, compliance, and circumvention, and the consequent monitoring strategies adopted by British authorities. London, as the main global hub of international finance, was uniquely positioned to implement and enforce sanctions by exerting pressure not only on Italian banks—through the threat of punitive measures or even closure of their London branches—but also on foreign credit institutions, which risked exclusion from the London market.

Moreover, clearing agreements have been interpreted here through a dual analytical lens. On the one hand, they offered Italy a means to circumvent financial restrictions imposed by London, enabling continued trade—especially with Germany—and supporting the prosecution of the Ethiopian campaign with relatively few obstacles. On the other hand, these mechanisms could not fully replace traditional forms of trade finance that had been central to the first wave of global financial integration. Bank acceptances, in particular, remained in use and were frequently debated between British and Italian financial authorities.

In the latter part of the chapter, attention was given to the pivotal role of Comit's London branch and its manager, Carlo Lovioz, whose proactive engagement in the City was instrumental in rebuilding financial ties after the imposition of sanctions. His efforts were also crucial during moments of renewed diplomatic tension, such as the 1938 Czechoslovak crisis, when London clearing banks temporarily suspended acceptance facilities for Italian institutions. Finally, the chapter explored how the London and New York branches of Comit helped finance Italian maritime companies in acquiring merchant ships—assets vital to Italy's logistical capacity and import needs, both for the mainland and its colonies. With regard to Comit-London's role in acceptance operations and mediation efforts, the documentation reveals that, up until only a few months before Italy's entry into the war against Britain in June 1940, negotiations were still ongoing between the Fascist regime and British authorities concerning the export and import of both military and non-military goods. This evidence highlights the ambiguities of British financial diplomacy in the 1930s and suggests that, within the broader framework of appeasement, certain pragmatic considerations may have shaped the United Kingdom's economic and financial interactions with Fascist Italy.

Overall, this chapter has demonstrated that while economic sanctions had limited impact, financial sanctions proved significantly more effective against Italian banks. It has also shown how two different mechanisms of international trade—bilateral clearing arrangements and traditional market-based finance—coexisted, overlapped, and at times conflicted in shaping the commercial relationship between Italy and the United Kingdom during a period of political and economic turmoil.

CONCLUSIONS

This thesis has analysed the London and New York branches of the Banca Commerciale Italiana (Comit) from three distinct perspectives. Firstly, it has examined the models of governance and managerial cultures embodied by the respective directors, Carlo Lovioz and Guglielmo Reiss Romoli. Employing social network analysis, it has demonstrated the differing degrees of managerial substitutability of each figure within their respective institutional contexts. Secondly, it has investigated the financing of trade by BCI-New York, showing how, following the Great Depression, the branch reallocated its acceptance activity away from Italian clients in favour of foreign ones. This analysis has been then extended into the 1930s to include the London branch, particularly examining the credit lines opened by the two agencies between 1935 and 1941. Finally, the third section has focused on the imposition of economic sanctions against Italy and the country's economic diplomacy towards the United Kingdom in the 1930s. It has explored both the implementation and monitoring role of British authorities, as well as the post-sanctions period, which saw the development of Anglo-Italian financial diplomacy and the negotiation of bilateral clearing agreements. Furthermore, the third part has investigated also on the mediating role of Comit-London in the re-establishment of the Anglo-Italian financial relations after the sanctions and its role, along with BCI-NY, in financing and assisting the Italian merchant fleet.

The first part of this study has exploited the historical evolution of financial intermediaries in Italy as a framework to conduct a comparative analysis of two archetypes of bankers: the cosmopolitan financier and the technocrat, embodied respectively by Lovioz and Romoli. Chapter I has engaged with an interdisciplinary body of scholarship, drawing on organisational economics, strategic management, and social network analysis, to explore the concept of managerial substitutability as shaped by both personal competencies and network structures. Based on archival materials from the Historical Archive of Intesa Sanpaolo, this research has reconstructed the networks of Lovioz and Romoli, revealing stark contrasts. Lovioz operated within a highly centralised, star-shaped network in London, reflecting a cosmopolitan and trust-based model of governance, with low substitutability. His influence stemmed from long-standing interpersonal ties and brokerage skills, which allowed him to mobilise resources across various relational chains. In contrast, Romoli's New York network was more redundant and had more shared links with Comit's central direction. His technocratic profile, rooted in institutional expertise rather than personal connections, made him more easily replaceable within the organisational hierarchy. While both figures proved effective in their respective roles, their careers reflect broader transformations within Italy's financial elite—transitions that did not entirely discard the past but rather produced a hybrid system in which interpersonal trust and technical competence coexisted. Even after the major reorganisation of Italian banking in 1933, older

