

Using the Past, Building Trust

Ethnicity, the *Risorgimento*, and the Relationship Lending

between the Weill-Schott Bankers and Prime Minister Francesco Crispi in Nineteenth-Century Italy

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The Commission is well aware of the bonds of friendship and political outlook which obtain between myself and Mr. Crispi; the same bonds of intimate friendship link Crispi and the Weill-Schott family: relations which it seems inadequate to term 'intimate' [...].

Crispi was—more than an intimate and personal friend—our political 'humour', our advocate, our advisor; but he was also the person we called to share our domestic joys and sorrows. We felt greatly honored and comforted by the friendship and the intimacy the Hon. Crispi bestowed upon us and we believe we have always returned this sentiment most sincerely.¹

¹ Deposition of Enrico Guastalla, records of the Parliamentary Commission of Inquiry into the

Abstract

This paper² explores the relation between the Weill-Schott brothers' private bank and Francesco Crispi (1818-1901), architect of Italy's unification in 1860 and one of the most important and controversial figures in modern Italian history. I mean to look into the modalities of building up, maintaining, and dissolving a fiduciary relationship which was, at once, private and professional; and illuminate some paths followed by the politician and his bankers in forming trustworthiness through a careful use of shared political experience (the Italian *Risorgimento*), Jewish 'ethnicity', and different layers of 'familial' ties: biological, friendly, and Masonic.

Introduction

Over the last decades, economists and historians have renewed their interest in the relationship between finance and economic development, at times by addressing 'relationship lending': that is, credit allocation in which personal contacts play a major role. These studies are often based on the implicit hypothesis that lenders' incentives and behaviour determine the outcome of relationship lending: an assumption which—as it has been recently pointed out—"represents an unfortunate reductionism since, by definition, there are two sides to relationship lending, with the interaction between borrowers and lenders constituting the essence of the phenomenon".³ This criticism invites us to extend the

² I wish to heartily thank Prof. Jérôme Bourdieu and Prof. Jean-Yves Grenier for giving me the opportunity to discuss this paper at the Paris School of Economics/Ecole d'économie de Paris. An earlier version of this paper benefited from the discussion of Prof. Mary A. O'Sullivan and her research group at the Université de Genève, and from the remarks by Dr. Jürgen Finger (Deutsches Historisches Institut Paris-Institut Historique Allemand). I here present some findings from a research 'Project of national interest' funded by the Italian Ministry of University and Scientific Research (PRIN 2015, *The Long History of Anti-Semitism*), of which I am P.I., and which includes the Universities of Genoa, Pisa, Rome 'La Sapienza' and the Foundation Center for Contemporary Jewish Documentation in Milan. Some of my earlier findings were published in *Archivi e imprese* 16(1997).

Abbreviations: **Acs** – Archivio centrale dello Stato, Rome; **Ascsm** – Archivio storico civico del Comune di Milano, Milan; **Ascsm** – Archivio storico della Camera di commercio di Milano, Milan; **Ascnd** – Archivio storico della Camera dei deputati, Rome; **Asm** – Archivio di Stato di Milano, Milan; **Asmcr** – Archivio storico del Museo centrale del Risorgimento, Rome; **Asmrm** – Archivio storico del Museo del Risorgimento, Milan; **Dspp** – Deputazione di storia patria di Palermo; **Fc** – Francesco Crispi; **Rct** – Atti della *Commissione parlamentare d'inchiesta sui fatti della Regia cointeressata tabacchi* [records of the Parliamentary Commission of Inquiry into the Tobacco Monopoly], followed by number of box (b.), folder (f.), subfolder (sf.), page (p.); **Re** – Reggio Emilia; *r* – *recto*; *v* – *verso*.

³ M. O'Sullivan, 'A Fine Failure: Relationship Lending, Moses Taylor, and the Joliet Iron & Steel Company, 1869-1888', *Business History Review* 4(2014): 647-79, 648; on the concept, see R. Elsas, 'Empirical Determinants of Relationship Lending', *Journal of Financial Intermediation* 1(2005): 32-57.

literature with new studies that analyze how the interaction between lender and borrower evolves over time, and is structured by the historical context in which it is embedded.

Parallely, recent years have seen a rising number of works in banking history based on qualitative archival evidence, which illustrate how banks acquire and process information and reputation.⁴ It is now clear that, in the early phases of industrialization, personal information played a central role in managing information asymmetries, being primary information scarce or unreliable. Scholars also acknowledged that reputation worked in the limiting context of personal acquaintance, until when improvements in information technology information was more widely distributed, and generated in an increasingly technical-professional way.⁵

Economic and organization theory finally recognizes that trust plays a decisive role in reducing transaction costs, pointing out that we still have little empirical evidence (especially with regard to past eras) on how trustworthiness is generated and accumulated by agents.⁶ Historians can contribute decisively, both providing economists with new variables to be included in models and advancing knowledge on how modern banking developed from a dynamic perspective. But our attempts to formulate generalizations around trust and reputation must struggle with the evidence that they are idiosyncratic goods, formed in specific socio-cultural contexts that only a micro-historical outlook—and series of case studies—can capture in their accumulation and concrete functioning.

I am persuaded that the Francesco Crispi-Weill-Schott case may, in this framework, be of interest. Partly because it shows how a ‘past’ shared amongst the agents can be (both theoretically and materially) consubstantial with the same category of trust and its practical construction; partly because it suggests that the ‘past’ itself could be (under specific conditions) employed by the actors in order to recreate, reinforce and—periodically—renew

⁴ For an overview, see M. Pohle Fraser, ‘Personal and Impersonal Exchange. The Role of Reputation in Banking: Some Evidence from Nineteenth and Early Twentieth Century Banks’ Archives’, in P.L. Cottrell, E. Lange, U. Olsson, I.L. Fraser (eds), *Centres and Peripheries in Banking: the Historical Development of Financial Markets* (Aldershot: Ashgate, 2007), pp. 177-95.

⁵ See, for example, the ground-breaking works of N.R. Lamoreaux, *Insider Lending. Banks, Personal Connection and Economic Development in Industrial New England* (Cambridge Mass.: Cambridge University Press, 1996²), and C. Muldrew, *The Economic of Obligation. The Culture of Credit and Social Relations in Early Modern England* (Basingstoke-New York: Palgrave, 1998).

⁶ J.H. Dyer, W. Chu, ‘The Role of Trustworthiness in Reducing Transaction Costs and Improving Performance: Empirical Evidence from the United States, Japan, and Korea’, *Organization Science* 1(2003): 57-68.

reputation and trustworthiness. This cultural process of exploitation, and recreation, of a common past, could develop to the detriment of other paths of business development we might consider more efficient: including training investments and long-term technical knowledge accumulation.

The terrain of my inquiry will be the dense world of social, cultural, or familial relations which business men—especially bankers—had cultivated among themselves, and often with their clients, in nineteenth century Italy. I share the hypothesis that, to the degree that historic inquiry aims at identifying the roots of the trust and fidelity which bind a network of social actors, researchers must bring into focus a more ample and articulated area than that—reductionist, and often atomistic—usually considered by the strictly neoclassical economic approach.⁷ It seems most productive to read the formation of a fiduciary relationship between the two milieu involved—on the one hand a family of Jewish bankers; on the other, a politically prominent man—in terms of an encounter between the respective relational networks.

The Weill-Schott brothers' network had its most important links in a number of bankers (all Jewish) active in Milan, Venice, Paris, Brussels, Cologne and Frankfurt; it was, therefore, rooted in a shared ethnic-religious identity and in the common exercise of banking activities. Francesco Crispi's relational network was expressed in the contacts he established as soon as he ventured into politics, in the frame of the movement for national unification (*Risorgimento*) that culminated in the establishment of the Kingdom of Italy in 1861.⁸ In the following decades, these contacts became channels of transmission of Crispi's influence, linking the parliamentary Left's leader to the leading figures of national political life.⁹ Particular attention will be given to those aspects of the fiduciary link which are most closely tied to the Weill-Schott family's inclusion in the Jewish minority. I shall, however, seek to present a broad approach to the question of Jewish economic activity in the post-emancipatory period, situating the choices made by bankers in the context of a diffuse

⁷ Classic works in this field of inquiry are Y. Cassis, *Les banquiers de la City à l'époque Edouardienne, 1890-1914* (Genève: Droz, 1984); Y. Cassis (ed.), *Finance and Financiers in European History, 1880-1960* (Cambridge UK: Cambridge University Press, 1992); Y. Cassis, *Les capitales du capital. Histoire des places financières internationales, 1780-2005* (Genève: Slatkine, 2006); Y. Cassis, P. Cottrell (eds), *The World of Private Banking* (New York-London: Routledge, 2009).

⁸ C. Duggan, *Francesco Crispi 1818-1901: From Nation to Nationalism* (Oxford: Oxford University Press, 2002).

⁹ J. Dickie, 'La "sicilianità" di Francesco Crispi. Contributo a una storia degli stereotipi del Sud', *Meridiana* 24(1995): 125-42, 125.

informality in which ‘ethnicity’ was but one of the many presuppositions of economic activity as social action.

The first section of the paper explores the origin of the somewhat strange relationship between the Austrian-‘Lombard’ bankers and the Sicilian politician; sections 2 and 3 investigate Crispi’s professional service as a bank lawyer and the subsequent opening of a Weill-Schott branch in Florence. Section 4 tries to bring out the concrete contents of the tie, and the mutual benefits that it produced; finally exploring the causes of its conclusion. Together with business and political correspondence—which, as we know, scarcely illuminates delicate aspects of day-to-day activities, largely orally conducted—, my main archival sources are here the acts of Parliamentary Commissions of Inquiry. These are documents that the ‘age of scandals’¹⁰ have left us in abundance, and are still waiting to be fully exploited by researchers on history of banking.

1. *From Cologne to Sicily*

Francesco Crispi, then living in Sicily, met the Weill-Schott brothers through the good offices of one of his closest friends, Cesare Correnti.¹¹ “Some Lombard bankers—friends of mine who are known in Palermo—have asked me to tell them more about the Palermo city loan. I write only to you. These are trustworthy Houses and they know how to treat things with an ample and sure eye”, Correnti wrote to Crispi a few months after the unification of Italy, from the seat of the new national Parliament in Turin.¹²

It seems significant that the three Weill-Schott brothers, though they were born and grew up in Randegg, a small town in the Austrian district of Baden,¹³ were considered (a

¹⁰ The reference is obviously to T.H. White’s *The Age of Scandal: An Excursion through a Minor Period* (1950); see A. Clark, *Scandal. The Sexual Politics of the British Constitution* (Princeton-Oxford: Princeton University Press, 2004). On bank scandals, J. Taylor, ‘Company Fraud in Victorian Britain: The Royal British Bank Scandal of 1856’, *English Historical Review* 497(2007): 700-24.

¹¹ Cesare Correnti, an active component of *Risorgimento* struggles, was a leading political figure, serving as Minister on various occasions. His relationship with Crispi went back to the ‘Turinese exile’ of 1849. On the relations between Correnti and Crispi, see A. Trova, *Coscienza nazionale e rivoluzione democratica. L’esperienza risorgimentale di Cesare Correnti 1848-1856* (Milan: FrancoAngeli, 1995), pp. 206 ff.

¹² Acs, Fc, Dspp, b. 148, f. 1310, letter n. 1, Correnti to Crispi, Turin, October 13, 1861.

¹³ See Ascm, ‘Rubrica degli israeliti’, *ad nomen* (Alberto, Cimone or Simone and Filippo Nehemia). The surname Weill-Schott was made up of the union of that of the father—Maurice Weill—and that of the mother—Babette Schott. The Weill-Schott family, when it emigrated to Milan sometime between 1848 and 1853 (see below), also included another brother (Leone, born in 1837) and a sister, Sophia, born in 1840 (*ibid.*).

scant year after the Austrians had been expelled from Milan) to be ‘Lombards’ by such a committed *Risorgimento* figure as Correnti. To measure in full the proper weight of the adjective ‘Lombard’ in terms of reputation and economic advantage on the coeval financial markets, it is useful to look at a letter the Jewish Turinese banker David Levi wrote to Correnti a few years later:

In your letter of the 16th you speak of the Bank, which must be organized in this manner, and I see a Decree of the 14th that already constitutes and decrees it. So I doubt that anything can be arranged regarding this. Still, what you could do, and it might turn out to be useful to both of us, is to subscribe *at once* to a hundred or two hundred shares that we take up in partnership. These are emitted there *in parity*, while here they already have around a 350 francs premium, and we could very soon sell them with a tidy profit. God’s truth! It seems to me that, with the people you know, the contacts you have here could at the least obtain some popularity—as many bankers do here. And it would not be as a favor, but as a right that is yours as a Lombard, and, indeed, an award for the many sacrifices [of the past] [...] But I repeat—do not lose *an instant of time*, for they are very much sought after.¹⁴

The fact that some Austrians should share the identity of ‘Lombards’ with this Milanese exponent of the *Risorgimento* is therefore an indication of their ability not only in consolidating a reputation, but in the nature of that reputation.

We can find the basis for the Weill-Schott’s ‘Lombard’ identity in the relationship which had grown up between them and Correnti during the experience of the famed Milanese Provisional Government in ’48. Indeed, we know that, shortly before emigrating to Milan, Filippo Weill-Schott sold hundreds of rifles to the Provisional Government of Lombardy, whose General Secretary was Correnti.¹⁵ Further, on April 20, 1848, the Reinach bank, associate of the Weill Schotts operating in Frankfurt and Paris, granted this government a substantial loan, never repaid.¹⁶ As is the case for a number of other middle-European Jewish merchants and bankers, it would seem that the origins of the Weill-Schotts’ fortune, in terms of both material accumulation and reputation, is to be found in the trade

¹⁴ Asmrm, *Fondo Cesare Correnti. Carteggio*, b. 14, f. 688, Levi to Correnti, Turin, June 24, 1879—emphasis in original. David Levi was also Crispi’s banker before the Weill-Schotts: see Crispi’s letters to Levi, in Fc, Re, b. 1, copies of letters in ‘insert’ 3, sheets 217, 233, 250, 263, 269.

¹⁵ Asmrm, *Governo provvisorio di Lombardia*, b. 16, f. 104, ‘Rendiconto dell’ex Comitato di Guerra dal 22 marzo 1848 al 31 detto’, p. 17 and *ibid.* b. 105, ‘Prospetto riassuntivo delle esazioni e dei pagamenti eseguiti dal ministero della Guerra di Lombardia nei mesi di aprile e Maggio 1848’, p. 7, n. 17.

¹⁶ See, in Acs, *Presidenza del Consiglio dei ministri. Depretis, 1884*, f. 115, the letter, dated April 16, 1884, in which Reinach asks the Italian state to repay the loan he had made, without specifying its entity. Among the sums received listed by the provisional government of Lombardy is a loan of 2,304,114.80 Austrian lire at 5% (Asmrm, *Archivio del governo provvisorio di Lombardia. Documenti diversi*, b. 12, f. 83, sf. 78, ‘Rendiconto sommario ufficiale degli introiti e delle spese dell’Amministrazione dello stato in Lombardia dal 18 marzo a tutto giugno’).

of merchandise and arms which they undertook-‘outside’ or ‘above’-the exponents directly involved in the Napoleonic and Risorgimental upheavals.¹⁷

As soon as he received Correnti’s note, Crispi immediately wrote the “Distinguished Messers” Weill-Schott a frank letter detailing Palermo’s financial situation: a short-fall of 337,446 Ducats income, for whose payment the income of the new duties was already pledged; a city with “scarce patrimonial wealth” but “without great expenses”, in need of a loan for which it had “fixed no emission tax nor annual interest, nor even a rate of amortization”. The city Council had left all decisions to the Mayor and his team.¹⁸ Alberto Weill-Schott responded immediately:

Thank you for so kindly and rapidly answering my letter. We now need to know how large a loan is to be floated and what it will be used for-if for constructions or other ends-; if the former, we could also deal with that. We would suggest 5% annual interest; refund in 50 years with equal yearly payments, leaving it up to you to establish the repayment plan. If the central government should guarantee the loan, we might better the offer to 75.5%. If you think it useful, we could send you a hypothesis of contract to show the City Government and if you see that agreement can be reached on these bases, one of us will come down there to work out the agreement with you and we should be very pleased indeed should you care to give us your support.

