From Crisis to Control: The Revival of Banco di Napoli's Land Credit under the Management of Nicola Miraglia

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Abstract

This paper examines the pivotal role of Nicola Miraglia in steering the Banco di Napoli through a tumultuous period of economic crisis and institutional decay in the late 19th and early 20th centuries. Miraglia undertook the daunting task of managing a bank on the brink of bankruptcy due to the aftermath of the 1893 banking crisis and the Banca Romana scandal and implemented a series of strategic reforms focused on careful management and asset liquidation. Utilizing archival data from the Banco di Napoli's Historical Archive, Fondo Miraglia, the paper analyses the administrative and financial performance of the Neapolitan institute under Miraglia's leadership. Highlighting the successful transition of the Land Credit into a phase of liquidation, characterized by improved revenue streams and meticulous debt management. Tables detailing variations in administration building costs and development of building rents across different cities underscore the positive impact of Miraglia's reforms. Ultimately, the paper concludes that Miraglia's leadership played a crucial role in stabilizing and revitalizing the Banco di Napoli, setting it on a path towards recovery and long-term sustainability. His perseverance, competence, and moral integrity were instrumental in addressing the complex issues plaguing the Banco and laying the groundwork for its continued operations during a period marked by economic volatility and institutional uncertainty.

1. Introduction

As it is known, the Banco di Napoli played a crucial role in Italy's financial history. During the long management of Nicola Miraglia, who was called to lead the institution through a period of severe economic and institutional crisis, the Neapolitan institute affirmed itself as a guide in the economic development of southern Italy; suffice it to think of the institute's role regarding emigrants' remittances[1] and agricultural credit, an aspect that economic historiography still questions today.[2] This article analyses the economic and political context of the late 19th century, focusing on Banco di Napoli's role in the process of reorganisation of the Italian credit system and on Miraglia's decisive contribution to the institute's recovery. The work fits into a broad historiographical framework, exploring three interconnected levels of analysis: the Italian post-unification financial system, the specific history of Banco di Napoli and the biographical dimension of Nicola Miraglia. The article aims to fill a gap in the existing literature, which has so far devoted little attention to a central figure such as Miraglia, despite his role in the modernisation of land credit and in the management of the challenges posed by the difficult situation in which he found himself operating.

The situation of uncertainty was the legacy of the economic crisis that hit Italy from 1888 to 1894 when the first thirty years of the unification process were about to be completed. If it was hoped that national unification would be the prerequisite for a period of economic expansion of the country – "it was then believed that freedom instead of despotism would bring great progress everywhere"[3] – this was not the case. At the dawn of the crisis, Italy had come through

[1] On the remittance protection service see: F. Balletta, *Il Banco di Napoli e le rimesse degli emigranti (1914-1925)*, Naples, 1972; L. De Rosa, *Emigranti, capitali e Banche (1896-1906)*, Naples, 1980. On the fundamental role of remittances for Italian economic development see also: A. De Clementi, "Rimesse e mercati", in *Parole chiave*, 6, 1994; F. Fauri, *Storia economica delle migrazioni italiane*, Bologna, 2015; G. Massullo, "Economia delle rimesse", in P. Bevilacqua, A. De Clementi, E. Franzina (eds.), *Storia dell'emigrazione italiana, I, Partenze*, Rome, 2001.

[2] See: S. Misiani, *Banche agricoltura e stato italiano, un saggio introduttivo (1861-1946)*, Rome, 2023, p. 52

[3] F. Barbagallo, *La questione italiana, il nord e il sud dal 1860 ad oggi*, Bari, 2017, p. 43. The translations of the quotes contained in the article are by the author.

three decades of low growth: the pace of development had been lower than that of the main European countries. On the causes of the Kingdom's difficult economic start, various researchers questioned themselves, giving rise to an articulate and at times lively historiographical debate. If some historians in the liberal tradition, – and among these first and foremost Rosario Romeo – focused on the need for the creation of an infrastructure as a prerequisite for growth,[4] others, who drew on the thought of Antonio Gramsci, focused their attention on the lack of an agrarian reform, which instead would have been necessary.[5] On the other hand, some authors point the attention on the late creation of universal banks, the driving force behind Italian development in the late 19th and early 20th century,[6] others, on the contrary, have emphasised how the theses on the role of mixed banks should be taken with caution, tending to downplay their positive function in stimulating development.[7] In subsequent years, studies have focused on interpretations that are not monocausal – an example of this are the studies by Franco Bonelli and Luciano Cafagna:[8] Bonelli identifies a slow and steady growth of the Italian economy in that period, like that found in the British Isles in the late eighteenth and early nineteenth centuries.[9] Among the studies on Italian economic development, it is also worth mentioning those of Luigi De Matteo, who introduced the concept of "economy under pressure" as a new interpretative paradigm for understanding the economic and social conditions of the Mezzogiorno, with par-

[4] R. Romeo, *Risorgimento e capitalismo*, Bari, 1959, pp. 122 ff.
[5] E. Sereni, *Il capitalismo nelle campagne*, Turin, 1971, pp. 40 ff.
[6] A. Gerschenkron, *Economic Backwardness in Historical Perspective, A Book of Essays*, Cambridge, 1962, pp. 52 ff.
[7] G. Candeloro, *Storia dell'Italia moderna, VII, La crisi di fine secolo e l'età giolittiana*, Milan, 1980, pp. 381-382.
[8] L. Cafagna, *Dualismo e sviluppo nella storia d'Italia*, Venice, 1989; L. Cafagna, "Contro tre pregiudizi sulla storia dello sviluppo economico italiano", in P. Ciocca, G. Toniolo (eds.), *Storia economica d'Italia 1. Interpretazioni*, Bari, 1991.
[9] F. Bonelli, "Il capitalismo italiano. Linee generali d'interpretazione", in R. Romano, C. Vivanti (eds.), *Storia d'Italia. Annali 1, Dal feudalesimo al capitalismo*, Turin, 1978, pp. 1196 ff.