cosmopolitan figures such as Lovioz continued to generate significant economic value, as evidenced by the performance of Comit's London branch and his effectiveness in navigating financial contexts. Romoli's ascent, meanwhile, was aided not only by his technocratic credentials but also by wartime and post-war affiliations, exemplifying the persistent role of informal networks in institutional advancement. The main findings of the first chapter begin with the observation that, although a change in the Italian elite occurred during the interwar period, this shift took place with notable exceptions. These do not challenge the prevailing interpretations in the historiography but rather suggest a more nuanced perspective—an area that could be explored further in future research. Secondly, the first part attempts to empirically illustrate the transition in banking cultures (from cosmopolitan bankers to technocrats) by employing a social network analysis approach. However, during the investigative phase and preliminary reflections, attention shifted towards the question of managerial substitutability within the company, with a particular focus on Comit's Anglo-Saxon agencies.

Two important caveats has been made during the construction of the dataset used to measure the relational networks of the two branch managers. These remain relevant in order to ensure the methodological rigour of the analysis. First, the sample size is limited: analysing the networks of just two bankers cannot, on its own, significantly reshape the existing literature on managerial substitutability. Nevertheless, the approach offers a potentially useful empirical tool—social network analysis—that could be further developed and replicated in future archival research. Second, the analysis does not include alter–alter links within Lovioz and Romoli's networks, which may be seen as a limitation. However, the focus here has been deliberately placed on examining the extent to which these two managers acted as connectors between their local social circles in London and New York, the bank's central direction in Milan, and representatives of the Italian manufacturing sector and political elite. It also considers how they were employed to carry out activities 'on the ground' in account of Comit Head office.

The concept of managerial substitutability has been extensively explored across several disciplines, each offering insights into when and why managers can be replaced without harming organisational performance. n parallel, social network analysis has enriched our understanding by revealing how the relational position of managers—especially network centrality, redundancy, and structural equivalence—shapes their substitutability. Building on these interdisciplinary foundations, this chapter offers a historically grounded, empirically informed contribution to the study of managerial substitutability. The findings demonstrate that Lovioz's network, centred in the financial hub of London, exhibited a star-shaped configuration, with Lovioz occupying a central and non-redundant position. His ties extended directly to key figures in Comit's Milanese headquarters, and his

embeddedness in the City of London rendered his role highly dependent on interpersonal trust and tacit knowledge, which were accumulated over the 20 years of his career. By contrast, Romoli's network in New York displayed a higher degree of structural redundancy, with overlapping ties that connected him to other managers within Comit's internal hierarchy. While his role was critical—particularly in reorganising Comit's U.S. operations—his effectiveness appeared more rooted in institutional alignment and technocratic competence than in irreplaceable relational positioning. From this perspective, it is plausible to hypothesise that another manager with similar features might have carried out analogous functions under comparable conditions. These divergent cases illustrate how network architecture intersects with organisational and institutional variables to condition managerial substitutability. In doing so, the chapter makes several contributions. First, it brings historical depth to a literature that is often dominated by contemporary or quantitative data, showing how managerial substitutability was already a salient issue in interwar transnational banking. Second, it suggests that the substitutability of financial elites is not merely a function of skills or routines, but also of social embeddedness—a dimension that is historically situated and structurally mediated. Third, it demonstrates the applicability of social network analysis as a methodological tool for reconstructing managerial influence in historical contexts, offering a replicable framework for future studies grounded in archival sources.