And Filippo added an after-note:

I read with great pleasure of the success of the Draft in Sicily-but who could doubt your beautiful land, so honestly Italian? A land of strong intentions!¹⁹

Reassured by the bankers’ interest, Crispi responded re-evaluating the city’s image.²⁰ While these maneuvers (of which Correnti was constantly informed)²¹ were in course, the conditions for Crispi’s entry into the Parliament-for which Correnti was pressing-were

¹⁷ See P. Hanák, ‘Jews and the Modernization of Commerce in Hungary, 1760-1848’, in M.K. Silber (ed.) *Jews in the Hungarian Economy 1760-1945* (Jerusalem: Magnes Press, 1992), pp. 23-39: 27, and *ibid.* W.O. McCagg, ‘Jewish Wealth in Vienna, 1670-1918’, pp. 53-91: 64-8.

¹⁸ Acs, Fc, Re, b. 1, ‘insert 3’, p. 251, Palermo, October 18, 1861. In copies, Crispi almost never indicates the name of the person to whom his letters are addressed; attributions are, therefore, mine.

¹⁹ Acs, Dspp, b. 162, f. 2169, Alberto and Filippo Weill-Schott to Crispi, Milan, October 24, 1861.

²⁰ “The loan to the city of Palermo will be 4 million ducats, a little over 17 million Italian lire. The central government has offered to guarantee it, but I think you will not need to ask for guarantees. A city of two hundred thousand inhabitants has enough resources to find and pay out the sum in question. The loan will be used in public buildings, roads and general improvements. If you are inclined to make an offer, do so. There is, at present, the loan of the province of Palermo-a million ducats, a little over 4,250,000 Italian lire. They are destined to building roads, which should also be entrusted to a single firm. The province has no debts and no deficits”: See Acs, Fc, Re, b. 1, ‘insert 3’, p. 257, Crispi to Weill-Schotts, Palermo, November 4, 1861.

²¹ See references to Correnti in single letters among those cited above: See also Acs, Fc, b. 1, ‘insert 3’, p. 257: “I received a letter from your friends in Milan, to whom I responded with a previous special delivery furnishing the information they requested as to the Palermo loan” (Crispi to Correnti, October 24, 1861).

taking shape.²² The affair of the Palermo loan seemed to become a real possibility a few months later, in the rough draft of an agreement in Crispi's hand between the Weill-Schott bank and Valerio Balzamo, Palermo's Mayor. The loan (10 million Italian Lire) would be granted in equal measure by the firms of Joseph Oppenheim of Brussels and that of Alphonse Reinach of Frankfurt, partners of Weill-Schott, and by the Weill-Schott Brothers of Milan. The loan was to be extinguished in 66 annual payments of 759,000 lire. Reimbursement of the bearer bond certificates would be paid through banks in Palermo, Milan, Frankfurt, Brussels, and Paris; the banks further guaranteed the negotiability of these bonds throughout the Kingdom of Italy and in all French Exchanges. The city of Palermo agreed to contract no further debts for at least three years.²³

At the moment of Italian unification, the Weill-Schott brothers were, then, already solidly situated in international financial circuits. With the birth of the unitary Italian state, they acted to set up a network of political relationships at parliamentary level; they did this, however, in the area of the Left (at that moment out of power). So, from the very beginning, we can discern one of the basic components of the relationship between the bankers and Crispi: the common political convictions which, thanks to Cesare Correnti's social brokerage, linked the Weill-Schott's informative-financial network and Crispi's political-relational milieu.

The Weill-Schotts, then, consolidated the trust which these exponents of the *Risorgimento* offered them, arranging a loan with Garibaldi's closest aid, whom Correnti urged to become a member of parliament. This they did by investing in an affair that was by no means secure-indeed, as we shall see, it was not, in the end, concluded-, and at conditions that were very favorable for the city of Palermo: an investment whose entity was possible due to the size and solidity of their network. In addition, thanks to the international administration, Weill-Schott could enlarge the market base of bonds which were not very

²² "Dear Crispi" he wrote, "come, and don't linger in day-dreams. We'll start from the beginning. Come, even [if you must] come by yourself: as [if] trumpets had sounded the charge on the field of battle. Come, and drag the friends [you] mentioned along with you. Parliament must be kneaded into a Roman Senate. Necessity may, on occasion, achieve more than Virtue-and even Virtue, as you well know, is not at all lacking here": Acs, Fc, Dspp, b. 148, f. 1310, letter n. 2, Correnti to Crispi (date is not indicated; archived as November 10, 1861).

²³ Acs, Fc, Dspp, b. 3, f. 36, 'Pro-memoria d'un contratto di prestito alla città di Palermo', April 4, 1862, articles 1, 2, 7, 10, 14, 15.

attractive and so distribute assumption of the loan's risk²⁴. This would, most probably, allow the bank to set interest on payments at a rate that was really low by Sicilian standards²⁵: in a period characterized by credit heavily burdened with the conditioning of centers of political-financial power—and where “the elevated interest rate reflected precisely the distance of the debtor from these centers”²⁶—Palermo could cancel such ‘distances’, and Crispi confirm his prestige in the eyes of local leaders as parliamentary elections became imminent.

The Weill-Schotts soon had occasion to gather the first fruits of their Sicilian investment. Twenty days after the draft of the agreement for the proposed loan, Alberto Weill-Schott wrote to Crispi:

While I wait for news from you as to how the final stages of the loan to Palermo are proceeding, and whether the commission for the Italo-Belgian affair has at last completed its report, I inform you that Mr. Susani has gone to Turin to lend his support to the affair; at his departure I have been informed that General Bixio²⁷ will be called upon to give his opinion, since, in part, apparatus for steam boats is involved. So I confide that your well-known engagement will bring good results in this affair, too, and I should be most grateful if you would let me know as soon as possible [how it goes]. As for the auction of the 72 locomotives, we are preparing your commission for the period fixed by the auction tender. I hope to have the power of attorney for the Palermo business by Saturday and then, in any event, we can sign.²⁸

It is surely not by chance that the loan and the conclusion of the delicate question of the Southern Railways [*Ferrovie Meridionali*] came to a head at the same time. It is quite likely that Weill-Schott had asked Correnti to introduce him to Crispi to get the support of Bixio; and that the favorable conditions of the loan constituted, more or less explicitly, a bargaining chip: the attention of high international finance for bedraggled Sicily (with

²⁴ On this point, see the 1865 letter from Alberto Weill-Schott to Crispi on the occasion of a new loan request cited below in note 29.

²⁵ G. Piluso, ‘Sulla struttura dell’offerta di credito in Italia: mercati e squilibri regionali (1860-1936)’, *Storia e problemi contemporanei* 16(1995): 9-46. Interest rates normally applied to local public administrations in this period were around 4-5% in Piedmont and Lombardy and 12% in Sicily (pp. 25-26).

²⁶ See A. Polsi, ‘Prima della Banca d’Italia. Spinte unificanti e resistenze regionali’, *Meridiana* 14(1992): 17-32, p. 30.

²⁷ Born into a modest Genoese artisanal family in 1821, ‘Nino’ Bixio went to sea at 13 on a cargo ship sailing trans-oceanic routes. Forcibly impressed at sea by the Savoy navy, he served for over a decade. In Paris he encountered Mazzinian circles and became an active proponent of Italian unification, participating in 1847/8 in the First War of Independence. Bixio soon passed into the more radical orbit of Garibaldi; he became, subsequently, Garibaldi’s close aid in the formation, supplying and campaign of ‘The Thousand’ [*I Mille*]-the volunteer ‘army’ which reached Sicily. Elected Deputy to the parliament in Turin and subsequently appointed Senator, he held key commands in the 3rd war for independence of ’66 and in the occupation of Rome in 1870.

²⁸ Acs, Fc, Dspp, b. 3, f. 36, Alberto Weill-Schott to Crispi, Milan, April 24, 1862.

Filippo's courteous lie as to the good results of recruitment), in exchange for support in Parliament for the Southern Railways deal. Support which, otherwise, Weill-Schotts would have been unable to ask of Crispi, with whom he had been acquainted for only six months.

Two networks were thus bound together. The one made up of ethnically linked bankers, the other of political figures of the *Risorgimento*, centred on the future statesman. Two networks restructured into a single, extended fabric stretching from Cologne to Palermo. As for the Sicilian loan, at the last moment the City Council, frightened by the size of the debt involved, refused to approve it.²⁹ Towards the end of 1863, Crispi turned to his personal banker of the moment, Domenico Balduino, to fix the conditions for a new loan of eight million lire. The newly founded bank called *Società Generale del Credito Mobiliare* (created on the model and with the money of the Péreires) proposed an interest of 7% a year and a price of emission at 72.5%, but once again the City Council refused.³⁰ Meaningfully, Wild-Schott would have granted the loan on conditions distinctly more favorable than those offered by a specialized merchant bank.

Timing is everything. It is well known that, on August 21, 1862, Parliament, cutting out the Rothschild-Talbot group at the last moment, conferred upon the Leghorn banker Pietro Bastogi (ex Right Wing Finance Minister) the Agreement for the construction and the management of the Southern Railways and of some shorter lines in Lombardy. Following up this Agreement, on September 18, Bastogi (supported by the French Péreire brothers, banking innovative rivals of the Rothschilds³¹) founded the Society for the Construction and Exercise of the Italian Southern Railways, simply known as the 'Bastogi'. The company was

²⁹ See the Balzamo's letter to Crispi (Palermo, October 15, 1865) in Acs, Fc, Dspp, b. 3, f. 36.

³⁰ *Ibid.*, letter of Balduino to Crispi (Turin, October 9, 1865). See also the letter of Palermo Mayor, Balzamo, to Crispi on the occasion of a third request to Balduino for a loan in 1865: "the City Council has had cause to regret not only refusing the loan in '62, but also refusing in '64 a loan offering conditions certainly more advantageous than those we can hope for today. So I am very grateful for the benevolence with which you have accepted to treat a difficult affair [a request to Balduino for half million loan], but one which, it seems, this time will be brought to completion." (Acs, Fc, Dspp, b. 3, f. 36, Balzamo to Crispi, October 15, 1865). In 1865, Crispi had once more contacted Alberto Weill-Schott who—perhaps having learned of the double contact Crispi had made—had replied with unusual briskness: "Dear Crispi, I have already written that the Palermo Loan, due to the way in which it has been emitted, is an affair for capitalists, as it has no market. To date it is, in fact, unknown to Italian and foreign Exchanges, being among those which cannot be sold at any moment [...] so I advise you against it. In any event, I am convinced that the Bank of Palermo, or the new Italian bank, will be obliged to concede anticipations on the city income of Palermo and Naples in the same manner as they do today for Milan, Turin or Genoa. In any case, it is not prudent to keep your capital engaged in the income of a State that has Sella as Minister of Finance—a man who has miscalculated by 300 million in four months. Keep well" (*ibid.*, September 25, 1865; place is not indicated).

³¹ Unlike Rothschilds, Péreires were Sephardic Jews: H.M. Davies, *Emile and Isaac Pereire: Bankers, Socialists and Sephardic Jews in Nineteenth-century France* (Manchester: Manchester University Press, 2015).

Italian in name and appearance only: French names predominated on the original list of shareholders, and the first general assembly took place in Paris.³² And in December, 1861, two months after the first contacts between the Weill-Schotts and Crispi, the Weill-Schotts—with Joseph Oppenheim and Adolf Reinach—also founded in Turin the Società Italo-Belga per Costruzioni e Lavori Pubblici [‘Italo-Belgian Society for Construction and Public Works’], in which the Brussels based Compagnie Générale de Matériel de Chemin de Fer (backed by the Péreire) participated.³³ To permit the Italo-Belgian firm to qualify for the construction of a part of the Southern Railways, the Weill-Schotts immediately purchased 1,200 shares of the ‘Bastogi’, allowing them to have a voice in the assigning of contracts.

Still, as a Parliamentary Inquiry into Railways which followed demonstrated, Bastogi subsequently quietly shifted policy, ably excluding Weill-Schott from the possibility of enjoying any of the profits of construction.³⁴ The Inquiry also showed that the Deputy Guido Susani, after he had been to Paris and London in search of capital to counter Rothschild’s overwhelming power in Italy, “was the first”³⁵ to tell Bastogi of the plan to form a company which would contrast the concession of the Railway to them. Finally, according to the Inquiry, Alberto Weill-Schott had been “for some time in contact with the Hon. Susani” and was consulting him in his capacity as an engineer during the founding of the Italo-Belgian firm.³⁶

³² R.E. Cameron, *France and the Economic Development of Europe, 1800-1914: Conquests of Peace and Seeds of War* (Princeton: Princeton University Press, 1961), pp. 294-95; E. Cantarella, ‘Capitale estero e capitale nazionale: alle origini della Bastogi’, *Studi storici* 3(1976): 97-137.

³³ M. Dumoulin, ‘Jacques Errera, un banquier venetian à Bruxelles’, *Rassegna storica del Risorgimento* 3(1986): 267-79, p. 217. Within the Italian-Belgian firm, the Jewish banker Brugman occupied a dominating position, as well as his coreligionist Giacomo Errera—uncle of the writer Alberto Cantone and cousin of the economist Alberto Errera—, who was son of the Venetian banker Abramo Errera, owner of *Ca’ d’oro* and close collaborator of another *Risorgimento* protagonist, Daniele Manin. Educated by Adolf Reinach, closely linked to the affairs and personal life of the Brussels and Cologne Oppenheims, Errera founded the Banque de Bruxelles and was the Italian Consul in Belgium: see M. Dumoulin, ‘Hommes et cultures dans les relations italo-belges (1861-1915)’, *Bullettin de l’Institut historique belge de Rome* 52(1982): 271-567, 322 ff.

³⁴ Camera dei Deputati, *Relazione della Commissione d’inchiesta parlamentare su fatti relative alla Concessione delle Strade ferrate meridionali, nominate nella tornata del 21 maggio 1864. Letta nella tornata del 15 luglio 1864* (Rome: Camera dei Deputati, 1864). See also (at the Biblioteca Nazionale Centrale, Rome) *Atto conclusionale sulla causa della Ditta bancaria fratelli Weill-Schott corrente in Milano [...] contro Bastogi conte Pietro [...]* (Turin: Tipografia del diritto, 1863) and Acs, Dsp, *Appendice*, b. 1, f. 3: *Corte di Appello di Firenze, Cempini e LL.CC. e Bastogi. Repliche alla memoria avversaria* (Florence: Tipografia di L. Niccolai, 1863), with text annotations by Crispi.

³⁵ Camera dei Deputati, *Relazione*, p. 5.

³⁶ *Ibid.*, p. 20.