ticular attention to credit, banking and entrepreneurship in the nineteenth century. Emphasizing the importance of a historical-economic approach to the study of entrepreneurship in the region, the author highlights the need to consider market conditions, profitability and risk factors that influence industrial ventures.[10] Finally, on an econometric level of analysis, Stefano Fenoaltea applied a sectoral approach – dividing Italian economy into various sectors (agriculture, industry, services) and analyzing each one separately – he obtained a more precise view of the internal economic dynamics of each sector, arriving at a revaluation of the estimates of the Italian gross domestic product from 1861 to 1913. The new estimates proposed by Fenoaltea showed a more complex and dynamic picture of Italian economic growth than the one suggested by previous evaluations. He noted that the Italian economy had experienced more robust growth phases and more pronounced periods of stagnation than previously thought.[11] One must certainly take into consideration – as Gianni Toniolo stated – the situation that the governments of the Right and Left faced in the first decades following the birth of the Kingdom. Weighed on the young state were the wars of independence, brigandage, poor infrastructure, and the inevitable slowness of the process of state building that brought with it the birth and entrenchment of institutions, the unification of the currency and the development of a national credit system.[12]

The Italians lived separated from region to region, this division was due to various factors, among which the geographical isolation and the lack of communication routes, the fact that the Italian language was spoken by little more than 2% of the population[13] – which

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[10] L. De Matteo, "Economy under pressure. An interpretative paradigm of the economy of the South in the nineteenth century", in *Storia Economica*, Year XIII, 2010, n. 1-2.

[11] S. Fenoaltea, *Reconstructing the Past. Revised Estimates of Italy's Product, 1861-1913*, Turin, 2020.

[12] G. Toniolo, *Storia della Banca d'Italia*, cit., p. 101. On the monetary issue and the development of Italian's credit sistem see: P. Pecorari, *La lira debole*, Padova, 1999; F. Spinelli, M. Fratoianni, *Storia monetaria d'Italia. L'evoluzione del sistema monetario e bancario*, Segrate, 1991.

[13] Even in 1881, twenty years after unification, the number of illiterate people aged 6

was also the percentage of wealthy voters admitted to voting and political life – the deep differences in climate but above all the economic and social differences between the North and the South.[14] Finally, there was the problem of building a national conscience.[15] The crisis of the end of the 19th century brought the institutions of the young kingdom to collapse and put an end to the small, but promising industrial acceleration of the last years.

The banking law of 1893 marked the beginning of a structural reform, aimed at stabilising the financial sector by centralising it around the Bank of Italy and reorganising the issuing institutions, including the Banco di Napoli. Miraglia who was appointed director following the suggestion of Finance Minister Luigi Luzzatti[16] – a

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and over was 37 every 100 inhabitants in Lombardy (which had the lowest percentage), whereas in the Mezzogiorno the figure took on truly worrying proportions: 75 in Campania, 80 in Apulia, 80 in Abruzzo, almost 85 in Calabria and 81 in Sicily. It can therefore be said, as Piero Bevilacqua stated, that the school in the first decades after unification did not make any appreciable contribution to the economic growth and social and cultural elevation of the southern populations. See: P. Bevilacqua, *Breve storia dell'Italia meridionale*, Rome, 1993, p. 80.

[14] R. Romanelli, *Il comando impossibile. Stato e società nell'Italia liberale*, Bologna, 1988, pp. 9 ff.

[15] F. Barbagallo, *La questione italiana*, cit., p. 34 ff.

[16] Luigi Luzzatti (1841-1927) was a distinguished Italian statesman, economist, and pioneering figure in the development of Italy's financial and social systems. Born on March 11, 1841, in Venice, he studied law and cultivated a deep interest in economics and social justice. Luzzatti's career is notably marked by his contributions to the cooperative banking movement. In 1866, he founded Italy's first cooperative bank, the Banca Popolare di Milano, aimed at providing accessible credit to small businesses and farmers. Entering politics, Luzzatti was elected to the Italian Chamber of Deputies, where he served for many years. His tenure included several ministerial roles, notably as Minister of the Treasury, where he was instrumental in stabilizing Italy's finances. His pragmatic approach to economic policy and reform was influential during a period of significant change and development in Italy. In 1910, Luzzatti ascended to the position of Prime Minister of Italy. Although his term was brief, lasting less than a year, his impact on Italian politics and policy was substantial. He was known for his moderate and inclusive approach, advocating for economic reforms and social legislation aimed at improving the lives of ordinary Italians. He passed away on March 29, 1927, in Rome, leaving behind a legacy of economic innovation, social reform, and intellectual contributions that shaped modern Italy. See: P.L. Ballini, P. Pecorari, *Luigi Luzzatti e il suo tempo*, Venice, 1994; P. Pecorari, *Luigi Luzzatti. Economista e politico della Nuova Italia*, Naples, 2003; P. Pecorari, *Luzzattiana. Nuove ricerche storiche su Luigi Luzzatti e il suo tempo*, Udine, 2010.

friend of his, whom he had met in 1869 at the Ministry of Agriculture, Industry and Commerce (MAIC)[17]– met these challenges with a strategy based on administrative rigour, asset liquidation and restructuring of land credit. The actions of the Lucanian economist were supported, as we will see in the following paragraphs, by the work of Luzzatti at his second term as Treasury Minister. In his financial statement of December, 7th 1896, the Venetian banker, in fact, declared that he wanted to aim for the financial recovery of the country through the "restoration" of national economic forces.[18] This study makes use of extensive archival documentation –particularly the Fondo Miraglia in the Banco di Napoli's Historical Archive – to reconstruct the main stages of Miraglia's management and assess its impact in ensuring the survival and re-launch of the institution. Central themes include the analysis of the reforms implemented, the relationship between the bank and the economic development of Southern Italy, and the role of individual leadership in crisis contexts. With this approach, the article aims to offer a significant contribution to Italian economic historiography, questioning how the case of the Banco di Napoli can illuminate broader issues, such as the relationship between banks and economic development in liberal Italy. Through this perspective, an attempt is made to highlight not only the importance of the economic and political context, but also the decisive influence of a leader with technical expertise and moral integrity like Miraglia.