The second part of this study has examined the acceptance activities of BCI-New York during two critical periods—before and after 1929—highlighting the significant challenges faced by Italian foreign trade amid the Great Depression. Between 1926 and 1931, the branch notably reduced its financing to Italian firms, shifting its focus towards foreign clients. Although the time frame is relatively limited, it provides valuable insights into how the financial crisis of 1931 may have coincided with changes in Comit's New York branch's acceptance business. By comparing a period preceding the crisis with one following its onset, it is possible to observe shifts in acceptance financing and consider their potential implications for Italian and foreign trade. A detailed city-level analysis of cotton imports from the United States to Italy showed marked contractions, particularly in important Italian industrial centres such as Milan, Venice, Trieste, and Busto Arsizio, suggesting that financial instability may have played a role in restricting trade flows. One notable development during this timeframe is the apparent shift in the geographical distribution of acceptance activity. Between December 1926 and March 1928, Italian and foreign traders were financed in almost equal measure by BCI-NY, receiving L.66,906,757.05 ($3,361,135.19) and L.66,380,305.85 ($3,334,688.33), respectively. However, between November 1930 and September 1931, these figures diverged substantially, with Italian traders receiving L.4,895,932.24 ($256,130.38) compared to L.40,708,885.30 ($2,129,682.73) extended to foreign clients. This marked disparity may indicate a

change in BCI-NY's customer base around the onset of the Great Depression, with acceptance activity decreasing substantially for Italian traders while increasing for foreign traders. It's important to take into account that moratoriums were in place for medium- and short-term loans in Hungary, Germany, and Austria. Therefore, the loans reported in the summer of 1931 most likely represent outstanding payments recorded in the accounting ledgers.

The study has further compared credit activities in the 1930s between the London and New York branches. Both branches faced exogenous shocks—banking crisis of 1931, sterling crisis, and economic sanctions—yet their responses and adaptations differed. Notably, BCI-NY appears to have demonstrated a relatively greater recovery in credit volumes following the sanctions period, possibly supported by internal rationalisation efforts and a shift in operational focus. Meanwhile, Comit-London operated in an increasingly challenging environment as Anglo-Italian relations deteriorated, especially during the sanctions and following the German invasion of Poland in 1939. Newly uncovered archival data provide a more detailed view of BCI's trade financing activities, indicating how the multinational bank adjusted to differing regulatory frameworks and economic pressures. Additionally, the transformation of BCI-New York from a bank primarily handling deposits and remittances into a more conventional correspondent agency appears to mirror changes seen in the London branch. The case of the Italbanco subsidiary in Ecuador further illustrates the role of BCI-New York in the internal restructuring of the Comit group, highlighting practices of insider lending and delegated managerial oversight.

The third part of the thesis has examined the imposition and consequences of economic sanctions against Fascist Italy, focusing on Anglo-Italian financial relations. Drawing on previously unpublished archival material from British, Italian, and League of Nations sources, it explores how Britain enforced financial sanctions through its control of the London financial market, seemingly using its influence to regulate not only Italian banks but also international institutions linked to Italy. While the findings suggest that economic sanctions had a limited effect, financial sanctions—especially those targeting the banking sector—appear to have been more consequential. The considerations outlined in my research build on earlier observations, notably those of Nicholas Mulder (2022, pp. 203-211), who highlighted similar issues, though without delving into the detailed complexities addressed here regarding Italy's difficult reintegration into London's international financial networks and the reopening of previously suspended credit lines.

Chapter V has also stressed the continued use of traditional trade finance instruments, such as bank acceptances, which appear to have remained important and subject to negotiation even during periods of heightened financial tension. Comit's London branch, under Lovioz's leadership, is shown to have played a role in maintaining financial dialogue and access to the City. His involvement in negotiations

during diplomatic crises, including the 1938 Czechoslovak crisis, points to the political significance of transnational banking networks. Furthermore, both the London and New York branches contributed to financing Italian maritime companies, facilitating the acquisition of merchant vessels essential to Italy's commercial and colonial logistics. clearing agreements did allow Italy to secure the supply of raw materials, such as coal, without relying on financial channels based in London. It is important to note, however, that there was no formal embargo on imports of oil and coal, which constitutes one of the main reasons why the sanctions ultimately proved ineffective. Furthermore, the analysis of Anglo-Italian trade relations within the broader context of the 1930s—an era characterised by the proliferation of bilateral trade agreements (clearing agreements) among various countries—raises questions regarding the extent of British appeasement policies. Indeed, intense discussions and negotiations concerning the import of military materials from Italy to Britain continued until just months before Italy declared war on the United Kingdom. More broadly, this study has sought to highlight the nature of Anglo-Italian financial diplomacy during the late 1930s. While a significant portion of trade flows was regulated through clearing agreements, a substantial part still relied on traditional trade finance instruments, such as bank acceptances.