The excerpt from Alberto Weill-Schott's letter to Crispi mentioned above was, then, written in the moment when—completing the founding of the Italo-Belgian firm—the Weill-Schotts used Susani to bring pressure to bear upon Bastogi and other members of parliament to break off contacts with the Rothschilds and concentrate on the Agreement (later cancelled) of June 1862³⁷. Crispi's interest in this affair was strong enough for him to become (from his privileged parliamentary position) Susani and the Weill-Schotts' intermediary. "Susani tells me the time has come for you to present your proposal on behalf of the Italo-Belgian firm to Bastogi", Crispi wrote Albert Weill-Schott in mid-August of 1862, "so please get busy on it".³⁸

So the last of the letters written by Alberto Weill-Schott which we have examined, shows us the presence together of at least three elements which, from its inception, defined the fiduciary relationship between Crispi and the bankers as well as, more broadly, the fortunes of the Weill-Schott bank. First of all, there is the informal power exercised by the new Weill-Schott/Crispi network—all the more incisive in that it had formed and consolidated during the *Risorgimento*. There was, too, the element of trust linked to the shared minority religious faith, both within the financial group (in the very structure of the bank, from which they derived both competitive capacity and solidity; and in the foundation of the Italo-Belgian Company), as well as towards the 'outside' (in this case, through Susani³⁹). Finally, Weill-Schott's letter documents the first personal shared interests

³⁷ G. Capodaglio, *Storia di un investimento di capitale. La Società italiana per le strade ferrate meridionali* (Milan: Mondadori, 1939), p. 8.

³⁸ From our point of view, it is relevant that Guido Susani was also a member of the Milanese Jewish minority. His family, originally from Mantua, was among the first Jewish families to move to Milan in 1836 (G. Maifreda, 'La "Rubrica degli Israeliti" dell'Archivio Storico Civico del Comune di Milano', *Rassegna Mensile di Israel* 3(1993): 24-66, 59). A note to Cesare Correnti from the lawyer Enrico Hanau, well known for his engagement in Jewish religious and cultural circles (see E. Hanau, 'Gli israeliti in Milano', *L'educatore israelita*, March 7, 1855: 107-11) shows that Susani was part of the network of social relations activated by his coreligionists; indeed, he sought their support for his election to parliament: "Susani has been left without a circumscription [in which to candidate himself]", wrote Hanau to Correnti in 1861. "I could exercise some influence in Codogno, where I have friends and clients: Do you think that, outside of the people I know, my attempt might find supporters?" (Asmrm, *Fondo Cesare Correnti. Carteggio*, b. 13, f. 640, February 8, 1861).

³⁹ In the above cited article (note 36), Hanau lists Guido Susani, with his father Moisé, among the "men who, for their reputation, not only honor Milan, but Judaism and all Italy" (p. 109). As further proof of the favor Susani accorded coreligionists on this occasion, we should keep in mind the fact the epicenter of the Merdionale scandal consisted in Susani himself's ceding of a twelfth of his Bastogi's earnings to the Jewish Milanese bank Weiss, Norsa and Co. The Inquiry also found that Sigismondo Weiss had, in this manner, paid a sum "for the cooperation" to his advantage, after the interruption of relations between Susani and the Weill-Schotts provoked by Bastogi's behavior (Camera dei Deputati, *Relazione*, pp. 24 ff.).

established by Crispi and Weill-Schott: Crispi invests his own money in an affair directly promoted and represented by the bankers.

It is the seed of a private, professional, collaboration, which acquired a progressive importance over the decade following, and built the framework of the trust relationship. The subsequent step was Crispi's professional intervention in the legal confrontation between the Weill-Schotts and Bastogi, where he served as the family's lawyer: a choice which would carry noteworthy consequences for both parties.

2. Crispi the lawyer

At one time, I kept my savings—as well as sums which I administered—with Mr. Balduino [...]. Not only did I deposit my own savings, but Garibaldi's as well, whenever he entrusted me with them; those of relatives whose patrimony I administered; and even the public funds which, more than once, were entrusted to my administration. When Mr. Weill-Schott set up an office in Florence, I closed my checking account with Balduino (as of June, 1868), and opened an account with Messers Weill-Schott, which I terminated some days ago.⁴⁰

Assuming the defense of the Weill-Schott bank in the 'Bastogi' case, Francesco Crispi made a choice which was, at once, advantageous and embarrassing for him.

Advantageous because, thanks to this occasion, Crispi became the lawyer of reference for a bank which had become important, from which he might draw not only a conspicuous income, but various other advantages: investments in his Sicilian homeland and direct contacts with the seats of European high finance. "I have been the lawyer of the Parisian and Frankfurt Reinachs", Crispi would declare at the time of the Panama Canal scandal, which involved the Jewish-German bankers, financial adviser of the Canal Company; "the Reinach became my clients through the Weill-Schott brothers".⁴¹

⁴⁰ Deposition of Francesco Crispi, records of the Parliamentary Commission of Inquiry into the Tobacco Monopoly, July 3rd, 1869 (Ascd, Rct, 2, 3, no sf., 37/1).

⁴¹ Telegram from Crispi to the newspaper *Corriere della Sera*, quoted in F. Cavallotti, *Per la storia. La questione morale su Francesco Crispi nel 1894-1895* (Milan: Alliprandi, without date but 1896), p. 160. As for the Italian side of the scandal, see F. Damaso Marengo, 'Lo scandalo della decorazione Herz', *Rassegna storica del Risorgimento* 4(1987): 489-509; its anti-Semitic consequences and parallelisms with the Dreyfus Affair were considered by Hannah Arendt in *The Origin of Totalitarianism* (San Diego-New York-London: A Harvest Book-Harcourt, 1994 [1951]), pp. 95-99.

Moreover, thanks to the Weill-Schotts, the politician was able to fight at the judiciary level, too, his parliamentary enemies. From the minutes of Crispi's plea before the Court of Appeal in Florence, it is clear that the neo-deputy felt the Bastogi-Weill-Schott case was eminently political. "The reason the Weill-Schott brothers based in Milan presents themselves before this most excellent Court of Appeal is a case against count Bastogi and sir Domenico Balduino in which we do not know whether it is the law or morality suffering the harsher, though dissimilar, offence", Crispi exclaimed. "We do not hide from ourselves the fact that we are obliged to fight a person who is very powerful in Italy, since he was one of the King's ministers; and [another] individual who manages one of the most important banks in the country [the *Credito Mobiliare*]. Yet, convinced of the right, and secure in the rectitude of its judges, we hope to emerge victorious from this unequal confrontation, obtaining the justice which was denied at the first level of judgement"⁴².

Agreeing to represent the Weill-Schotts was embarrassing for Crispi precisely because Domenico Balduino was involved.⁴³ It is worth noting that Crispi did not see incompatibility in being Balduino's 'client' and, at the same time, his accuser in a case with national repercussions: a case so harshly fought that in its wake the Weill-Schotts and Balduino severed all contact, personal as well as professional.⁴⁴ Crispi entrusted his personal funds, as well as the other funds he administered, to the Weill-Schotts only years later, following a line of conduct quite different from the growing trust relationship established with them: this, evidently, was because, at the time, he was more concerned with protecting his links to Balduino (a task in which he succeeded, judging by the cordial tone of their brief

⁴² Acs, Fc, Depp, *Appendice*, b. 1, f. 3, without date, p. 1r. For reasons we shall see, the Appeal did not occur. The same document states that Susani "has clientele and friends in Milan" (p. 3v) and that "the plan to snatch the firm [the Meridionali] from baron Rothschild was engineer Susani's" (p. 2v).

⁴³ Through the *Credito Mobiliare*, Balduino had materially sold to Alberto Weill-Schott the 1,200 shares which subsequently turned out to be non-founders participations; useless in so far as participating in the profits of the construction of the Ferrovie. As Balduino had unloaded all responsibility onto Susani, at first Weill-Schott attributed all responsibility to Susani, accusing him of having been corrupted by Bastogi—an accusation which the Parliamentary Commission of Inquiry declared to be unfounded (Camera dei Deputati, *Relazione*, pp. 20 and 24 ff.).

⁴⁴ Ascd, Rct 1, 2, no sf., 87/4, deposition of Cimone Weill-Schott, July 2nd, 1869: "I have had contacts [with Balduino] some years ago, we were in conflict over the Southern Railways, after that all contacts between us ceased". On the same occasion, Balduino observed that "after that disagreement [with the Weill-Schotts] we ceased all relations, not even saying hello" (Ascd, Rct 3, 6, no sf., 68/2, July 6, 1869).

1865 exchange of letters concerning a new loan to the city of Palermo)⁴⁵ than in strengthening the relationship with Weill-Schott.

Perhaps the reason for this may be found in the crisis Crispi suffered during the first years of Unification: Balduino had been—and continued to be—the banker of Mazzini’s followers, the democratic wing of the *Risorgimento* movement.⁴⁶ As we have seen, Crispi himself continued to entrust Garibaldi’s funds and “the public funds which, more than once, were entrusted to my administration” to him. Removing these funds from Balduino’s bank in the early 1860s would, then, have meant damaging the delicate equilibrium which had taken shape in the decades of the fight for independence. Refraining, indeed, represented Crispi’s extreme attempt to mask a drawing back from Mazzinianism in which, in reality, he was already intimately engaged; although, evidently, the moment for a public manifestation had not yet arrived. Crispi abandoned Balduino and the position he represented only in the latter part of the 1860s, and after a definitive and drastic break with Mazzini and republicanism.⁴⁷

Bastogi, instead, could be presented to the judges as a traitor to Mazzini; the individual who “in two different eras, has been treasurer of Young Italy [*Giovine Italia*]—and of the House of Lorraine”, and now “lorded it over the prince of finance”:⁴⁸ the very personification of the Tuscan financial aristocracy at that same moment so powerful in the parliamentary Right. Setting aside Crispi’s oratory, the clash between Bastogi and the Weill-Schott may indeed be taken as emblematic of the confrontation between two different characters. On the one hand, the ex-Mazzinian count, who had “slipped agilely among all the parties, eager to hold a political role in the social comedy”⁴⁹; on the other, the bankers of the extreme Left, philanthropists and future translators of Nordau and popularizers of Lassalle.⁵⁰ On the one hand, the minister “Italian, if iniquitous taxes have a homeland [...]; facile, soft,

⁴⁵ Acs, Dsp, b. 3, f. 36, Balduino to Crispi, Turin, October 9, 1865 and November 3rd, 1865.

⁴⁶ On Balduino’s financing of Mazzini’s entourage, see E. Müller-Diamilla (ed.), *Politica segreta italiana (1863-1870)* (Turin-Rome: L. Roux & Co., 1891²), pp. 104 ff.

⁴⁷ The analysis of the dispute between Crispi and Mazzini, which occurred in the mid-sixties, is a motive common to all biographies of Crispi.

⁴⁸ From the public prosecutor’s final summary (Acs, Fc, Dsp, *Appendice*, b. 1, f. 3, p. 2v); the reference is obviously to James de Rothschild, in reference to the failure of his attempt on the Meridionali.

⁴⁹ As written in the coeval pamphlet by F. Petruccelli della Gattina, *I moribondi di Palazzo Carignano* (Milano: Istituto editoriale italiano, without date but 1916³ [1st edn Milan, 1862]), p. 91.

⁵⁰ See the Cimone Weill-Schott’s translation of Max Nordau, *Le menzogne convenzionali della nostra civiltà* (Milan: Treves, 1885) and Id., *La vita e le opere di Ferdinando Lassalle* (Milan: Treves, 1889).

inclined to excesses of enthusiasm, [having] too Tuscan a nature”⁵¹; on the other, the cosmopolitan financiers.

The confrontation between the Weill-Schotts and Bastogi-Balduino (which Crispi significantly always called “the case against Bastogi” in his letters to the Weill-Schotts)⁵² had two phases. The first trial took place in Trieste’s civil court in May, 1863, and the Weill-Schotts lost⁵³. There was to have been an Appeal, but this did not materialize. The reason for this is relevant for us in that it links the situation we have just examined to those which subsequently involved, ever more closely, Crispi and the Weill-Schotts. An excerpt from the interrogation of Cimon Weill-Schott in July, 1869, during the Parliamentary Inquiry into the related Tobacco Monopoly scandal, sheds light on this:

President of the Parliamentary Commission [Pisanelli]: Tell us, then: did you have an argument with Balduino?

Cimone Weill-Schott: Yes.

President: In what period?

Weill-Schott: Oh... some years back. It began after the agreement on the Southern Railroads... I think it was in '66 or '67 [sic].

President: Was your lawyer Crispi at the time?

Weill-Schott: Yes.

President: Did you lose?

Weill-Schott: There was a formal question, because the lawyers and the *procuratori*—I don’t know whose fault it was—didn’t present the Appeal within the proper time. We took it to the Court of Appeal twice, and to the Court of Cassation, but we lost for formal reasons [...]. [All this] greatly upset me; it made me lose some hundred thousand lire. [...] I really do not know who was responsible for that oversight; as [our lawyer] Crispi had the document; I certainly said that if Crispi had been more attentive, perhaps this might not have happened; but even so, I have never felt any sort of rancour towards Crispi [...]; everybody knows what friends we were.⁵⁴

⁵¹ Petruccelli della Gattina, *I moribondi di Palazzo Carignano*, pp. 93-94.

⁵² See for example Acs, Fc, Re, b. 1, ‘insert 15’, p. 50, Crispi to Alberto Weill-Schott, Turin, March 11, 1863; *ibid.*, ‘insert 14’, p. 12, Crispi to Filippo Weill-Schott, Turin, March 11, 1863. Balduino, instead, Crispi writes, “showed himself conciliatory towards me” (Acs, Fc, Re, b. 1, ‘insert 11’, p. 31, Crispi to Alberto Weill-Schott, Turin, September 26, 1862).

⁵³ “We have totally lost,” Crispi wrote Filippo Weill-Schott on that occasion. “The civil court, after having slept on the matter for eleven nights, produced a juridically strange decision. It has absolved everyone and condemned us—unbelievable [...]. It has not, however, had the courage to order the sentence [be] temporarily executed without appeal. The Court itself realized that we must protest the injustice we have suffered. Before appealing, it is best that one of you brothers comes to Turin” (Acs, Fc, Re, b. 1, ‘insert 16’, Crispi to Cimone Weill-Schott, Turin, June 7, 1863). The letter makes clear Crispi’s urgency to speak directly with “one of you brothers” (same request in Acs, Fc, Re, b. 1, ‘insert 14’, Crispi to Filippo Weill-Schott, Turin, March 17, 1863), and implies precise hierarchies within the bank—from whose direct management the Reinachs, in the Milan office, are, evidently, excluded—and a direct relationship between Crispi and the Weill-Schott brothers which appears to have become prevalently personal.

⁵⁴ Ascd, Rct, 2, 4, no sf., 15/3-16/3, July 4, 1869.

The first episode of the professional collaboration between Crispi and the Weill-Schotts was, then, decidedly unhappy: the bankers lost their case, and their lawyer forgot to appeal it. Indeed, the lawyer presenting the accusation was a client of the defendant. Still, in virtue of a ‘friendship’ established in a little over a year—and that on the basis of a loan which never took effect—the Weill-Schotts archived the whole affair without blinking an eye. Why? Probably they believed the continuation of the relationship with the deputy would carry advantages overbalancing the losses they had incurred. But perhaps the reason was that the roots of the relationship were, at least partially, elsewhere.