2. Changes amid crisis: from Arlotta to Miraglia

In 1896, at the age of 61, Nicola Miraglia was called– after the refusal

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[17] At the beginning of 1870, Luigi Luzzatti had been Secretary General at MAIC while Miraglia was its head of division. In the following years, the Lucanian economist climbed all the positions within the Ministry until he became the General manager in 1883, reaching the pinnacle of his administrative career at the young age of forty-eight.
[18] For more on Luzzatti's economic policy see: P. Pecorari, *Luigi Luzzatti. Economista*, cit., pp. 137-169.

of Giuseppe Pavoncelli[19] – to manage the Banco di Napoli, one of the three issuing institutions that survived the banking crisis of 1893, after what was, as Paolo Pecorari notes, "an obvious compromise between the advocates of a single central bank and the defenders of the plurality of issuing entities."[20] It was a situation of blatant emergency: in fact, the Institute, despite being considered as fundamental to the economic life and development of southern Italy, was in such a state of decay due to the banking crisis and the scandal of the Banca Romana in 1893 that it risked bankruptcy.[21]

Miraglia's appointment as director of the Banco di Napoli was greeted by the political and economic world with the awareness that it could mark a turning point in view of the severe conditions of the Neapolitan credit institution. In a communication sent "by dispatch"

[19] On the reasons of the denial see: P. Pecorari, *La Fabbrica dei Soldi. Istituti di emissione e questione bancaria in Italia 1861-1913*, Bologna, 1994, p. 130.
[20] P. Pecorari (ed.), *L'Italia Economica, tempi e fenomeni del cambiamento dall'Unità ad oggi*, Milan, 2018, p. 42.
[21] The Banca Romana scandal was a political-financial case of national importance that was at the centre of Italian news from 1892 to 1894 and whose central element was the discovery of the illicit activities of the governor of the Banca Romana in the previous decade. On the events surrounding the economic crisis and the Banca Romana scandal, see: A. Confalonieri, *Banca e Industria in Italia (1894-1906), Vol. I, le premesse: dall'abolizione del corso forzoso alla caduta del Credito Mobiliare*, Bologna, 1980, (1ª ed. Milan, 1975); G. Manacorda, *Dalla crisi alla crescita. Crisi economica e lotta politica in Italia (1892-1896)*, Turin, 1968; M. Pantaleoni, *La caduta della Società generale di credito mobiliare italiano*, Turin, 1998; E. De Simone, *Storia della Banca, dalle origini ai giorni nostri*, Naples, 1985; P. Pecorari, *La Fabbrica dei Soldi*, cit.; sul contributo di Bonaldo Stringher allo sviluppo economico italiano, in P. Pecorari, *Luzzattiana*, cit., pp. 155-169; P. Pecorari, *Storie di moneta e di banca*, Venice, 2006; G. Mori, "Un vecchio claudicante lungo un sentiero irto di ostacoli artificiali e naturali punto le attività di trasformazione dal tramonto della destra storica alla fine del secolo", in P.L Ballini, P. Pecorari (eds.), *Alla ricerca delle colonie (1876-1896)*, Venice, 2007, pp. 109-172; G. Toniolo, *L'economia dell'Italia liberale, 1850-1918*, Bologna, 1992; G. Zalin, "Crisi sociale e dissesti bancari negli 'anni neri' dell'economia italiana", in P. Pecorari (ed.), *Crisi e scandali bancari nella storia d'Italia*, Venice, 2006, pp. 67-96. On December, 20th the Honourable Napoleone Colajanni and Lodovico Gavazzi, to avoid a further delay on the approval of a new banking law, and to press for the establishment of a parliamentary enquiry into the conditions of the banks, made the scandal public in Parliament. See Atti parlamentari (hereafter AP), Camera dei Deputati (hereafter CD), XVIII Legislatura del Regno d'Italia, *stenographic report of the part-session of Tuesday, 20 December 1892*, Discussion of the Banks' bill, speech by Colajanni Napoleone, p. 708.

to the "Corriere della Sera", which dwelt on the ongoing crisis at the institute, Miraglia's choice as director was described as destined to make a good impression highlighting how the situation made it necessary to appoint someone who was at the same time a government official, a politician, and finally a Southerner, all qualities that were embodied by the Lucanian economist. The same article also referred to the initial uncertainties of the director of agriculture at MAIC and to Luzzatti's insistence that "he had finally persuaded MP Miraglia to accept the very difficult position."[22] Miraglia's doubts also emerged from a letter, dated 20th, September 1896, in which the Minister of Treasury informed him of the appointment by the Council of Ministers. Luzzatti acknowledged the "feeling for the public good" that had led the Lucanian economist to accept the position and stated that he felt "safer and stronger in working most effectively for the good of the Banco di Napoli after his acceptance."[23]

Miraglia's uncertainties can be explained by the difficult situation in which the Banco found itself on the eve of his appointment in what Gino Luzzatto described as "the blackest years of the Italian economy."[24] At the end of 1889, Luigi Miceli – the Minister of Agriculture, Industry and Commerce – had made known to the government the report on the inspection ordered at the beginning of the year at the issuing banks. The report showed the complex situation in which the southern institutions found themselves, making it public that there was a significant excess of circulation. A second inspection by Gustavo Biagini, ordered by the government in 1894, highlighted very clearly the serious problem of fixed assets, which amounted to almost £560 million (388 at the Banca d'Italia, about 160 at the Banco di Napoli and 12 at the Banco di Sicilia).[25] Moreover,

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[22] Corriere della Sera, "La crisi nel Banco di Napoli, I provvedimenti Luzzatti", in *Corriere della Sera*, 20 September 1886.
[23] The quotation to the letter can be found in the volume: L. De Rosa, *Storia del Banco di Napoli, vol. III, Istituto di Emissione nell'Italia Unita (1863-1926), tomo III*, Naples, 1989, pp. 5-6.
[24] G. Luzzatto, *L'economia italiana dal 1861 al 1894*, Turin, 1975, pp. 177-211.
[25] E. De Simone, *Storia della Banca*, cit., p. 305.

this was a time of great urban transformation, with massive doses of capital invested by the "Società pel Risanamento di Napoli" following the "sventramento"[26] of Naples in the aftermath of the cholera of 1884.