Overall, by integrating archival research, social network analysis, and the study of international financial diplomacy, this work bridges micro-level managerial behaviour, meso-level operational changing aspects, and macro-level political-economic transformations. The result is a coherent analytical framework that illuminates how a financial institution navigated the profound disruptions of the 1920s and 1930s—a period characterised by crisis, protectionism, and accelerating financial deglobalisation. The study has shown that governance models in Italian multinational banking can be interpreted through social network analysis, which provides valuable proxy variables—such as density, degree, and most importantly relational chains—to quantify managerial substitutability. The careers of Carlo Lovioz and Guglielmo Reiss Romoli exemplify this dynamic interplay: their contrasting trajectories reveal how information circulation, embeddedness, and managerial substitutability shaped Comit's capacity to adapt across distinct institutional contexts. Furthermore, the thesis has advanced our understanding of how Italian financial actors have operated within the British and American financial systems while under growing political and economic turmoil. It highlighted the mechanisms through which Comit maintained its international operations despite sanctions and regulatory tightening, thereby demonstrating the flexibility and adaptability of multinational banks in the face of external shocks, and showing how its London and New York branches carried out their lending activities under two distinct and evolving institutional frameworks. Methodologically, it has demonstrated the potential of combining relational data with qualitative interpretation to reconstruct decision-making processes and to identify the channels through which

information, trust, and lending activities have circulated within and across institutions. While the analysis has been grounded in a single institutional case, its implications have extended beyond Comit. It has contributed to broader debates on the effects of monetary markets disruptions on trade finance and showed concretely how financial crises can generate distortions in the trade finance business as well as distributional effects across different borrowers. Moreover, the findings have underscored that even during phases of deglobalisation, cross-border financial linkages have persisted—not as residual anomalies, but as adaptive mechanisms essential to the functioning of national economies in an increasingly fragmented world. Lastly, this thesis has revealed that Italian multinational banking during the interwar years was neither an isolated nor a passive actor within the global financial system. Rather, it has shown how it actively mediated between domestic policies and international constraints, navigating an arena where diplomacy, regulation, banking activities, and individual agency were deeply intertwined.

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Titre : Gouvernance, financement du commerce et sanctions : une analyse multi-niveaux des succursales de la Banca Commerciale Italiana à Londres et à New York, 1912-1941

Mots clés : Entre-deux guerres, financement du commerce, crise bancaire, réseaux relationnels, sanctions, gouvernance

Résumé : La thèse Governance, Trade Financing, and Sanctions: A Multi-Layered Analysis of Banca Commerciale Italiana's Branches in London and New York, 1912–1941 examine l'évolution des pratiques bancaires internationales à travers l'étude des activités de la Banca Commerciale Italiana (Comit) à Londres et à New York, au cours d'une période marquée par de profondes turbulences économiques et politiques. En combinant l'analyse des réseaux sociaux avec des approches institutionnelles et archivistiques, elle explore la manière dont les transformations des modèles de gouvernance, les formes d'intermédiation financière et les contraintes extérieures ont influencé les trajectoires et les activités de la Comit dans ces deux places financières. L'étude s'ouvre par une analyse de la transformation des élites dirigeantes de la banque, à travers les parcours de Carlo Lovioz et de Guglielmo Reiss Romoli. Le premier, ancré dans une culture bancaire cosmopolite et relationnelle, et le second, issu d'une formation plus technocratique et nationale, incarnent des évolutions contrastées qui reflètent les mutations plus larges dans la composition et le fonctionnement des élites financières italiennes. La reconstruction de leurs réseaux professionnels met en lumière la manière dont les rôles managériaux furent façonnés par l'interaction entre pratiques relationnelles traditionnelles et montée en puissance de l'expertise technique. Cette dualité souligne la coexistence de modèles de gouvernance imbriqués et l'évolution des élites italiennes durant l'entre-deux-guerres. L'attention se porte ensuite sur le rôle des succursales étrangères de la Comit dans le financement du commerce international, dans un contexte de forte volatilité économique, notamment à la suite du krach de 1929 et de la crise bancaire de 1931. L'examen des stratégies opérationnelles mises en œuvre par les agences de New York et de Londres montre comment la banque adapta sa présence internationale aux conditions macroéconomiques et aux environnements institutionnels propres aux deux principaux centres financiers de l'époque. L'étude retrace également l'évolution des spécialisations métiers de la Comit, tout en analysant les réorganisations internes consécutives aux perturbations majeures qui affectèrent son réseau américain dans les années 1930. La dernière partie de la thèse s'attache au rôle de la Comit dans la gestion du régime de sanctions internationales imposées à l'Italie après l'invasion de l'Éthiopie et mises en œuvre par la Société des Nations en 1935. L'analyse situe la banque dans le cadre plus large de la diplomatie financière, en montrant comment elle contribua à la réintégration économique de l'Italie dans une phase d'isolement politique. Une attention particulière est accordée à l'agence de Londres, qui joua un rôle significatif dans la réouverture des relations financières avec les banques britanniques, malgré les contraintes du régime de sanctions et les nouvelles formes de gouvernance économique internationale qui émergèrent à la suite de la dévaluation de la livre sterling. À travers l'examen détaillé des mécanismes de contrôle britanniques, des systèmes de compensation bilatérale et de l'action de la Comit dans le soutien de la flotte marchande italienne, la recherche met en lumière la capacité de la banque à se situer à l'articulation entre intérêts étatiques et réseaux financiers privés. Dans son ensemble, cette étude propose une interprétation intégrée de l'articulation entre action managériale, changement institutionnel et contraintes internationales dans la formation des trajectoires de la banque italienne à l'étranger. Elle apporte ainsi un éclairage nouveau sur les structures de gouvernance, les modalités d'adaptation opérationnelle et les stratégies qui ont marqué l'activité internationale de la Comit durant l'entre-deux-guerres.