3. *A New Bank in a New Capital: Florence*

The Registers used by Crispi in Turin in the early Sixties are dense with correspondence with the protagonists of contemporary Sicilian politics, testifying once more the priority the neo-deputy accorded to the evolving situation on the island.

A large part of this correspondence was addressed to the Directors who succeeded each other at the helm of the *Precursore* [‘Fore-Runner’], a daily pro-Crispi newspaper published in Palermo from the date of Italian unity through 1868. At nearly a year’s distance, Crispi wrote two letters to Felice Di Maggio, the paper’s editor after 1862, presenting Cimone and Alberto Weill-Schott. “Dear Felice, Mr. Weill-Schott, bearer of this letter, is my friend. He is here for the approval of the Palermo loan. Help him in whatever needs to be done. Put the Paper at his disposal, if he needs it”.⁵⁵

So, from the time of the Palermo loan, the Weill-Schotts could count on the support of this widely circulated daily, that was the voice of the opposition to the Government: this was the beginning of a journalistic collaboration which, as we shall see, acquired ever increasing importance over the following years. Having the daily “at [their] disposal” is another sign of progressive consolidation of the deep ideal affinities linking Crispi and the Weill-Schotts. Affinities which, in the course of this affair, had a role that was without doubt essential, given its effects at the level more closely related to banking problems. We know, for example, that during the period of the projects for the fusion of two of the Central banks inherited from the pre-Unification period (the Banca Nazionale nel Regno d’Italia [National

⁵⁵ Acs, Fc, Re, b. 1, ‘insert 9’, p. 29, Turin, May 10, 1862.

Bank], former Piedmontese monetary authority, and the Banca Nazionale Toscana [National Tuscan Bank]), Alberto Weill-Schott persuaded Crispi to join a Committee promoting the plurality of central banking in Italy, confirming a community of intent, then consolidated during the Florentine period and lasting until the end of their careers.⁵⁶

A second note by Crispi, presenting the Weil-Schotts to Di Maggio, shows another dimension of the trust relationship: the shared membership in the Masonic ‘family’. “Dear Felice, Here is Mr. Alberto Weill-Schott. He is one of my closest friends. You know his brother, Cimone. In Alberto you will discover a worthy brother. Present him to everyone in the family, and do for him what you would do for me”.⁵⁷ This way, Crispi asked Di Maggio to introduce Alberto Weill-Schott to his fellow members of the Sicilian-Risorgimental-Masons, for reasons no longer directly linked to the loan—which had, by that time, been refused by the Palermo City Council.

So the development of the relationship between Crispi and the Weill-Schotts was reinforced by a considerable financial engagement on the part of Sicilian bankers, of which today only a few documentary fragments remain: there are, in fact, still traces of Weill-Schott capital in Catania firms,⁵⁸ and in a loan to the city of Siracusa.⁵⁹ As for Alberto Weill-Schott’s admission into the Masons, it is most probable that this occurred before he was introduced to Di Maggio, and perhaps, indeed, before he met Crispi: already in 1862, during a trip Crispi, as a deputy, made to London with the intent of establishing Masonic contacts,⁶⁰ Weill-Schott offered to procure introductions for him.⁶¹

The Weill-Schott brothers were in the process of specialization, each assuming responsibility according to their varied dispositions. Filippo, the eldest, already forty years

⁵⁶ Acs, Fc, Re, b. 1, ‘insert 17’, p. 397, Crispi to Alberto Weill-Schott, Florence, December 18, 1866.

⁵⁷ Acs, Fc, Re, b. 1, ‘insert 13’, p. 78, Turin, February 24, 1863.

⁵⁸ Acs, Fc, Dspp, b. 162, f. 2169, letter n. 2, Weill-Schott brothers to Crispi, Milan, June 12, 1865.

⁵⁹ *Ibid.*, letter n. 5, Weill-Schott brothers to Crispi, Milan, June 1st, 1865.

⁶⁰ This can be deduced from a letter (Acs, Fc, Re, b. 1, ‘insert 12’, p. 83), addressed by Crispi to a correspondent identified only as “my very dear friend”—perhaps Mazzini himself: “I attach the credential of which I told you when I was in London. After the 3rd pos., at line 3, after the words ‘exhibited from the fr. . .’ write the name of the person delegated by the Italian Great Orient to the English Great Orient”. The letter confirms the ties between the English Mazzinian masonry and Crispi’s Sicilian journalism: “Everything is set for the newspaper: it will come out on the first day of 1863. At best, by then I’ll be in Palermo. We have three names among which we hope you shall choose: *La Lotta*, *L’Atleta*, *Il Bersagliere*. [...] Write to me, and send the promised 100 lire in sterling” (*ibid.*).

⁶¹ “Thank you for the introduction and the kind contribution. I shall take advantage of it should there be need” (Acs, Fc, Re, ‘insert 12’, p. 39, Crispi to Alberto Weill-Schott, London, November 6, 1862).

old, was a figure more traditionally linked to the world of commerce and real estate investment: he was the sole owner of the Brothers Weill-Schott [*Fratelli Weill-Schott*], a commercial firm, while the limited partnership Brothers Weill-Schott & Co. [*Fratelli Weill-Schott e C.*], directed by Cimone and Alberto, before the fusion of 1866, was specialized in banking activities⁶²; it invested a major portion of its patrimony in a vast area of Milan built up between Corso Monforte and the church of Santa Maria della Passione, ceded to the city during the years of the construction 'fever'.⁶³ Crispi turned to Filippo Weill-Schott for delicate transactions in which experience and diplomacy were required—among these the laborious purchase from Carolina Repetti Zanchi of a part of the Carlo Cattaneo archive⁶⁴ and contacts with Antonio Rosmini for the purchase and sale of antique volumes.⁶⁵

Cimone and Alberto, instead, seem more active in banking. In 1867, when the Weill-Schotts opened a bank branch in Florence, it was Cimone who moved to the new national capital, while Alberto took over the Milanese office. The opening of a Florentine branch of the Weill-Schott bank (though Cimone was at pains to declare that “Weill-Schott Milan is separate from [the bank] in Florence”,⁶⁶ despite the fact that they acted in concert) is—as I shall attempt to show—a fact to be evaluated with attention.

First of all, because it shows the rapidity with which the bankers, having created new capital, sensed the necessity of extending their operative network; a symptom of organizational agility, at once a presupposition and a consequence of their personal and professional history. Florence was the new center of Italian business and of financial speculation: besides conferring prestige, offices in the new national capital allowed a bank to participate in a context rich in the exchange of high level information, as well as in the amount of money circulating.⁶⁷ At the same time, Florence was also the place in which the

⁶² Ascm, b. 728, f. 335.

⁶³ Asm, *Notarile ultimo versamento*, notary Antonio Lazzati, b. 3310, November 22, 1884, deed n. 9468/7600.

⁶⁴ See the letters in Acs, Fc, Dspp, b. 128, f. 799, Crispi to Filippo Weill-Schott, Florence, February 22, 1868; and Crispi to Carolina Rapetti Zanchi, *ibid.*, same day and place. See also Asmc, bb. 658, f. 8 and 831, f. 24.

⁶⁵ Asmc, b. 658, f. 11, various letters by Filippo Weill-Schott to Crispi.

⁶⁶ Ascd, Rct, 2, 4, no sf., 12/8, deposition of Cimone Weill-Schott, June 4, 1869.

⁶⁷ R.P. Coppini, 'Banche e speculazione a Firenze nel primo ventennio unitario', *Quaderni storici* 32(1976): 581-612; M. Cini, S. Fagioli, 'Banks and Capitalists in Florence in the Decades after Unification', in M. Poettinger, P. Roggi (eds), *Florence. Capital of the Kingdom of Italy (1865-71)* London-Oxford-New York-New Delhi-Sydney, Bloomsbury 2018), pp. 237-61.

decisive confrontation between the financial aristocracy of the Right and the supporters of the unique nature of the central bank culminated in the transfer of the central office of the National Bank to the new capital and continued with the projects of fusion between that bank and the National Tuscan Bank⁶⁸; a project of no small import for the Weill-Schotts, convinced pluralists in the matter of emission and, always, members of that Jewish component certainly under-represented in the governing organs of the National Bank, both in the national office and in the management of local offices. It was in fact impossible for the Weill-Schotts to discount their guarantees in the Milan offices of the National Bank.⁶⁹

Cultural agility, then, was certainly a necessary requisite: but not enough in an epoch of a wide-spread scarce inclination, on the part of bankers, to forge extensive networks of peripheral seats, accentuated by the problem of the trustworthiness of the central executives, of the personnel in the peripheral offices, of the rapidity and the security of communications; when correspondence was not, of itself, sufficient to orient relations between the bankers and commercial operators.⁷⁰ In this context, management on an ethnic-familial model guaranteed the bankers strong competitive advantages. The Weill-Schotts were able to take advantage of this through Cimone, but not only through him.

“Little Reinach,” to whom Crispi referred in the cited letters from Turin’s civil court, was Oscar Reinach, son of Alphonse Reinach of Frankfurt and of Clémentine Oppenheim, a Weil-Schott partner.⁷¹ Following a practice typical within the European Jewish financial milieu, Oscar had been sent to Turin to acquire the abilities necessary to secede his father in directing the family bank.⁷² In December of 1866, Oscar Reinach wrote (in French) to Cesare Correnti from Frankfurt:

⁶⁸ S. Cardarelli, ‘La questione bancaria in Italia dal 1860 al 1892’, in *Ricerche per la storia della Banca d’Italia*, vol. 1 (Rome-Bari: Laterza, 1990), pp. 105-80, pp. 127 ff.

⁶⁹ A. Polsi, *Alle origini del capitalismo italiano. Stato, banche e banchieri dopo l’Unità* (Turin: Einaudi, 1993), pp. 230 and 299.

⁷⁰ Piluso, ‘Sulla struttura dell’offerta di credito’, 30-31.

⁷¹ Asccm, b. 728, f. 335: partners of the ‘Brothers Weill-Schott’ were Alphonse Reinach and Giacomo Errera, a Jewish Venetian banker who had moved to Brussels (see note 32).

⁷² Federico Weil, future General Director of the *Banca Commerciale Italiana* (the principal Italian German-style universal bank, opened in 1894) was a cousin of the Weill-Schotts and spent a training period in Milan (F. Pino, ‘Dieci anni di lavoro d’équipe: aperti al pubblico tutti i documenti Comit dal 1894 al 1934’, *Archivi e imprese* 13 (1996): 133-61). Alberto Weill-Schott presented Federico Weil to Crispi, who charged Weil with maintaining contacts with the German bankers involved in founding the *Banca Commerciale Italiana*. This constituted a further title for the position of General Director of the new institution: F. Crispi, *Questioni internazionali. Diario e documenti ordinati da T. Palamenghi Crispi* (Milan: Treves, 1913, p. 186, note 1).

As our common friends, Messers Weill-Schott will have already made known, I wish to acquire the rights of a citizen in Italy, renouncing my civil rights in Frankfurt. On the one hand, I am forced to do this because I cannot combine the duties which the new laws in vigour in Frankfurt (especially those regarding military service) impose upon me with the responsibilities I have assumed in Italy, where we continue to have a number of connections in formation, or in act, requiring constant, personal, presence in that country. Above all else, I mean, with Cimone, to establish the Bank physically in Florence.⁷³

For Oscar Reinach and his family, the prospective of a banking career was evidently sufficient motivation for renouncing Prussian citizenship; even for bankers like the Reinach and the Oppenheims the consolidation of a branch in Italy was of notable importance.⁷⁴

In the letter cited, Reinach informed Correnti of a “project” he had in mind: it was well that he did so, as the collaboration with Cimone Weill-Schott in the new Florentine office was to remain only a hypothesis of his own. And not due to problems of Italian citizenship, which he in fact secured: moreover, once obtained the title of baron from pope Leo XIII, he will contract a marriage at the top of the French aristocratic society, becoming a character worthy of the Proustian *Recherche*.⁷⁵ In fact, as partner and manager of the Florentine bank, the Weill-Schotts decided to place in the new capital—rather than an international young financier whom they had trained and who had such connections and experience—the forty years old Parmesan former military Enrico Guastalla.

Guastalla was a country-bred Colonel who had fought at Aspromonte and Mentana; in the intervening years chronically short of funds,⁷⁶ but recently wed to Sofia Weill-Schott,

⁷³ Asmrm, *Fondo Cesare Correnti. Carteggio*, b. 20, f. 1044, Reinach to Correnti, Frankfurt am Main, December 18, 1866.

⁷⁴ Some years later, Reinach rivendicated the pioneering role his family had in this context when, in 1887, the Triple Alliance was soundly consolidated, he asked Crispi if “the council’s new regulations could not secure me a change in title. Remember that I was the first German to establish important financial relations between Italy and Germany, and this [I did] in a very difficult moment” (Acs, Fc, Dspp, b. 158, f. 1931, letter n. 10, Reinach to Crispi, without date, dated by archivists 1887). The Cologne Oppenheims were among the very first German financiers to participate directly in the emission of Italian bonds (P. Hertner, ‘Banche tedesche e sviluppo economico (1883-1914)’, in *Ricerche per la storia della Banca d’Italia*, pp. 69-101: 72).

⁷⁵ In 1879, Reinach, announcing to Cesare Correnti from Paris his engagement to “Mademoiselle de Cressac, daughter of the Count and Countess de Cressac-Montesquiou”, added: “For my wife’s family is linked to the greatest French families—the La Rochefoucauld, Montesquiou, Gramont, Chimay, Caraman, Lherynes, etc.—I should desire, since I am an Italian citizen, that General Cialdini [Italian ambassador in France] can and is willing come to my wedding, which is to be celebrated on the coming 2nd of June” (Asmrm, *Fondo Cesare Correnti. Carteggio*, b. 20, b. 1044, Reinach to Correnti, Paris, June 18, 1879).

⁷⁶ See Guastalla’s desperate letters to Giuseppe Guerzoni in Asmrm, *Archivio generale del Risorgimento. Primo supplement*, reg. n. 44343: “Poverty—which is very nearly misery—blocks me in Milan, and I suffer” (Milan, October 28, 1863); “He [Giuseppe Civinini] and I await funds like manna” (Turin, May 8, 1865); suicidal thoughts in Turin, March 8, 1865: “hope is for the poor of spirit”.

the bankers' young sister. It would be an error to think the Weill-Schotts were willing to take on the costs of forming a new banker, the costs of losing Oscar Reinach (who left the Weill-Schotts to manage the Reinach bank in a very exalted milieu);⁷⁷ and the risks of placing an inexperienced banker in the delicate Florentine marketplace solely in virtue of the fiduciary advantages of Guastalla's parental and minority co-religionary status. A fragment of the discussion between Guastalla and Crispi during the hearings of the Parliamentary Inquiry into the Tobacco Monopoly may help us discover other bases for the Weill-Schott's decision to favor the Parmesan Colonel:

Guastalla: I have declared on other occasions how greatly I esteem, and what friendship binds me to the Hon. Colleague Crispi [turning to Crispi]: I need make no great protest of appreciation and friendship to you—facts have testified over many long years the truth of my sentiments better than any words could do. So let me say that you can ask me to shed my blood, and I would give you it, if it should help you [...]. On the life of my mother—who is the woman I love most in the world [*in a voice that trembled*]-and he said what I say, these declarations of esteem and friendship are sincere, and come from the heart, as if I pronounced them before my mother.⁷⁸

This, naturally, did not mean that the Weill-Schotts co-opted Guastalla solely in virtue of his prior relationship with Crispi. Rather, I wish to draw attention to the existence, in this period and this milieu, of an emotional, confidential, informative, complex, bond (an 'atmosphere' as Williamson puts it)⁷⁹, which is profound and pervasive and based upon the common participation in the battles and the ideals of the *Risorgimento*.