Gianni Toniolo points out how it was a conscious choice of the government to filter information concerning the Banco di Sicilia and the Banco di Napoli – without emphasising the causes that had led to this excess of circulation: the strong insistence of Crispi and other ministers on the rescue of banks and companies[27] – while at the same time concealing the serious conditions in which the Banca Romana found itself[28] also due to the direct involvement of important institutional figures. Consequently, even if the government's decisions did not lead to any measures against the latter, they dissolved the boards of directors of the two formers.

Subsequent administrations had failed to improve the conditions of the Banco – partly due to the economic crisis that hit the country – to the point that "Corriere della Sera" reported that the government had become convinced that the management did not have a strong hand, and was not up to the task considering the importance of the situation.[29] However, while it is true that conditions at the Institute had not improved significantly, it must be said that the director Enrico Arlotta[30] had seen his position weakened follow-

[26] See: M. Serao, *Il ventre di Napoli*, Milan, 1884.
[27] Crispi, in a telegram to the Prefect of Naples, observed that: "when the Credit Institutes do not have the will to respond to the government in times of economic crisis, doubt arises the authority and necessity of their existence" See: Condonchi to Crispi, 14 August 1889, 5.39 p.m. in Archivio Centrale dello Stato (hereafter ACS), Fondo Crispi Francesco, Serie Archivio di Stato di Roma, IV: Serie – primo ministero Crispi (29 July 1887 – 6 February 1991), 4: sottoserie – amministrazione civile, Busta 11, Fascicolo 255.
[28] See: L. De Rosa, *Storia del Banco di Roma*, vol. I, Rome, 1983; G. Toniolo, *Storia della Banca d'Italia, tomo I, Formazione ed evoluzione di una banca centrale, 1893-1943*, Bologna, 2022, p. 133.
[29] Corriere della Sera, "La crisi nel Banco di Napoli", cit.
[30] Enrico Arlotta (1851-1933) was born on 11 September 1851 in Portici, into an upper middle-class Neapolitan family. He first took part in the commercial activity of the Minasi and Arlotta company, then dedicated himself to political life, militating in the liberal Right. He was councillor for Public Works in the Amore administration and made

ing the change of government, having lost most of the contacts he had with the executive. In fact, the Minister of the Treasury Luigi Luzzatti and the government, – as Antonio Salandra reported to Sidney Sonnino – having to propose measures for the Banco di Napoli, wanted a friendly person to be in charge.[31] The resignation telegraphed by president Arlotta to Luzzatti– following repeated government pressure and "continuous interference that made the autonomy of the southern Institute an illusion"[32] – resolved the embarrassing situation of the executive, which had no reason to take the drastic initiative of dissolving the Council again. Following the resignation, Nicola Miraglia could be appointed.

However, there was no shortage of criticism regarding Arlotta's replacement, in particular from the local newspaper "Il Mattino", which saw in the removal of the Neapolitan director the interference of the "flagellators of our poor city" who wanted "the ruin of the Banco,"[33] as well as the revenge of Vincenzo De Bernardis, undersecretary to the Treasury, whom Arlotta had denounced to the prefect

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a significant contribution, after the cholera epidemic of 1884, to the drafting and initial implementation of the plan for the reclamation of Naples. In 1895, he was elected director general of the Banco di Napoli and held the position until 1897, working hard to reorganise the institution. He stood as a candidate in the elections of 1897 and was elected from the third constituency of Naples, which he also represented in the following legislatures until 1919, siding with the supporters of F. Crispi and then S. Sonnino. Right from the start of the world war he took a position in favour of Italian intervention, supporting in the discussions of the group of right-wing liberal deputies the need for a policy of neutrality that would effectively prepare the best political and military conditions for intervention. In December 1914 he sided with the Salandra government and in the following May he was part of the parliamentary commission to study the bill for extraordinary powers for the ministry. On 16 October 1919, he was appointed senator; in the Senate, he dealt particularly with maritime and railway problems. He died in Naples on 14 November 1933. See: G. De Caro, "ARLOTTA, Enrico", in *Dizionario biografico degli Italiani*, vol. 4, Rome, 1962.

[31] See: L. De Rosa, *Storia del Banco di Napoli, vol. III, Istituto di Emissione nell'Italia Unita (1863-1926)*, tomo II, Naples, 1989, p. 562. The communication between Salandra and Sonnino is taken by the professor from Sidney Sonnino's Diario published by Laterza in 1972 on p .312.

[32] The sentence is taken from the telegram Enrico Arlotta sent to Luigi Luzzatti reported in: Il Mattino, "Il colpo di mano del Governo sul Banco di Napoli", in *Il Mattino*, 19-20 September 1896.

[33] Ibidem.

for unpaid debts to the Southern Institute's land credit.[34] The criticism of the Neapolitan newspaper also directly affected Miraglia, who was described by the paper as ignorant of the most superficial banking notions.[35] In short, whereas, as seen above, the national newspapers welcomed and praised the new director, in Naples Miraglia faced the double challenge of having to revive the Institute's conditions without receiving the support of a civil society that looked at the central government with distrust[36] and still "saw in Naples the capital created since 1288 by King Charles II d'Angiò."[37]

3. Land credits' conditions after the crisis: The Luzzatti's strategy

As anticipated by various newspapers and confirmed by the letter Luzzatti himself had sent to Miraglia,[38] the Minister had promised the *commendatore* – to convince him to accept the difficult assignment – a set of banking measures aimed at speeding up the recovery of the issuing institutions. These rumours – which had no basis in official documents – were commented on in important national newspapers.[39] On the other hand, Miraglia himself had confirmed to the press that the government had assured him that, deeming the 1895 law insufficient to solve the bank's economic problem, it had already decided on suitable measures to revive the institution.[40]

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[34] Postumo, "Il governo contro il Banco di Napoli, E bravo Gigione!", in *Il Mattino*, 20-21 September 1896.