Title: Governance, trade financing, and sanctions: A multi-layered analysis of Banca Commerciale Italiana's branches in London and New York, 1912–1941

Key words: banking crisis, trade financing, Interwar, sanctions, relational networks, governance

Abstract: The thesis Governance, Trade Financing, and Sanctions: A Multi-Layered Analysis of Banca Commerciale Italiana's Branches in London and New York, 1912–1941 investigates the evolution of international banking practices through the lens of Banca Commerciale Italiana's (Comit) operations in London and New York during a period marked by profound economic and political upheaval. Combining social network analysis with institutional and archival methodologies, the thesis explores how changing models of governance, financial intermediation, and external constraints shaped the trajectories and activities of Comit in London and New York.

The study begins by analysing the transformation of managerial élites within Comit, focusing on the careers of Carlo Lovioz and Guglielmo Reiss Romoli. Their respective experiences—Lovioz rooted in a cosmopolitan, relational banking culture, and Romoli emerging from a more technocratic, domestically trained environment—reflect broader shifts in the composition and functioning of Italian financial élites. Through a reconstruction of their professional networks, the analysis reveals how managerial roles were shaped by the interplay between traditional relational practices and the growing importance of technical expertise. This duality underscores the coexistence of overlapping governance models and the evolution of Italian elites during the interwar years. Further attention is given to the role of Comit's foreign branches in supporting trade finance amid the volatility of the global economy, particularly in the aftermath of the 1929 crash and the 1931 Banking Crisis. By examining the operational strategies of the Bank's New York and London offices, the research highlights how Comit adapted its international presence to shifting macroeconomic conditions and institutional environments in the two main financial hub of the period. The study traces the evolution of the bank's business specialisations, while also addressing the internal reorganisations that followed major financial disruptions in the Bank's U.S. network during 1930s. The final section of the thesis turns to Comit's role in navigating the international sanctions regime imposed on Italy following the invasion of Ethiopia and enforced by the League of Nations in 1935. The analysis situates Comit within the broader landscape of financial diplomacy, examining how the bank contributed to Italy's economic reintegration during a period of political isolation. Particular focus is placed on Comit's activity in London, where it played an important role in re-establishing financial relations with British banks despite the constraints of the economic and financial sanctions' framework and the new international economic governance that emerged after the devaluation of sterling. Through a detailed examination of British enforcement mechanisms, bilateral clearing systems, and Comit's facilitative role in sustaining the Italian merchant vessel fleet, the thesis sheds light on the bank's capacity to mediate between state interests and private financial networks.

Overall, the research provides an integrated interpretation of the interplay between managerial agency, institutional change, and international constraints in shaping the trajectory of Italian banking abroad. It offers new insights into the governance structures, operational adaptations, and the strategies that defined Comit's international activities throughout interwar.