An atmosphere to which Guastalla had every title and in which he participated fully. A close associate of Garibaldi through the battle of Mentana (inducted by him into Masonry; present in Aspromonte⁸⁰; a volunteer in all the *Risorgimento* campaigns; deputy in 1865), he

⁷⁷ At the moment of foundation of the Banco di Milano in 1870, Oscar Reinach already represented only "the interest of the Frankfurt firm of Adolf Reinach", while Filippino Weill-Schott represented both the Weill-Schott bank and "the interest of the Jacques Errera Oppenheim of Brussels" (Asccm, b. 509, f. 116). Villa and Vimercati and co also were part of the limited partnership; for the relations with the Weill-Schott, see below.

⁷⁸ Ascd, Rct, 2, 3, no sf., 105/1-2, July 3rd, 1869.

⁷⁹ The reference is to the classic O.E. Williamson, *Market and Hierarchies: Analysis and Antitrust Implications* (New York: Free Press, 1975), p. 20.

⁸⁰ A.A. Mola, *Storia della massoneria in Italia dalle origini ai nostri giorni* (Milan: Bompiani, 1992, p. 851).

was the depository of a fiduciary and relational patrimony which the Weill-Schotts judged more precious than Reinach's specific technical abilities.⁸¹

It was an 'atmosphere' whose links were not simply financial, but public as well: in Florence, the new capital, the brothers needed a 'striking' figure—so much the better if he were also a relative and a member of their minority religious faith—who could communicate with the new governing class as a natural part of it; someone ideally on the Left (due to a privileged relationship with Crispi), but sharing a past with many members of the Right, who were in power at the moment.

An 'atmosphere', finally (to remain for a moment with Williamson), with an 'idiosyncratic' language: an efficient language, indicating more complex events and concepts useful in the course of economic transactions to contain costs and make optimal use of reciprocal trust (but not limited to them).⁸² Guastalla's language in the cited excerpt is an emblematic example, both in its choice of terms and in the evocative nature of its metaphors. We shall see how the use of a term idiosyncratic in this atmosphere—*camaraderie*—led to the economic transaction responsible for the scandal of the partnership in the Direction of the governmental Tobacco Monopoly.

The centrality of Guastalla's role and language in the success of the Weill-Schott's new banking initiative also appears in a coeval brief letter Francesco Crispi sent to Garibaldi, ill on Caprera: "My General, In conformity with your commission of October 6, I collected the 10,400 lire from the Ministry of Foreign Affairs and left them a receipt. I immediately deposited [the sum] with my banker, Mr. Weill-Schott, brother-in-law of our Guastalla, so that, in a moment of decline in the market, he may purchase public bonds".⁸³ So it should not be forgotten that if, in our perspective, Colonel Enrico Guastalla seems to be only a brother-in-law of the Weill-Schott's, a number of the protagonists of the period read the relationship the other way around.

⁸¹ On Guastalla see *Carte di Enrico Guastalla ordinate per cura di B.L. Guastalla* (Milan: Alfieri & Lacroix, 1921), pp. V-LXXIII and the obituaries in *Il vessillo israelitico* 10(1903): 324-26 and *Bollettino clinico-scientifico della Poliambulanza di Milano* 1(1904): 1-5. See also F. Conti, *Guastalla, Enrico* in *Dizionario biografico degli italiani* LX(2003).

⁸² Williamson, *Market and Hierarchies*, p. 20.

⁸³ Asmc, b. 831, f. 24 (1867-1869), p. 342, Crispi to Garibaldi, Florence, October 17, 1868. Money came from the Foreign Ministry of Uruguay: see *ibid.*, p. 296, Crispi to Gribaldi, Florence, June 12, 1868.

It is in the day to day contacts of Florence that the ties between Crispi and those who would then, to all effects, become his bankers, took on the human depth that we have seen in Guastalla's deposition in front of the Parliamentary Commission of Inquiry into the Tobacco scandal. A formidable trust relationship: for Guastalla it is, at once, professional, political and emotional. We have seen that it was only after the opening of the Florentine headquarters that Crispi, having become the most prominent member of the parliamentary Left, transferred his own funds to the Bank, as well as the funds which he administered. He left them deposited there for exactly one year: from July, 1868 to July, 1869. In confirmation of the symbolic value Crispi assigned to this entrustment, we should note that the end of the relationship following the Tobacco Monopoly scandal, coincided with the removal of the Weill-Schotts from their position as 'bankers of the Left'-and with Crispi's decision to abandon politics:

I went to Crispi declaring: "however much I may have motive to feel hurt by you, I pass over everything and continue to be your friend [...]". Crispi said to me: "Ah! For that cursed affair in Milan! I tell you frankly, I am resigning my seat as deputy, abandoning Reform; I mean to liquidate my affairs-indeed, do me the favor of selling such and such other effects for me" (that he had left in my care-which indeed, the next day, I sold, and there are letters to prove it). He showed himself determined to abandon not only public life, but, very nearly, to withdraw to some far land.⁸⁴

Before taking on the Tobacco Monopoly question, we need to have a brief look into some characteristics of the Florentine relations between Crispi and the bankers.

In the capital, the relationship between Crispi and the Weill-Schotts was consolidated first of all at the level we may term most technically professional: that between a client and his bankers. Seeing one another every day meant that, in the tradition of banking secrecy, the most delicate affairs were discussed and carried out in private conferences: so the surviving written record is very meager. Still, we should not over-estimate the size of Crispi's patrimony: in this period of his life, at least, the hagiographic 19th century traits of the disinterested hero who spends his patrimony for the *Risorgimento* would seem to be confirmed.⁸⁵ At the moment in which he proposed to withdraw "to some far land",

⁸⁴ Ascd, Rct, 1, 2, no sf., pp. 96/3-4, July 2nd, 1869.

⁸⁵ This myth was re-proposed in G. Falzone, *Crispi fra due epoche* (Milan: Pan, 1974), pp. 16 ff. See also a copy of the will Crispi deposited in Asmcrm b. 602, f. 18: "As the property left to me by my dear and always beloved father was alienated in the next to last year of my exile to cover the expenses of my trips in Sicily in 1859 and during the *Mille* campaign, so were my professional savings spent during the years I was in the

liquidating all of his investments, the Weill-Schott bank sold 100 Victor Emanuel Railway bonds and 100 Florentine Loan bonds⁸⁶ for Crispi. It was also the Weill-Schott bank which repaid the debts he had contracted for the Florentine building in Via della Scala which, with the transferal of the Capitol to Rome in 1870, turned out to be a very bad investment.⁸⁷ Crispi, minimizing in parliament his resolution to abandon politics, declared he had been obliged to liquidate the bonds because he had used all of the funds in his checking account: “He [Weill-Schott] gave me 4% interest, a miserable interest”, the politician observed.⁸⁸

As to the question of the degree to which the relationship was not solely involved in banking, we should note that Cimone was not the only Weill-Schott whom Crispi frequented in Florence.⁸⁹ The Florentine bank was, in every sense, a point of encounter for him and the Weill-Schott family. These occasions seem to exhibit a degree of reserve that goes beyond the atmosphere Guastalla’s testimony portrays. Arranging an encounter between Crispi and Cimone Weill-Schott was, in fact, sometimes a very laborious process:

Mr. [Ferdinando] Indelicato [Crispi’s Assistant] came to me around noon and said: “Crispi would like to speak to you.” I replied: “Where?” He says: “Well, he’s in the Chamber.” “Well,” I reply, “I don’t want to go to the Chamber; tell him to come here—or I’ll see him this evening, if he likes.” He said: “Alright, I’ll go and tell him [what you suggest].” He went off and about a quarter of an hour later came back and said: “Crispi is downstairs in a carriage and he is waiting for you to come and confer.” I said: “But a carriage is no place for a meeting, tell Mr. Crispi to come up [here] and, if he does not wish to be seen by anyone, I will confer with him in an inner room.” And, in fact, I did so receive him.⁹⁰

Evidently, the banker did not desire—or have an interest-in ‘advertising’ his ties to Crispi. Their meetings, though not always so fraught, were, in any event, strictly confidential. “On September 6,” Crispi declared before the Parliamentary Commission, “Weill-Schott came to me (I don’t recall the specific reason) and we conferred. He asked me if I had to go

Government. So today the state of my patrimony is so reduced that I fear I would be unable to cover passive items in the event of a liquidation”.

⁸⁶ Ascd, Rct, 2, 3, no sf., 58/3, July 3, 1869 ‘Exchange between witness Cimone Weill-Schott and deputy Crispi’.

⁸⁷ *Ibid.*, p. 59. The volume which considers the question of Crispi’s real estate investments is S. Romano, *Crispi* (Milan: Bompiani, 1986³), pp. 96 and 105.

⁸⁸ Ascd, Rct, *ibid.*, p. 37/3.

⁸⁹ Crispi himself notes: “At that time [1868] the Weill-Schott partners were not always all in Florence: when one of them came, another went away. At the end of August, Messer Cimone arrived, and with him his brother, Leone [...] Messer Leone was here in Florence [despite the fact that he did not occupy himself with the bank] because he was visiting at his mother’s command” (*ibid.*, p. 53/3).

⁹⁰ Ascd, Rct, 1, 2, no sf., July 2nd, 1869, Deposition of Cimone Weill-Schott, *ibid.*, 97/2-3.

into town, and he gave me a lift in his carriage: we went as far as Piazza d'Arno, to the *Riforma* office, [where] I got down; he stayed in the carriage. Then I drove him home. On that occasion, we talked open-heartedly, as two good friends do, expressing themselves freely to one another.”⁹¹

The new mention of the daily *La Riforma*, organ of the parliamentary Left—which Crispi considered his most efficient aid in the political battle⁹²—is emblematic. Cimone preferred not to be seen in the newspaper's offices, even though Crispi and the staff knew that he and Alberto Weill-Schott were financially fundamental for the journal⁹³. This is an important element to keep in mind: it is further testimony of the complex weave of day to day financial and political intercourse which was a keystone of their relationship. To his bankers, Crispi delegated the daily's political-financial spaces, so that these became the anonymous expression of the opinions and the interests of the Weill-Schotts and, more importantly, of the 'democratic' and pluralistic fringe of the Italian *haute banque*, which was against the concentration of the right of issue currency in one central bank⁹⁴.

“The messers Weill-Schott were the ones who gave us news”, Crispi minimized when speaking in front of the Parliamentary Commission: “They told us what was going on on the Exchange, news that concerned individuals who had participated in the Monopoly concerned. It was from them that we learned that the participation was being sold at a very high price, equal to the difference between the real and the nominal value”.⁹⁵ Once again we can note the crucial role of the rapidity of access to information in the world of banking; but the relationship between the bankers and *La Riforma* did not stop here. Antonio Oliva, deputy and editor of the daily, testified that Cimone Weill-Schott “dictated articles and furnished data, or gave journalists indications as to how to write their articles.”⁹⁶ Emilio

⁹¹ Ascd, Rct, 2, 3, no sf., 61/1-2, July 3rd, 1869 ‘Exchange between witness Cimone Weill-Schott and deputy Crispi’.

⁹² A.C. Jemolo, *Crispi* (Florence: Le Monnier, 1970), p. 32.

⁹³ Deposition of Cimone Weill-Schott in Asct, Rct, 4, 7, 1, 5r.

⁹⁴ For a general overview see G. Conti, M.C. Schisani, ‘I banchieri italiani e la *haute bank* nel Risorgimento e dopo l'Unità’, *Società e storia* 131(2011): 133-70.

⁹⁵ Ascd, Rct, 4, 7, 1, 5r.

⁹⁶ Ascd, Rct, 1, 2, no sf., 28/1, July 2nd, 1869.

Faccioli, a Florentine lawyer, responsible for legal information in the daily, confirmed the fact that Cimone “furnished news and articles to aid *La Riforma* staff writers.”⁹⁷

Besides this, in the economic opinions published in this organ of the Left, there was an interesting transfer of information deriving from Weill-Schott’s private conversations with Crispi in his role as personal banker:

In the month of September, the Hon. Crispi received some funds to invest and he consulted me as to what use he should seek for these funds. He propended for an interest yielding instrument; I told him it was my conviction that the bonds about to be emitted should cost less than the interest, that is to say they should yield an interest superior [to the amount invested]. When the bonds were issued, I furnished him with an estimate that he took away with him and that evening it was published in the *Riforma* without informing me—and to my surprise. And from that moment a controversy sprang up: I could not (and did not wish to) abandon my friends in a question of calculations I had begun—so I continued.⁹⁸

So, with these premises and this context, a personal affair might give rise to a national polemic. In this, as in other moments, it was the ‘anti-plutocratic’ aspect which moved both the bankers and the parliamentary Left. Indeed the *Riforma*’s own program, formulated in 1867 and embraced by many Left deputies, included (besides a proportional and progressive tax and the abolition of “Customs, duties, sales taxes”) the “abolition of banking monopolies”.⁹⁹ This theme is persistent in correspondence between lawyer and bankers:

As you see, [Luigi Guglielmo] Cambray-Digny [the Finance Minister] has set the gold premium at 105.5, when he could have set it at 108. This 1.3%, on 180 million, adds up to the trifle of 2,700,000 lire—all of which to the damage of the State and, in great measure, to the advantage of the *primary exactors* (that is, the six founders and participants), because the *Credito Mobiliare* and the others will sell *everything* in 106.5 bonds rather than in gold going at about 108. And when they are re-funded, the premium will be much greater, and you will see what damage that will bring upon the State in the future. It would be best to add these considerations to the article in Thursday’s *Riforma*.¹⁰⁰

⁹⁷ Ascd, Rct, 1, 2, no sf., July 2nd, 1869.

⁹⁸ Deposition of Cimone Weill-Schott in Ascd, Rct, 1, 2, no sf., 83/3-4; see also *La Riforma* October 25, 1868, p. 3, columns 3-4. Guastalla also wrote for the *Riforma*, as Cimone declared to the Parliamentary Commission: “many times I only furnished notes for the articles I gave to the *Riforma*, and my brother-in-law, Guastalla, added some other [notes], or re-wrote [mine]”: *ibid.*, p. 111/2.

⁹⁹ See V. Riccio, *Francesco Crispi* (Turin-Naples: L. Roux, 1886), pp. 72-73.

¹⁰⁰ Acs, Fc, Dspp, *Appendice*, b. 3, f. 28; emphasis in the original. See a partial copy of this document in Ascd, 2, 3, no sf., 39/2-3.

4. "I tell you frankly that a banker..."

In the summer of 1868, Finance Minister Cambray-Digny completed the concession of the exercise of State rights to manufacture tobacco products to a Partnership composed of Domenico Baduino and a group of French, English and German bankers, who were rivals of the Rothschilds. The agreement signed the creation of a joint stock company with a capital of fifty million Italian lire which, in exchange for a State contribution of 180 million gold-lire (the lire to which Cimone Weill-Schott refers in the letter cited), was to assume the management of the monopoly throughout the realm until the end of 1883.¹⁰¹

Debate on this proposal upset the habitual divisions in Parliament: part of the Right voted against it, while a group from the Left backed Cambray-Digny. In December, 1868, the *Gazzettino Rosa* (the Milanese newspaper of the 'Democratic Anti-Conformists' [*Scapigliatura Democratica*]: literally, 'disheveled democrats') published two articles by Felice Cavallotti accusing deputy Giuseppe Civinini—who had shifted his vote from the Left to the Right—of having sold himself to the bankers interested in the operation by voting its approval in Parliament. As a result of these articles, Civinini ended up in court in Milan; the trial, however, ended with the condemnation of the newspaper for defamation.