[35] Il Mattino, "La Cronaca: Gli eventi del Banco", in *Il Mattino*, 23-24 September 1896.

[36] For more on the causes of the consideration in Naples of politics as an "equivocal world" see: P. Allum, Giuseppe Galasso, *Intervista sulla storia di Napoli*, Bari-Rome, 2018, 1ª ed. 1978, pp. 158 ff.

[37] F.P. Rispoli, "La provincia e la città di Napoli", in G. Russo (ed.), *L'avvenire industriale di Napoli negli scritti del primo Novecento*, Naples, 1963, p. 87.

[38] Luzzatti wrote to Miraglia that measures had been prepared that were "really suitable to resurrect the institute" and that the relevant proposals could be "considered as ready-made" but would be discussed together. See: L. De Rosa, *Storia del Banco di Napoli*, vol. III, tomo III, cit., p. 6.

[39] G.R., "Il Banco di Napoli, le voci che corrono e il comm. Miraglia", in *Corriere della Sera*, 24 September 1896.

[40] Il Mattino, "La Cronaca: Gli eventi del Banco", cit.

Luzzatti's strategy was to aim for the financial recovery of the country by cutting expenditure rather than increase revenue.[41] This idea was shared by Miraglia, who reduced his own salary to highlight the period of austerity he intended to institute when he took over as director of the Banco. The Minister's policy – in total contrast to that of Sidney Sonnino who had preceded him at the Treasury – was presented at the Financial Exposition of December, 7th 1896: in addition to an important project to contain the budgets of all ministries, he intended to tackle the complex issues of local finance and paper circulation.[42]

The reorganisation of circulation was "the obligatory step to ensure a more intense and secure economic development:"[43] therefore, Luzzatti's plan included – in addition to the ratification of the agreement with Banca d'Italia of 28th, November 1896[44] – a series of measures in favour of the issuing institutions, with particular attention to the Banco di Napoli and Banco di Sicilia. The ministerial project moved along three different tracks; firstly, Luzzatti intended to take measures regarding the guarantee of banknotes, setting a "supreme reserve" of £411,500,000[45] destined to guarantee an equal number of banknotes in circulation. As stated by Paolo Pecorari, in so doing

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[41] P. Pecorari (a cura di), *L'Italia Economica*, cit., p. 51; P. Pecorari, *Luigi Luzzatti, economista*, cit., pp. 146-147.

[42] About local finance, the budgets of numerous municipalities – especially in the south – overburdened by debts to issuing institutions were a cause for concern. Luzzatti pushed for the establishment of a special credit bank for municipalities and provinces that, backed by the Cassa Depositi e Prestiti, would have charged lower interest rates than the current ones to finance works aimed at enhancing the territory. The proposal, which did not gain support, was replaced by the decision to unify the municipal and provincial debts of Sicily, Sardinia, and Elba. In 1897, the debt of the city of Rome was added to these.

[43] L. De Rosa, *Storia del Banco di Napoli*, vol. III, tomo III, cit., p. 14.

[44] The agreement provided for a 30 million reduction in the Bank's capital and an accelerated timetable for the reduction of circulation, guaranteed by an untouchable metal reserve of £300,000,000 and a pre-emption on almost all balance sheet assets. As an incentive, the bank was offered reductions in circulation tax, timed when the set targets were reached. See: G. Toniolo, *Storia della Banca d'Italia*, cit., pp. 182-183.

[45] The reserve was divided as follows: 300 million for the Bank of Italy, 21 million for the Bank of Sicily and 90.5 million for the Bank of Naples.

Luzzatti intended to remove banknotes from the fluctuations of exchange values and, while being aware of the typicality of the Italian case, he referred to the models of sound finance offered by England, the United States and Australia.[46] The Minister then pointed out that, while the Banco di Sicilia was supposed to have a surplus with respect to the guarantee required, the Banca d'Italia and the Banco di Napoli were in deficit.[47] The problem therefore arose for the two banks to supplement the coverage. Lastly, Luzzatti's plan proposed reformulating the reduction in circulation, already provided for in the law of 10 August 1893,[48] limiting the time required to reach the final objective. In this action we can discern a failure to perceive the trend of the economic cycle that was shifting towards an expansionary phase; at the same time Luzzatti had opted for a restrictive policy with the announced aim of recovering the country's domestic and international credibility after the scandals of the early 1890s.[49]

A second issue that was high on the Venetian economist's agenda was that of the clear separation of the Land Credit from the bank, an aspect that concerned all three issuing institutions, as confirmed by the notes that Stringher, Director General of the Treasury,

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46 P. Pecorari, *Luigi Luzzatti, economista*, cit. p. 148.

47 Respectively, the Banco di Sicilia would have had a surplus of £14,764,898, the Banco di Napoli a deficit of £34,376,671 land the Banca d'Italia a deficit of £72,819,856.