Persistent accusations of corruption involving other deputies obliged the Chamber to look into the matter. The parliamentary Inquiry absolved the various accused with ambiguous formulas, but there were unpleasant aftermaths: an attempted homicide of Lobbia, a deputy of the Left who had raised the question in Parliament, and his condemnation by corrupt judges for simulating a crime; the suspicious death of some witnesses, and that of Civinini himself in 1871.¹⁰²

In all of this Francesco Crispi was a central figure. He was behind the *Gazzettino Rosa*'s campaign aimed, as leader of the Left, at striking down Mordini's defecting group, as well as the parliamentary Right. And when Lobbia declared in the Chamber that he had

¹⁰¹ This is discussed in detail in G. Candeloro, *Storia dell'Italia moderna. La costruzione dello stato unitario 1860-1871*, vol. 5 (Milan: Feltrinelli, 1994³), pp. 341 ff. See a copy of the Agreement in Ascd, Rct, b. 5, f. 23; besides the *Credito Mobiliare*, the Stern Brothers of London and Frankfurt, and the Banque de Paris Group (Edmond Joubert, Antoine Schnapper and Samuel de Haber) participated, even individually (*ibid.*).

¹⁰² "The accusations of the Left ended up concentrating on minor figures, without touching the alliance—or, better, the mixture—of capitalistic banking and business interests with a group of political leaders" (Candeloro, *Storia dell'Italia moderna*, p. 350).

proof of the corruption of some members on the Tobacco Monopoly vote, Crispi was the first to rise in the Chamber and demand an “inexorable parliamentary Inquiry”.¹⁰³

La Riforma had (of course) attacked the concession from the beginning: with (of course) the collaboration of Cimone Weill-Schott:

Cimone Weill-Schott: When I learned of the tobacco Concession, I objected to this law and wrote a brief comment, which I sent to the Hon. Crispi as well as to two other deputies who asked me for copies. I expressly requested the Hon. Crispi not to publish it in the *Riforma* since, as the public knew of my relations with the Hon. Crispi, I did not wish to create the impression that I was motivated in this matter as a banker. [...]

President: You did, then, furnish data, Stock Exchange information, ideas?

Weill-Schott: It was, you might say, an exposition which might have been delivered in the Chamber of Deputies [...].

President: But its purpose was to demonstrate...?

Weill-Schott: To demonstrate that this operation was not in the best interests of the State.¹⁰⁴

The information “furnished” by Cimone once more ended up in the pages of *La Riforma*,¹⁰⁵ where Cimone declared that “the loan which had taken the shape of the Concession was tantamount to the emission of income at an enormous rate and so, comparing it to the course of the income at 5%, the difference was highly disastrous for the State”.¹⁰⁶ As a further indication of the numerous links between *La Riforma*, Francesco Crispi and the Weill-Schotts, Cimone was not the only one to take up the question. “The first article I received was from Mr. Alberto Weill-Schott, on June 29, 1868”, declared Crispi. “[In that article Weill-Schott] criticized the content of the financial law, but he also criticized it from the moral point of view [...] and he concluded that, if the law were approved by the Chamber, the entire Left should resign en masse”.¹⁰⁷ For these reasons of

¹⁰³ M. Grillandi, *Francesco Crispi* (Turin: Utet, 1969), p. 266.

¹⁰⁴ Ascd, Rct, 1, 2, no sf., 83/1-2-84/3, July 2nd, 1869.

¹⁰⁵ *La Riforma* October 2nd, 1868, p. 1, columns 2-3.

¹⁰⁶ Ascd, Rct, 1, 2, no sf., 29, July 2nd, 1869. To understand the animosity of the Weill-Schotts in regard to the experiment of the Tobacco Monopoly, we should not underrate the fact that one of the profound reasons for this operation was to consolidate the fortunes of the most conspicuous financial interests centered on Balduino and Bastogi himself, who, however, never appeared directly as interested in the operation (Coppini, *Banche e speculazione a Firenze*, p. 596).

¹⁰⁷ Ascd, 1, 1, no sf., 9/2, July 1st, 1869.

principle, Cimone declared, “my bank had decided not to participate in the affair, though it could have had shares.”¹⁰⁸

So Crispi and the Weill-Schotts were once again together in the profile of the ideal statesman and the ‘anti-plutocrat’. Faithful to this stance, the Weill-Schott bank would take a position that was economically disadvantageous.

But when, under the auspices of Crispi, the scandal broke, it became known that the Weill-Schotts had fostered the sale of a million bonds to a certain Salvatore Tringali, who had received them from Balduino. The *Gazzettino Rosa* had alleged that, in fact, behind Tringali, stood Civinini, and that the block of bonds was a pay-off to Civinini on the part of Balduino for the vote in parliament on the Concession. As the bank’s lawyer, Crispi naturally knew about the agreement between Tringali and the Weill-Schott bank and, in the Milan trial, as well as in Parliament, he sustained that the Weill-Schotts knew that Tringali was a mere figurehead for Civinini. Whether he was lying or telling the truth, evidently, for the leader of the Left, the political destiny of his group, and the need to punish the defectors, was more important than his relationship with the Weill-Schotts.

President: Did you, at that time, have information that there was favoritism in the concession of shares?

Cimone Weill-Schott: There were rumors, but I have no positive knowledge.

President: You did, nevertheless, negotiate a participation.

Weill-Schott: Yes sir, I have already declared that I left Florence on August 9, 1868, and I returned the evening of the 28th [...]. When I came back, I found that the bank had concluded an agreement with Mr. Salvatore Tringali, who offered the sale to Mr. Basevi of Milan through the Villa and Vimercati bank.

President: Who represented your bank during your absence?

Weill-Schott: Mr. Enrico Guastalla.¹⁰⁹

Enrico Guastalla knew Salvatore Tringali well. Asked by the Commission for information as to his background, Tringali replied: “I was a Captain; I participated in the Campaign of 1860, as well as that in the Tyrol; I was in prison for Aspromonte, and I came

¹⁰⁸ Ascd, 1, 2, no sf., 84/5, July 2nd, 1869. The Weill-Schott bank could not have acquired stock through Balduino, with whom they had no contact after the period of the Mediterranean Railroads. But “a number of foreign Houses, and my friends, had stock in the affair—not in the *Credito Mobiliare*’s participation, but in the French group’s—and I had only to say the word and I should have had whatever I wished” (Francesco Crispi, *ibid.*). This, then, thanks to a strongly ethnic financial network, in which all the foreign Houses signing the concession were united.

¹⁰⁹ Ascd, Rct, *ibid.*, pp. 84/5-85.

back from Mentana”.¹¹⁰ He sustained that, as soon as he obtained the shares from Balduino, he had immediately contacted the Weill-Schotts “because Mr. Guastalla has been my friend for many years, my Commander in various campaigns.”¹¹¹ This is another significant testimony of the delicate boundary role played by Guastalla in the Florentine ‘atmosphere’. We should note that Tringali did not say that Guastalla “*was* my commander”: commanders-like the generals (see Crispi’s letter to Garibaldi)-remained such even when they became civilians. As for Guastalla, he told the president of the Parliamentary Commission (who, at first, refused to arrange the participation of Tringali, given the position assumed by Weill-Schott concerning the Concession): “But Tringali called upon friendship, the past, and, too, the *camaraderie* of arms. I resolved then to write to Milan, asking whether there they might purchase or place the co-participation of the million of which Tringali had spoken”.¹¹² As for Civinini, Guastalla defines him as “a friend, though he has political ideas that are not mine; still we remain quite close”.¹¹³

It is, then, due to *camaraderie* that the Weill-Schott bank was drawn into the Tobacco scandal. We can also hypothesize that things had not really gone that way and that, as Crispi sustained, the Weill-Schotts and Guastalla (who, according to Crispi “is quite cautious; a politician, he was once a conspirator; he easily keeps his own council-but does not let himself be easily pinned down”)¹¹⁴ knew that-though the Commission denied it-Civinini was behind Tringali. Still, what counts is that the Parliamentary Commission of Inquiry believed Guastalla, and considered believable an economic transaction which was, to say the least, ambiguous, on the basis of the fiduciary patrimony acquired by Tringali fighting for the *Risorgimento*. Further, even admitting fraud on the part of the Weill-Scotts, one must take into account that it had been committed in virtue of an informal bond of friendship and certainly not for the twenty thousand lire commission that the Milan and Florence banks and the stock brokers involved in the transaction shared¹¹⁵.

As for the only question the president could pose to Cimone Weill-Schott in this circumstance, it received an answer which is an epigraph for the social history of the bank:

¹¹⁰ Ascd, Rct, 3, 5, no sf., 18/1, July 5, 1869.

¹¹¹ *Ibid.*, 28/1.

¹¹² Ascd, Rct, 2, 3, no sf., 5, July 3rd, 1869.

¹¹³ *Ibid.*, 9/1.

¹¹⁴ Ascd, Rct, 1, 1, no sf., 26/1, July 1st, 1869.

¹¹⁵ Ascd, Rct, 1, 2, no sf., 85/4, July 2nd, 1869.

President: Do you know Tringali?

Cimone Weill-Schott: Yes, sir.

President: Did you know his financial situation?

Weill-Schott: More or less.

President: And when he came to Florence, and you learned Tringali had obtained the co-participation of a million, what impression did that information make upon you?

Weill-Schott: I tell you frankly that a banker cannot ask someone who comes to him to buy and sell something, how he bought it and why he wants to sell it. So I didn't think much about it.¹¹⁶

Now, to deduce something of the internal mechanisms of our bank, we need to look into the operations Guastalla carried out after he agreed to negotiate Tringali's participation. "I wrote to the Brothers Weill-Schott of Milan," Guastalla declared to the Commission, "who then spoke of this affair with others, and, through brokers, with the Villa and Vimercati bank. [...] The co-participation was purchased by the Weill-Schott bank of Milan, but the fact is that the Milan bank acted through another banking House-Villa and Vimercati-and this bank, through brokers, caused the shares to be purchased by Mr. Basevi, with whom I have not the honor to be acquainted".¹¹⁷

But Guastalla is uncertain as to the way in which the operations developed. He knows nothing about the operations between the Milanese and the Florentine banks, about the relations of the former with Villa and Vimercati: a further demonstration of the precarious nature of his competence and his scarce understanding of the internal mechanisms of the Weill-Schott complex. In fact, after a few unsatisfactory replies, the Commission dismissed him, deciding to seek the information it required from Cimone Weill-Schott. What the banker had to say is worth looking into at some length.

[Member of Parliament] Casaretto: Did the Florentine bank buy a portion on its own and then resell it, or did it act simply as a commissioner?

Cimone Weill-Schott: You know that in the countryside and in the sale of public bonds-as this affair may more or less fit into the category of public bonds-one moves as fast as the telegraph, sending off a dispatch; sometimes we sell first, sometimes buy first-we haven't yet bought and we are already selling! There's bargaining and everything happens almost simultaneously on the same day.

¹¹⁶ *Ibid.*, 87/1.

¹¹⁷ *Ascd, Rct, 2, 3, no sf., 7, July 3rd, 1869.*

Casaretto: I don't dispute the timing, but as for the form, I think there can be no hesitation. One thing or the other must be sure and positive: that is to say, either the bank buys for itself, at its own risk and peril, and then sells, or it is charged by an individual to sell for others and receives a commission for its efforts.

Weill-Schott: As for the profit deriving from the risk we ran—because it was possible [...] that Basevi might, for one reason or another, back off; and in this case we would have had to hold onto Tringali's million [...] [he goes on, explaining the nature of the risk involved in the operation].

President of the Commission: It seems to me that, if there was a risk, it should have been for the Weill-Schott's Milan bank, because you declare that the agreement was not yet concluded, but your associate, Guastalla, wrote to the Weill-Schott bank in Milan [...]. If the Milan Weill-Schott bank bought, the risks and perils could only fall upon the Milan Weill-Schott bank.

Weill-Schott: Pardon me: these are internal questions: how profits are divided; so, too, should there have been a risk, it would have been divided up, as it was a cost for the Society as a whole.

Casaretto: Allow me: either your bank acted as simple commissioner—and in that case, there was no risk—because the commissioner is never held liable for anything, unless the contract declares explicitly that he intends to make himself responsible for the purchase...

Weill-Schott: I was responsible towards both parts.

Casaretto: ...or you were the buyer and then had all the risks. Now I ask: when you entered into this affair, did you enter as buyer in the affair, or as commissioner? It seems to me that the answer has to be clear: one thing or the other.

Weill-Schott: I became a buyer for Tringali and a seller as regards Basevi, in the exact condition towards both: that the *Credito Mobiliare* [Balduino's bank] was to send the letter directly to the buyer. But there was a moment in which I was Tringali's buyer and there was another moment in which I was Basevi's creditor.

Casaretto: You were buyer.¹¹⁸

This ample citation allows us to formulate at least two impressions. First of all, we may sense in it an expression of how profoundly extraneous the personality and the culture of the banker were in respect to the stage upon which he found himself, willy-nilly, obliged to move. The banker seems to live in a different chronological dimension from that of his interlocutors, saturated in the longeurs and perspectives of time that are entirely pre-industrial. The total incomprehension, on the part of the interrogator, of the 'atmospheres' that Cimone seeks unsuccessfully to convey, is the product of distances historians risk undervaluing: the distances that separate a humanistic-juridical-'positivistic' mentality ("It seems to me that the answer has to be clear: one thing or the other"), and the culture (in its way revolutionary and wholly modern) of banker behavior, in which places and roles blur and the sequence of events accelerates.

Secondly, the passage seems to show the degree of competition (in 1868, prior to the Italian spread of specifically commercial banks) present in a bank organized like that of the Weill-Schotts: in three days the bank was able (in August!) to find a buyer ready to lay out a million to buy a chancy bond packet—shifting between the political capitol and what had

¹¹⁸ Ascd, Rct, 2, 4, no sf., 12/4-15/2, July 4, 1869.

already become the economic capitol of the realm—through the intermediary third bank and, to top it all, without having the purchaser physically in Milan.

This is how the purchaser, Giuseppe Basevi, described the deal to the Commission's president:

President: Who first spoke to you of this purchase?

Basevi: I was in Venice. On the 11th [of August], my Milan agent informed me that Messers Weill-Schott held....

President: Weill-Schott of Milan?

Basevi: I don't know whether it was of Milan, or of Florence... held this quota of a million and that it might be possible to get about 6-6½%. On the 12th I telegraphed to start bargaining and to close the deal. Meanwhile, the Messers Weill-Schott had stiffened their conditions and my agent, as he had received an order from me, agreed with Weill-Schott to 7.25%. These were verbal agreements entered into by stock brokers Vergani and Cortese with Messers Weill-Schott. Then on the 13th—that is to say, the next day—Messers Weill-Schott asked us to substitute them with the Villa and Vimercati of Milan, which appears on the contract as seller. Still, I considered Messers Weill-Schott to be morally, and not materially, my guarantees.

President: So the contract was concluded with Villa and Vimercati?