48 The law of 10 August 1893, in addition to dictating new rules regarding the system of Issuing Institutions, including the prohibition of undertaking Land Credit activities, sanctioned the birth of the Banca d'Italia from the merger of the Banca Nazionale del Regno d'Italia with the Banca Nazionale Toscana and the Banca Toscana di Credito. Through an agreement, the Banca d'Italia took on the burden of liquidating the Banca Romana and in return received the monopoly of the State Treasury. In this regard, Carlo Brambilla noted that "the limits set to the total circulation and to that of each of the three institutions" by the banking law of 1893 "testify to the recognition of the pre-eminent role of the Banca d'Italia". The issue is also highlighted by Ennio De Simone who, commenting on the agreement between the government and the national institute, states: "The Banca d'Italia position of pre-eminence over the southern institutions was thus substantially recognised and subsequently accentuated". See: C. Brambilla, "Banche ed economia nazionale (1861-1914)", in L. Conte (ed.), *Le Banche e L'Italia, crescita economica e società civile (1861-2011)*, Rome, 2011, p. 70; E. De Simone, *Storia della Banca*, cit., p. 315.

49 P. Pecorari, *Luigi Luzzatti, economista*, cit. p. 149.

sent to Miraglia.[50] The serious condition in which the land banks found themselves was a consequence of the speculative crisis into which the country had plunged in the early 1890s. The land credit model had developed in Italy in the mid-century, inspired by the French model, where mortgage banks had been formed and developed more.[51] However, as Ennio De Simone has pointed out, "land credit, in the countries where it was introduced, served landowners little," which was exactly the purpose for which it was born, "but was mainly aimed at building credit in large cities."[52] A need that can be explained by the modernisation process that the large cities, particularly Rome and Naples among them, had to face. The form of credit to which the land banks had dedicated themselves led them to be involved in the "building fever" that affected the country, as much as the commercial banks. Consequently, the difficulties in which they found themselves, made legislative intervention necessary and the law of 10 August 1893 forbade the land banks from exercising land credit.

The situation in the years following the collapse did not improve: "The 'fever' of the 1885-1887 period was succeeded" by "an almost absolute stagnation"[53] of the real estate market. The worsening was evident in the data on the current account of the Land Credit with banking institutions, as can be seen in Table 1 reported by Luigi De Rosa.[54]

Looking at the figures, the most substantial deterioration con-

[50] Archivio Storico del Banco di Napoli (hereafter ASBNa), Fondo Miraglia, cart. 6, fasc. 1, *Letter: Bonaldo Stringher to Nicola Miraglia, - attachment: Confidential - Notes on the arrangement of the Land Credit of the Banco di Napoli*, Rome, 16 October 1896.
[51] E. De Simone, *Storia della Banca*, cit., pp. 215 ff.
[52] *Ivi*, p. 218; for a comprehensive reconstruction of the role of land credit in Italy: G. Dell'Amore, *Il credito fondiario in Italia*, Milan, 1938; E. De Simone, *Credito Fondiario e proprietà immobiliare nell'Italia meridionale (1866-1885)*, Naples, 1983; G. Muzzioli, *Banche e agricoltura. Il credito all'agricoltura italiana dal 1861 al 1940*, Bologna, 1983.
[53] A. Confalonieri, *Banca e Industria in Italia (1894-1906), Vol. I, le premesse: dall'abolizione del corso forzoso alla caduta del Credito Mobiliare*, Bologna, 1980, (1ª ed. Milan, 1975), p. 51.
[54] L. De Rosa, *Storia del Banco di Napoli*, vol. III, tomo III, cit., p. 19.

TABLE 1
Situation of the land credit account

	B. Italy	B. Naples	B. Sicily
to 20.II.1894	25,503,880	40,355,843	1,231,951
30.VI.1894	36,202,730	43,336,019	2,191,612
31.XII.1894	42,929,067	44,319,829	2,242,256
30.VI.1895	42,703,281	44,235,158	2,497,971
31.XII.1895	47,219,598	44,640,416	2,505,985
30.VI.1896	48,624,432	44,886,422	2,450,856
31.X.1896	49,490,298	45,854,890	2,571,657

Source: AP, CD, XIX Legislatura del regno d'Italia, 1ª sessione 1895-1896, Documenti, Disegni di legge e Relazioni, Doc. n. 344. p. 11.

cerned the Banca d'Italia which, from 20th, February 1894 to 31st, October 1896, had almost doubled its current account balance with its Land Credit. It should be borne in mind, however, that the relative worsening of the Banco di Napoli "acquired a significance of greater gravity than the almost doubling of the balance of the Banca d'Italia's current account,"[55] this because the central institute had cancelled thirty of the approximately fifty million liras by reducing its capital and was, moreover, providing to cover the difference by selling the assets owned by the land bank. On this aspect Luzzatti manifested his clear intentions: if Banca d'Italia and Banco di Sicilia could have provided for the extinction of the current account through more careful management and by implementing the necessary measures, for Banco di Napoli the State, once again, had to intervene directly.[56]

The overdraft on the current account, Luzzatti explained, amounted to about forty-six million lire, with a folder circulation of just over one hundred and forty million. According to some preliminary calculations, the losses at the end of the liquidation could have amounted to the considerable figure of almost forty million liras.

[55] *Ivi*, p. 20.
[56] A. Confalonieri, *Banca e Industria in Italia*, cit., p. 97.

What made the situation even more worrying, however, was the enormous number of instalments in arrears, which at the end of 1896 numbered 6,241, amounting to £26,338,253. Arrears had multiplied since 1890, especially in Rome and Naples where the Institute had granted numerous loans for new buildings, some of which had not yet been built. As an illustration of the serious condition Miraglia faced, in 1896 alone, unpaid instalments of over 6 million liras had accumulated.[57]

As mentioned above, it was crucial for Luzzatti that the Land Credit Company be definitively untied from the banking company: this orientation applied first and foremost to the Banco di Napoli.[58] In fact, the problems were serious for both institutions and the land company, like the issuing company, would not have been saved "without the help of the State and without a necessary sacrifice by the bearers of securities."[59] The State's intervention was justified by Luzzatti by the previous "rescue" of the Banco di Santo Spirito in Rome's Land Credit in 1894, and took the form of two measures, which would have to be accepted by the bearers of the folders; the first concerned the substitution of their credit with a new credit that could be extinguished over a longer period of time: the second concerned the reduction of the annual interest rate. Therefore, Luzzatti proposed to replace, from a certain date – which would later be identified as 1st January 1897 – all the estate bonds with new bonds, guaranteed by the state, unlike the previous ones which were not, but with an interest rate reduced from 5% gross (4.23% net) to 3.50% per year, exempt from government taxes. With the new interest rate, it would have taken the Land Credit one hundred and six months to pay off its debt of one hundred and forty million liras to the bearers

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57 AP, CD, XX legislatura del Regno d'Italia, 1ª sessione 1897-98, Documenti, Doc. n. XV. *Report on the performance of the State Issuing Institutions and Circulation (years 1895-96) presented by the Minister of the Treasury*, meeting of 15 July 1897, Rome.

58 For an in-depth description of the events that affected the Banco di Napoli's Land Credit: N. Nisco, *Il Banco di Napoli e il Credito Fondiario*, Naples, 1895.

59 AP, CD, XIX legislatura del Regno d'Italia, 1ª sessione 1895-1896, Documents, Bills and Reports, Doc. no. 344, pp. 12-14.

of the folders, and in addition, the debt to the Banco di Napoli, once the liquidation had been completed, would have been about forty million liras. According to the repayment plan of the abovementioned sum, every six months the land institute would have paid the Banco both the amount of the tax on mobile wealth and the tax on the circulation of the folders, which the State had deducted from it. All in all, it was a question of instruments that would avoid disruptive effects on the entire national economy. As it had happened with the circulation laws, the measures to save the Land Credit were also welcomed by the press, which criticised the previous government's choices to guarantee the bearers of portfolios with the bank's non-existent assets while praising Luzzatti's choices that ensured greater security with minimum damage to creditors.[60] Moreover, the article emphasised the small reduction of the interest rate for the creditors of the *fondiario*, which was reduced by only 0.75 per cent, while acquiring the state guarantee. The validity of the provisions was later confirmed also by the Extraordinary Inspection ordered by a ministerial note of March, 30th 1900, cited by Miraglia in his observations of May, 22nd 1902: "It is certain that the provisions of the law of 1897 were providential, and [...] have created a situation that will enable the company to meet the burden of its financial liabilities at all times."[61]

One of the main problems, however, remained that of the debtors, as the Ministry of the Treasury was responsible for supervising the issuing institutions and was obliged to periodically present to the Parliament a report on the issuing institutions. Shortly before Miraglia took office, the Banco di Napoli was also inspected and Luzzatti presented the results on July, 15th 1897. The inspection revealed that fixed assets and non-performing loans continued to

[60] Musco A., "I provvedimenti pel Banco di Napoli", in *La Stampa*, 17 December 1896.
[61] ASBNa, Fondo Miraglia, cart. 3 fasc. 5, Bilanci consultivi Credito Fondiario, *Banco di Napoli – Land Credit, observations on the memorandum of the Central Inspection Office at the Ministry of the Treasury on the results of the extraordinary inspection ordered by ministerial note of 30 March 1900 concerning the conditions of the Land Company*, Napoli, 22 May 1902, p. 5.

weigh heavily on the bank's balance sheet, even though one hundred and thirty-five million liras had to be subtracted from:

– The Banco's current account receivable from the Land Credit, calculated at £ 40,355,790.
– The amount of the loans made by the Banco in Porto Maurizio defined as £ 4,930,991.40.
– The loan to the City of Naples amounted to £ 9,800,000.
– The value of the office buildings is estimated at around £ 4,500,000.

Even though with the deduction of these figures the sum of seventy-five million liras was reached, the situation remained complex to deal with. In fact, once the losses estimated at some forty-five million liras had been subtracted, there were still more than thirty-three million credits to be collected, for which Miraglia had urged the branch managers to act.

In addition to these activities, the law of 17th January 1897 (paragraph two, Article six of Annex B) – which included the measures announced by Luzzatti and made immediately applicable by decree in December 1896, not without problems,[62] so much so that Luzzatti even threatened to resign if, after explaining the serious situation of the southern banks, the chamber did not approve the four royal decrees[63] – granted the Banco di Napoli the right to make use of the credit still overdrawn on its current account with the land credit, to obtain advances aimed at accelerating its mobilisations. The manoeuvre, authorised by law, was immediately undertaken by Miraglia, as evidenced by the numerous letters kept by the Director concerning the negotiations for the advance made with the Cassa di Risparmio di Bologna, the Cassa di Risparmio di Roma, and the Cassa Monte dei Paschi di Siena.[64] The letters, although difficult to

[62] For a review of the challenges encountered by Luzzatti for the approval of the law, see the observation of Rubini and the parliamentary debate described by Paolo Pecorari in: P. Pecorari, *La Fabbrica dei soldi*, cit., pp. 139-150.
[63] See: L. De Rosa, "Luigi Luzzatti e il Banco di Napoli", in P.L. Ballini, P. Pecorari, *Luigi Luzzatti*, cit., p. 271.
[64] See ASBNa, Fondo Miraglia, cart. 3 fasc. 6 - Header: Request for an advance of the

read, highlight the friendly relationship between Miraglia and the directors of the various credit institutions, as well as their interest in the proposals made by the Lucanian economist. A network of relations that undoubtedly helped to give a renewed reputation to a banking institute that, considering the events of recent years, was in a state of blatant decay.

As Paolo Pecorari pointed out, Luzzatti's strategy was an expression of a reformism aimed at seeking financial equilibrium and monetary stability, curbing the deficit in the state budget and blocking inflationary mechanisms within a combined system of credit expansion and fiscal restraint.[65] If one then wishes to evaluate the results obtained, even if the changes did not lead to a true normalisation of the functioning of the banks of issue, they made an appreciable contribution.[66] As it can be seen, Luzzatti's proposed measures were crucial in helping Miraglia in the difficult task ahead of him. In addition, Luzzatti's merit was that he shifted the focus to the role of the banks of issue also as active subjects of monetary policy. From a "gradualist" point of view, he was among those who – starting from the assumption that the plurality of issuance was an unchangeable fact of the Italian reality – hypothesised that the achievement of the single bank would have to be a gradual process that could not be achieved in the short term, forcing the Bank of Italy to also become the executor of its projects with a view to the greater centrality of the Institute.[67]

credit to the Land Credit to speed up the demobilization. Negotiations with the Cassa di Risparmio di Bologna; Cassa di Risparmio di Roma; Cassa di Monte dei Paschi di Siena.