Basevi: Yes, but that's just the formula. The whole deal was worked out with Messers Weill-Schott, and the people we made the contract with were Villa and Vimercati, which is a branch of theirs, and, naturally, I wasn't happy about it—but then I thought that sometimes a prominent bank allows some firms [added] (like) branches, to take on limited brokerage, and the whole situation no longer disturbed me so much.¹¹⁹

To carry out the transaction, Weill-Schott had used another bank, the Villa and Vimercati—like itself, middle-sized; a bank that a Milanese Jewish banker, Basevi, was practically unable to distinguish from Weill-Schott: as the corrections in Basevi's hand added to the record of the interrogation at the moment of signature to attenuate the expressions betraying his subordination, testify.¹²⁰ As for the recourse to “talks” in the world of banking (“These agreements were reached verbally by the various brokers”), Cimone Weill-Schott, asked by the president to exhibit the correspondence between the Weill-Schott banks in the two cities and Villa and Vimercati, replied: “I note only that not everything can be found in the letters, as many aspects were treated verbally”.¹²¹

¹¹⁹ Ascd, 3, 5, no sf., 85/1-86/1, July 5, 1869.

¹²⁰ More precisely, Balduino said that Villa, Vimercati and Co. “is a limited partnership linked to the Weill-Schott bank” (Ascd, Rct, 3, 6, no sf., 73/1). Note, further—as proof that, in this period, operators in this field did not perceive any difference—that Basevi makes no distinction for the Weill-Schott offices in Milan and Florence either.

¹²¹ Ascd, Rct, 2, 3, no sf., 70/3, July 3rd, 1869.

The whole operation constitutes another example of the bank's preference, in carrying out high-risk transactions, for interlocutors and partners who were coreligionists: as the Weill-Schott bank, for reasons of principle, did not wish to hold bonds of the Tobacco Monopoly, when it found itself dealing with them it used an intermediary which it controlled to take over the legal responsibility of the transaction—but not decisions as to the assignment of the bonds.¹²²

5. *End of a trust relationship*

Let us now take up Crispi's relationship with our bankers once more. We certainly cannot content ourselves with Cimone Weill-Schott's reply to the Parliamentary Commission—invoking the private nature of banking procedure—as to the way in which Tringali came into possession of the million in bonds of the Monopoly. Who was Salvatore Tringali really? To sense that, we need to go back a few years to the moment when the epic of the *Risorgimento* was not just a memory, and the case of Weill-Schott vs. Bastogi and Balduino was in course.

At that moment, there was a passage of men between Crispi's office and the trenches.¹²³ Tringali himself, before embracing the *Risorgimento* had been an apprentice in Crispi's Turin offices in the very years in which Crispi defended the Weill-Schotts in the case of the Southern Railways—as we saw in Cimone Weill-Schott's testimony before the Parliamentary Commission relating how Crispi's error in presenting his Appeal had made it impossible for Weill-Schott to proceed further against Bastogi and Balduino. Cimone's interrogation proceeded with these questions:

President: You say only that if Crispi had been more attentive, the omission would not have occurred; but you know that usually such responsibilities fall to patrons, pettifoggers or substitutes.

Cimone Weill-Schott: I did not consider him responsible for it.

¹²² In the June 3rd, 1869 issue of the *Riforma* (p. 3, column 5) we find it clearly stated that it was not the Weill-Schott bank, but another bank which discounted the million in bonds. We know the article was imposed by Cimone Weill-Schott (Ascd, Rct, 2, 3, no sf., 93/4, July 3rd, 1869).

¹²³ We can see it, among other examples, in this note Crispi addressed to Guastalla: "The lawyer Domenico Pasquale, a Venetian, apprentice in my office, feels the need to suspend his study of law and go where [people] are fighting for Italy. So he is on his way to Garibaldi's Command, so that you may employ him in whatever manner you feel he may be useful to his country. I haven't written to Fabrizi, but this goes for him as well I recommend Pasquale to you both wholeheartedly, and whatever you may do for him, I shall consider done for me personally" (Acs, Fc, Re, b. 1, 'insert 17', Crispi to Guastalla, Florence, June 22, 1866).

President: You had to consider someone necessarily responsible... it is improbable that the fact did not upset you.

Weill-Schott: At first Crispi told me it was the attorney Ambrose in Turin who had forgotten [...]. I let it go, on the Hon. Crispi's advice, and took no action.

President: Tell me the truth: Did you never suspect that Mr. Tringali might have contributed to this tardiness and this negligence?

Weill-Schott: I shall say...

President: Speak, and tell the truth.

Weill-Schott: Oh, the devil! I never knew a thing and it was only a very short time ago that the Hon. Crispi, speaking to me of Tringali, said, "you know, I want to tell you who was the cause of the retard in presenting the Appeal; it was Tringali."¹²⁴

The Parliamentary Commission did not dedicate particular attention to this fact, which apparently was not part of what it wished to ascertain. For the elements which interest us, it is, instead, particularly interesting.

In the period in which Balduino was his banker, Crispi shielded a subordinate of his who had committed an action favorable to Balduino, damaging his Weill-Schott clients. This is a confirmation of the fact that, at the time, Crispi's ties to Balduino were more important than his link to the Weill-Schotts; this has already been evident in his attribution of ideal motives to that priority. And here I should like to put forward another, complimentary, hypothesis: Crispi's shielding of Tringali coincided, chronologically, with the period in which the concession of the Weill-Schott loan to the city of Palermo fell through, and the possibility that the loan might be forthcoming from Balduino.¹²⁵ At the very least, this means that in the first part of Crispi's parliamentary activity, regional concerns were still a priority, outweighing the fiduciary relationship he was establishing with the Weill-Schotts. A relationship which perhaps, at the time, interested him less, since the hypothesis of a Palermo loan had dissolved and the case against his political adversary Bastogi had been lost.

We can then hypothesize that, on the occasion of the approval of the Tobacco Monopoly, Crispi had recently (as Cimone declares) told him the truth, to re-enforce the clash with that part of the Left which had sided with the Right in Parliament. It seems plausible that the million in bonds given by Balduino to Tringali constituted a pay-back for favors granted. Indeed, we cannot see why Balduino should have turned over a million

¹²⁴ Ascd, Rct, 2, 4, no sf., 17/1-3, July 4, 1869.

¹²⁵ This is the last quarter of 1863, as Balduino wrote to Crispi on the occasion of the new loan hypothesis, in 1865: see the aforementioned letter of Baduino to Crispi in Acs, Fc, Dspp, 3, 36, Turin, October 9, 1865.

shares to Tringali (whom he did not know personally—and without seeking further information) when he had not even seen him since the case regarding the Southern railway.¹²⁶

The relationship between Crispi and the Weill-Schotts began to weaken when they learned that there would be a trial for defamation in Milan in a case advanced by Civinini, prompted by allegations in the *Gazzettino Rosa*. Discovering that he was involved as a witness, Cimone went to Crispi. The banker's account of that meeting is worth examining, as it shows us so clearly the differences in the characters of the two parties in this situation—or, at least, the differences which Cimone wished to emphasize—between the Mitteleuropean-‘Lombard’ banker and the Sicilian lawyer.

So then I went to Crispi, and I found him with law book in hand: as soon as he saw me, he exclaimed: ‘I was just going to look for you.’ ‘What’s the matter?’, I replied. ‘We’ve been called to Milan’ [said Crispi]. ‘Yes, we have been called to Milan,’ I said. ‘But I won’t talk,’ said Crispi. ‘And then there is an Article in the Code which forbids me to speak.’ ‘Excuse me,’ said I, ‘If you don’t, I’ll talk; I don’t know anything about the Code and I don’t know what you want to keep quiet.’ ‘What,’ Crispi replied, ‘do you want the Tringali affair...?’ ‘What [said I], when we are before the court, are we not to divulge the truth? I shall say that I made the deal with Tringali just as it occurred.’ ‘Ah,’ said Crispi, ‘then I, too, am free, and so there is no problem. But I cannot go on Monday [Crispi added], and I have telegraphed the President to leave me free; Monday I have an engagement at the Court of Appeal.’ And I replied: ‘I have been called for Monday, and I will go.’¹²⁷

What Crispi considered inopportune to reveal was, he claimed, that the Weill-Schotts knew that Civinini was behind Tringali, as he averred Cimone had told him (or, contradicting himself, as Guastalla had put it,¹²⁸ or as Cimone was said to have declared in the ‘*Riforma*’ office in the presence of witnesses).¹²⁹ It was during this meeting that Crispi, for the first time, *en passant*, gave the banker the facts as he would present them during the

¹²⁶ This is what Tringali affirmed (Ascd, Rct, 3, 5, no sf., 24/3, July 5, 1869). The circumstance is made unlikely, as well, by the fact that –before agreeing to substitute Tringali’s name with that of Basevi in the comparticipation–Balduino sought information on “Basevi’s House”; information “excellent as to its solidity as well as its morality” (Ascd, Rct, 3, 6, no sf., 74/2, July 6, 1869). The answer Balduino gave to the objection raised by the Commission on this point, though unsatisfactory, is, in any event, significant as to the power assumed by the Weill-Schotts through their ties with Crispi: the banker, in fact, sustained that he had given the bonds to the (presumed) representative of the Weill-Schotts, despite the previous disagreements, “because that might bring me a very large number of clients and make things easier for me—and, if [it did not] make things easier, it would at least save me an opposition like that of the Weill-Schotts in a public subscription” (*ibid.*, 77/2-3).

¹²⁷ Ascd, Rct, 1, 2, no sf., 92/2-3, July 2nd, 1869.

¹²⁸ *Ibid.*, 98/3.

¹²⁹ Ascd, Rct, 1, 1, no sf., 13/1-2, July 1st, 1869.

Parliamentary Inquiry. He took a different line during the Milan trial, when—despite his previous agreement with Cimone—he took refuge in the norm which allowed lawyers to withhold what they had learned in confidence from their clients during the exercise of their profession. So, in Milan, we see the first serious breakdown of the relationship:

What reasons I had contrary to the Hon. Crispi are evident – said Cimone. – It was he who declared I had made the deal with Tringali; in Milan he acted before the court in such a way as to let it be assumed that I had been reticent and allowed suspicions to weigh upon me that an honorable man must refuse to bear.¹³⁰

Crispi had damaged Weill-Schott first of all by his reticence; casting uncertainty on his credibility as a banker in managing and defending his clients. The entire situation was made worse in that Crispi, pursuing his immediate ends, also cast doubt upon Weill-Schott's very rationality; his individual and, thus, professional, coherence.¹³¹ Consequently, the banker's defense was centred on the necessary rationality of banking:

I say that I should be insane were I to relate goings on which would make a mad-man look ridiculous. I may have gossiped a bit about Civinini, but I cannot have affirmed that the Hon. Civinini had made a deal with me. That is not possible. I deny it absolutely. [...] In any event, my agreement with Tringali was concluded openly and publicly. Everybody knew of it; in Milan two brokers were involved, two banks. All the young brokers of these banks knew about the affair.¹³²

So a banker is, in some cases, quiet and unobtrusive—and, in others, instead must become clearly 'public', a warrant of 'correctness'. Reservation and publicity join together in forming a reputation. The banker experienced the Parliamentary Inquiry as a form of violence, because it mixed together in confusion, reservation and exposure: it violated, one is tempted to say, his 'bourgeois', very 19th century, reserve—which drew a sharp line between familial-private and public spheres: between easy, 'internal' chatting, and public oratory. "The Commission will recall how very loath I was to speak of intimate conversations, of

¹³⁰ *Ibid.*, 96/2.

¹³¹ "Yesterday I saw that the Hon. Crispi declares I told him in a private conversation [...] that he should rest assured that at the parliamentary Inquiry I would declare the opposite of what I said in court in Milan. Now I ask myself, would I not be insane if I had declared anything of the sort? Is it [the action of a man] who has a bit—not of wit—but of common sense, to go and say to someone that I will go before a Commission of Inquiry to declare the opposite of what I said in Milan? It is something so absurd that I cannot understand even how it might have been imagined (*ibid.*, 101/3).

¹³² *Ibid.*, 101/3.

chats within my family”, Cimone declared on that occasion. “Of conversations which, if related, can only be unpleasant for Mr. Crispi, but not for me. Now I am forced to recount them, because they were incorrectly referred to by Mr. Crispi. He said I came to him with tears in my eyes..., but this is part of that category of compassion which he declares so warmly that the Hon. Civinini implored him to show”.¹³³

There are, as well, some other figures moving in the background of this episode. Baldunio, first of all; then Adriano Lemmi, the foremost figure of Italian Masonry of the time: “almost every day he stops by our [banking] establishment”, Cimone declared¹³⁴; he “is almost like my second father”¹³⁵ for Civinini.¹³⁶ Lemmi himself claims “a very long friendship”, “for very many years”, with Crispi.¹³⁷ “Lemmi,” Cimone confesses, “had begged me to do my utmost to try to save Crispi. He made me an offer which showed a good heart, but to which I could not even respond, because I was obliged to refuse it; he said: you are four brothers, three have already testified, a fourth comes who says: I told you [that we knew Civinini was behind Tringali] so Crispi will be relieved”.¹³⁸

And here, to close the ideal link in the relationship between Crispi and the Weill-Schotts, we find Cesare Correnti once more. As the trust relationship with Crispi crumbles, Correnti (who had sponsored its formation) assumes, in Cimone’s view, the traits of an anti-Crispi: of the unambiguous man “who does not know the Law”; clearly on the side of truth: “[Correnti] had advised me to be very careful of what I did, and that—if I had said something—I was obliged to refer it, because in this situation I should not have regards for anyone, and must tell the whole truth. That was his recommendation to me, because he treats me almost like a son”.¹³⁹

In a conclusion in which all the protagonists take refuge in symbolic ‘familial’ links established during the *Risorgimento*, Cimone recognizes in Correnti a second father: indeed,

¹³³ *Ibid.*, 95/3-96/1.

¹³⁴ *Ibid.*, 100/1.

¹³⁵ Ascd, Rct, 1, 1, no sf., 39/3, July 1st, 1869.

¹³⁶ Ascd, Rct, 1, 1, no sf., 39/3, July 1st, 1869. Civinini for Lemmi “is like a son” (as he declares in Ascd, Rct, 2, 3, no sf., 23/1, July 3rd, 1869).

¹³⁷ Ascd, Rct, 2, 3, no sf., 24/1-25/1, July 3rd, 1869. On Crispi’s strong ties with Lemmi see Mola, *Storia della massoneria*, *passim*.

¹³⁸ Ascd, Rct, 1, 2, no sf., 100/1-3, July 2nd, 1869.

¹³⁹ *Ibid.*, 104.

most probably he became acquainted with him in 1848, the fatal revolutionary year in which Maurizio Weill, the father of our Weill brothers, died.¹⁴⁰ Both ‘Lombards’, both democratic, both part of the ‘true’—even if Correnti, in parliament, sat elsewhere. As trust declines, politics gives way: the bankers of the Left find their Truth on the Right.

6. Politicians and “money men”

The relationship between Crispi and the Weill-Schotts did not end definitively after the Tobacco Monopoly affair, but its characteristics did change profoundly: from a relationship of trust on the financial and political levels, it faded, after the turbulent final years of the ‘60s, into a tie of friendship and shared ideals.¹⁴¹ Significantly, the end of the fiduciary relationship coincided chronologically with the end of the *Risorgimento*, and the progressive passage of Crispi towards ideal stances, and groups different from those he had previously believed in.

It was not by chance that the final stage of the affair took place in Parliament: a reality which, for Crispi and the country, was acquiring increasing importance in the decline of regional solicitations, to which not even Sicilian Crispi remained as sensitive as he had previously been.

It seems to me that the contents of an exchange of letters between Crispi and Filippo Weill-Schott—interchanged when the relationship was irremediably strained—best reflect the traits this relationship had assumed at the apex of its solidity (as well as some significant areas of negativity):

¹⁴⁰ Ascm, ‘Rubrica degli Israeliti’, ‘Weil Nehemia Filippo’. On the revolutions of 1848 in the Italian states see L. Riall, *Risorgimento. The History of Italy from Napoleon to Nation State* (Basingstoke: Palgrave Macmillan, 2009).

¹⁴¹ The most interesting printed sources documenting the renewal of relations between Crispi and the Weill-Schotts are constituted by the anti-Crispi writings from outside of Italy after the deterioration of relations with France: see for example D. Margiotta, *Francesco Crispi. Son oeuvre néfaste* (Grenoble-Paris, Ed. H. Falque, 1896), pp. 122 ff.; particularly well-informed is Miss Diana Vaughan (pseudonym of G.A. Jogan-Pagès), *Le 33e . . . Crispi: un palladiste home d’état démasqué. Histoire documentée du héros depuis sa naissance jusqu’à sa deuxième mort (1819-1896)* (Paris: Librairie antimaçonique A. Pierret, year not indicated [1897]): we learn, for example, that on the day of the civil matrimony of Crispi’s daughter and the noble Neapolitan Francesco Bonanno, “there was a solemn exhibition of the wedding gifts, among which—alongside gifts from Bismark and splendid laces from Murano, gift of the famous Jewish banker Weill-Schott—, one could note the gift of Cardinal Hohenlohe [Gustav Adolf von Hohenlohe-Schillingsfürst]—a statue of the Mergellina Madonna—and that of Cardinal San Felice [Guglielmo Sanfelice d’Acquavella], archbishop of Naples—a magnificent cross and a painting representing Saint Alphonse de Liguori” (pp. 444-45). See also Albert Weill-Schott’s necrologies, several of which define him as Crispi’s “intimate friend” (*Corriere della Sera* June 2nd, 1901, p. 3) and as “intimate friend of many politicians, fist of all of Crispi” (*Il Sole*, June 2nd, 1901, p. 1).

In 1866 Lt. Leone Weill-Schott was dismissed from the field with the grave accusation of having spied for Austria in concordance with one of his brothers—Crispi wrote—Who spoke in his defense? Who rushed from Florence to Milan and from Milan to Florence to hear the public officials and the ministry, so as to obtain justice for him? In 1868 a grave domestic disadventure fell upon the Messers Weill-Schott. And thence a terrible disagreement between the brothers and a brother-in-law. Their mother was deeply afflicted and came close to serious depression for what appeared to be the inevitable separation of her daughter from a husband whom all execrated. I worked with great affection and devotion to pacify the spirits of those involved...

I do not recall these things to appeal to your sentiments of gratitude. Men of money by instinct and habit are ungrateful. I write of [these things] to observe that those who were saved formerly should at least not weave a fabric of obscure lies to the detriment of their benefactor. I shall not lose heart for that. The informal arts of your brother-in-law and your brother, Cimone, shall not prevail against my honor and probity. Will you dare to answer this?¹⁴²

The relationship between Crispi and the Weill-Schotts, then, closes in so far as it had become a familiar-trust relationship, in which business had a subordinate role and politics mediated between the two dimensions. The ‘informal arts’—a curious yet persuasive definition—exercised by the bankers had contributed to a tie which dissolved with the dissolution of the trust which each of those participating placed in the other.

A consequence of the ‘familial’ nature of the trust relationship between the deputy and the family was the failure of the whole ‘atmosphere’, which had enveloped deputy and family, due to an event forming part of business management. The reference to “money men” in Crispi’s letter (even if we choose not to ascribe an anti-Semitic tinge to it) is an extreme marking of the distance between the bureaucrat and the shop-keeper; the ‘speaker’ and the ‘doer’. It is once again the extraneous nature of the banker in the jurist-humanist’s view which is striking: managing money has as its premise and consequence, ingratitude; it is not something which can engage honest men.

Honorable Sir, I answer your letter of the 19th immediately. I do so to show you—once more—that *money men*, as you style us, feel friendship and gratitude; I do not respond with the same acrid accents you employ and I shall not remind you of those old and new facts that prove *we need no lessons from anyone* in loyalty and honorability.

The fact is that, in 1866, you too contributed to aiding me in unmasking vile defamers, our enemies, and we and all the friends of truth and justice will always be grateful to you. In 1868 a family death moved us and we told you of it as an intimate family friend, and we know you were pleased [that we did so] from the participation and the interest you showed [...].

None of us is able to organize plots of any sort, and it is not like you, after so many years of friendly relations, to be capable of suspecting this *in conscience and sincerely*. We are in good faith, as the fact that our

¹⁴² Asmcrc, b. 831, f. 24, letterbook 1867-1869, p. 499, Crispi to Weill-Schott family, Florence, June 19, 1869.

friendship for You never faltered, even after you lost the case against the Southern Railways—in which you had persuaded us to engage—testifies.¹⁴³

Significantly, it is Filippo Weill-Schott, the eldest and most diplomatic of the brothers, who answers Crispi on behalf of the family. The question of the Ferrovie Meridionali turns up again—and we learn now that it had been promoted by Crispi to attack Bastogi. The scornful reference to “money men” has clearly upset him, but Filippo responds with a capacity to give value to affection.

These letters allow us to discern another story I can only mention here, but one which, like an underlying counter-theme, accompanies the years we are considering. It is the *Risorgimento* fought by Lt. Leone Weill-Schott, the only brother who was not a banker; protagonist, it seems, of an *ante literam* Dreyfus Affair. Crispi was his lawyer too, and he too sent Correnti a message of gratitude: “You have so many and such important rights to the affection and the gratitude of myself and the Weill-Schott family that we can never be other than your debtors”.¹⁴⁴ In line with a long established tradition among bourgeois Jewish families in German territories, Leone received an elegant cosmopolitan education: between campaigns, he studied oriental languages in Paris,¹⁴⁵ where he also benefited from the informative networks of various co-religionists.¹⁴⁶

He embodies the family patriotism as a direct acquisition ‘in the field’: “You [Correnti] discerned in us [Weill-Schott] that patriotic sentiment and loyalty of thought and aspiration that never allows itself to be vanquished by the calumnies which try to present us as other than who we are”, he wrote to Correnti from his army post in Parma in 1860,¹⁴⁷ revealing all the difficulty of the Austrian Jews in acquiring the status of ‘Lombards’ which

¹⁴³ Acs, Fc, Dspp, b. 162, f. 2170, letter n. 1, Filippo Weill-Schott to Crispi, Milan, June 29, 1869; emphasis in original.

¹⁴⁴ Asmmr, *Fondo Cesare Correnti. Carteggio*, b. 25, f. 1267, Leone Weill-Schott to Correnti, Corpo di riserva generale dell’esercito, Parma, August 16, 1860.

¹⁴⁵ “When I return to the Regiment at the end of the month, I shall bring all the most important books with which I can pursue my studies. But always [...] I shall be ready to throw down my pen and grasp my sword for the final battles on Italian territory” (*ibid.*, Leone Will-Schott to Correnti, Paris, February 3rd, 1864).

¹⁴⁶ “Messser Artom [Isaac, a diplomat and Cavour’s ex-secretary] wrote me a kind letter and introduced me to His Excellency the Italian Legate”. “Cav. Nigra is a literary figure and a philologist and philosopher, versed in all branches of the history of literature, so I greatly appreciate the possibility of frequenting him” (*ibid.*, Leone Weill-Schott to Correnti, Paris, January 30, 1864, and Leone Weill-Schott to Correnti, Paris, February 3rd, 1864).

¹⁴⁷ *Ibid.*, Leone Weill-Schott to Correnti, Corpo di riserva generale dell’esercito, Parma, August 16, 1860.

we have been considering. Leone Weill-Schott's patriotism, presented with the zeal of the outsider, was rendered more strident by its contrast with the cosmopolitan tone of his education.¹⁴⁸ It was a patriotism at least as precious to him as presenting themselves as 'Lombards' was for his brothers: so much so that he too used the competitive advantage deriving from the breadth of his network of relationships to accumulate patriotism.¹⁴⁹

So the romantic profile of Lt. Weill-Schott, who died before his brothers,¹⁵⁰ is the classic one of an Italian Judaism that inaugurated its emancipation—and consequent assimilation—with the battles for the *Risorgimento*: a Judaism whose aspirations were much more ample than those of other patriots, because for them “such aspirations must be secured on two, super-imposed, planes: the Italian and the Judaic”.¹⁵¹

Conclusion

This study aims to show the importance of analysing the interaction between lenders and borrowers for understanding how relationship lending works. It does so by postulating an idea of complex social relations shaping business and financial relations among economic agents, characterised by embeddedness. My point is that, when it comes to reconstructing the concrete historical way of creating relationship lending from both sides (borrowers and lenders), a plurality of levels must be taken into account. Principal among these (if we refer to the nineteenth-century Western European context—but contemporary case studies could be evoked¹⁵²) are the familiar ones. Yet in order to define the category of 'family'—and its concrete functioning as a trust maker—a wide range of relational possibilities must be explored: biological and homophilous ones, quasiparental roles (Crispi as a substitute father), Masonic parenthood, 'ethnicity' in the broadest sense of the term.

¹⁴⁸ “I would willingly help the Scandinavians pull the Austrian and Spaniards' ears and I recall with pleasure having learned Danish years ago and should be delighted to be able to employ a few days, directly or indirectly, for the Italian cause” (*ibid.*, Leone Weill-Schott to Correnti, Paris, February 3rd, 1864).

¹⁴⁹ “I have some precious friendships there [in Holland]; if necessary, I could one day provide useful services to Italy for colonial or military or political matters” (*ibid.*, Leone Weill-Schott to Correnti, Milan, December 16, 1869).

¹⁵⁰ He died December 17, 1884; see his testament in Asm, *Notarile ultimo versamento*, notary Antonio Lazzati, b. 3310, deed n. 9503/7633, December 17, 1884.

¹⁵¹ A. Milano, *Storia degli ebrei in Italia* (Turin: Einaudi, 1992²), p. 358.

¹⁵² See for example A. Kamath, *Industrial Innovation, Networks, and Economic Development. Informal Information Sharing in Low-Technology Clusters in India* (London-New York: Routledge, 2015).

The story of the relations between Francesco Crispi and the Weill-Schott bankers seemed worth attention, firstly because it is emblematic of the encounter between politics and business which formed well before the historic Left came to power in Italy. Still, the links between the political and the financial worlds seem to take form in complex and nuanced terms. The bankers not only satisfied the needs of political figures, lending them the money to finance their re-election: first and foremost, they offered indispensable collaboration in gathering information, transforming it into opinion and making it known in ‘a favorable press’: Weill-Schott collaboration in the *Riforma* is a significant example.

This function—‘informative’ in the broadest sense—could not have been exercised so well by any group other than the bankers: the new national governing class, including Crispi, was immediately aware of this. The link between governors and bankers (when, indeed, the two figures did not coincide), was the reciprocal process of building trust and reputation. The bankers contributed decisively to the formation of a political class initially unprepared by their education to deal with the economic problems presented daily by the governance of the new State. So the role bankers and entrepreneurs—often involved directly themselves in the patriotic wars—played in forming a liberal ruling class deserves greater attention on the part of historians.

Indeed, close observation of the fiduciary relationship between Francesco Crispi and the Weill-Schotts shows that trust and reputation do not derive (as neoclassical economics would put it) from automatic and generalized responses to market failures, but rather from personal bonds and from the structure of those bonds. In the past as in the present, there are few real-world economic transactions that do not involve an element of trust: real world was (is) not perfectly informed and agents cannot reach optimal, enforceable decisions in continuously harmonising exchanges.

Trust was (is) therefore linked to incomplete information, costly enforcement, and computational limitations: it “can then be thought of as an algorithm, in other words, a way of resolving uncertainty in a complex world”.¹⁵³ Both Crispi and the Weill-Schotts were already of good repute before they met and, for each, the counter-part served to increase that repute. It was a sort of reputation comparable only in part to that—exquisitely bourgeois—

¹⁵³ F.L. Galassi, L.A. Newton, ‘My world is my Bond: Reputation as Collateral in Nineteenth Century English Provincial Banking’, Warwick Economic Research Papers No 599, p. 3.

valued by bankers across Europe as a guarantee *vis à vis* the risks of banking activities¹⁵⁴. A reputation linked, rather, to the past and its use: to the destiny of the long Risorgimental epopee, by which it was sustained and from which it drew its reasons of economic competitiveness.

In this sense, we can, perhaps, affirm that the most significant advantage which their links with Crispi furnished the Weill-Schotts was to consolidate the 'Italianness' of their reputation: Italian because linked to Risorgimental events and Risorgimental heroes; consolidated in a parliamentary context—and in terms of an economic defense of the State—and built in the nerve centers of national financial life.

It is a result behind which we can plausibly discern a strategy on the part of this Austrian Jewish family which was not simply economically fruitful, but 'assimilative'. It was an effort which did not (as in some other cases) seek a more secure social position through pecuniary accumulation but, pursuing other goals, ended up also achieving notable economic rewards. It was, obviously, an ambiguous process, for the 'assimilation' of the Weill-Schotts made use of all the competitive advantages which their position as part of the relational network of co-religionist afforded. In fact, the situations I have considered show how it was just because of this ethnic-religious factor that the trust relationship was able to consolidate—while some aspects of the bank's activities may reflect economic-relational choices favoring co-religionists.

Last of all is a question on which it is not simple to shed light. David Landes writes that "when it came to designating a Court banker, Bismark insisted that the choice be Jewish, and the Bleichröder were chosen".¹⁵⁵ I still have no way of knowing whether Crispi was influenced in his decision to collaborate with the Weill-Schotts by the fact that they were Jewish—or if, like Landes—he thought that "no group [in finance] found itself in a better position than the Jews [...], no other [group] was able to find scarce merchandise so easily; nor learn so swiftly of the possibility to turn a profit; and, above all, no other group had such

¹⁵⁴ On the close links between bourgeois morality and banking reputation see M. Pohle, 'Risk, Information and Noise: Risk Perception and Risk Management of French and German Banks during the Nineteenth-Century' *Financial History Review* 1(1995): 25-39.

¹⁵⁵ D.S. Landes, *Bankers and Pashas: International Finance and Economic Imperialism in Egypt* (Cambridge Mass.; Harvard University Press, 1958), p. 327 of the Italian edn; see also F. Stern, *Gold and Iron: Bismarck, Bleichröder, and the Building of the German Empire* New York: Vintage Books, 1979².

a complete and efficacious information service in political as well as in business circles".¹⁵⁶ I do not even know whether, in the 'atmosphere' I have attempted to evoke, the 'Lombard' bankers were primarily and widely considered to be a part of the Jewish group—and not even if they themselves thought they were in some sense Jews.

I have found a sole trace of Jewish self-identification among the many documents I have examined. Certainly not by chance, this was voiced by the only feminine protagonist of these events, Sofia Guastalla Weill-Schott in a Christmas letter addressed to Cesare Correnti:

Illustrious Sir, on Christmas day I wish to write to You in homage to the magnificent sky of liberty which covers all of us and where the stars of all religions shine, alas somewhat paler—but it is sufficient that the sentiment does not fade.¹⁵⁷

¹⁵⁶ Landes, *Bankers and Pashas*, pp. 35-36.

¹⁵⁷ Asmrm, *Fondo Cesare Correnti. Carteggio*, b. 13, f. 621, Milan, December 25, 1885.