[65] P. Pecorari, *Luigi Luzzatti e le origini dello "Stalinismo economico" nell'età della destra storica*, Padova, 1983, pp. 24-221.

[66] Cfr. P. Pecorari, *La Fabbrica dei Soldi*, cit., p. 153.

[67] See: F. Bonelli, "Luigi Luzzatti e la Banca d'Italia (1893-1914)", in P.L. Ballini, P. Pecorari, *Luigi Luzzatti*, cit. pp. 281-296.

4. Reorganisation and oversight: Miraglia's approach to reforming Banco di Napoli

If in 1893 the Finali's enquiry had laid bare the difficult situation of the issuing banks and the heavy fixed assets weighing on the Banco di Napoli, the inspection of February1894, the first one ordered by the government once again headed by Crispi[68] after the enactment of the 1893 banking law, showed a further worsening of the situation of the southern bank. In particular, the portfolio situation was worrying, in fact, immobilised items accounted for 32.65% of the portfolio, concentrated in the three provinces of Bari, Rome and Naples.[69] Having moved to Naples on September 22nd, 1896, Miraglia was immediately aware of the findings of Bonaldo Stringher[70] – who, as general director of the Treasury, had drawn up a report on the matter[71] – from which it could be deduced that it would be difficult for the Banco to liquidate its fixed assets according to the pace indicated by the law.[72] For these reasons, the Lucanian economist immediately

[68] The Giolitti executive had in fact resigned «following the findings of a parliamentary commission of enquiry, [...] which had brought to light the unclear relations between banks, politicians and high public administration officials». See: E. De Simone, *Storia della Banca*, cit., p. 313.

[69] L. De Rosa, "Luigi Luzzatti e il Banco di Napoli", in *Rassegna Economica*, LVII, n. 2, 1993, p. 348.

[70] Bonaldo Stringher (1854-1930) was an Italian economist, banker and politician, considered as a prominent figure in the country's economic history. Born in Udine, he graduated in Law and embarked on a career that led him to important positions. Stringher was the first Director General of the Bank of Italy, a position he held from 1928 until his death in 1930. During his long career, he helped stabilize the Italian banking system, fostering the integration of financial institutions and the modernization of the credit sector. He was also an advocate of the balance between industrial development and economic stability. Thanks to his contribution, the Bank of Italy consolidated its central role in the management of monetary policy and national economic development. The prestigious "Bonaldo Stringher" prize for studies and research in economics is named in his honor. See: F. Bonelli, *Bonaldo Stringher, 1854-1930*, Udine, 1985; V. Torreggiani, "Moneta e regime. Bonaldo Stringher e le riforme economiche del fascismo negli anni Venti", in *Le carte e la storia*, n. 2, 2023, pp. 92-106.

[71] See: Archivio Storico Banca d'Italia (hereinafter ASBI), *Carte Stringher*, Doc. no. 102.3.02.21-28.

[72] By the law of 8 August 1895, the 10-year term for the liquidation of fixed assets, set by the 1893 law, was extended to 15 years, and two-year terms were replaced by three-

set to work on the reorganisation of the Banco and on October 17th he urgently convened the Board of Directors to ratify his decisions. The director asked the Board to address various aspects with the aim of achieving an overall reorganisation of the Banco. Among these, priority was given to the restructuring of the "Credit Control "department, which was detached from the inspectorate and attached to the "Bank Affairs Section" to allow the office to work more rationally, and above all, to free up the inspectors who would be more useful in fulfilling the functions of assiduous branch supervision. This orientation can be explained by Miraglia's takeover of one of the most critical topics highlighted by the Stringher report, where it noted the lack of coordination between the general management and the branches and subsidiaries, which often acted with great autonomy, a problem that was also underlined by V. Salvatore, in a report sent for information purposes to Luzzatti.[73] On the other hand, this choice, which was evident from the very beginning of his directorship, was in line with the strategy he pursued as director of MAIC, which was to provide a clear link between headquarters and peripheral bodies.[74] Linked to this element identified by the Director General of the Treasury were the strict measures implemented by Miraglia regarding the branches. The measures concerned greater caution in granting credit lines and the start, at the Directorate General, of the analysis of the Institute's credits and the most useful means for their recovery. For this reason, all branches were requested, via a circular from the director to list and analyse all the assets that could fall into the category of "fixed assets."[75]

year terms. It was also decided that for the liquidation of the Banca Romana's fixed assets, the terms of the Banca d'Italia would be doubled. In the agreement of 28th of November 1896, made by the government with the Banca d'Italia, it was also decided that the government would have the power to grant issuing institutions an appropriate extension of the prescribed terms for mobilization.

73 The report was written for the president Rudinì on the 16th of July 1896. For more information about the content of the report see: P. Pecorari, *La Fabbrica dei Soldi*, cit., pp. 130-135.

74 G. Valenti, "l'Italia agricola dal 1861 al 1911", in *Cinquant'anni di storia italiana, 1861-1911*, vol. II, Milan-Naples, 1911, pp. 110 ff.

75 ASBNa, Fondo Miraglia, cart. 6 fasc. 1, *Draft of the Circular from the General Manager*

In essence, Miraglia applied to the Banco di Napoli the same criteria he had used in leading the ministry, believing that Banks, precisely because of the delicate nature of the functions they had to perform, should be a compact body with a clear pyramid-like organisation. Miraglia immediately used the inspectors to better supervise the branches: in the previous years and in the first months of his administration, numerous scandals had been uncovered in some of these branches. In fact, reading the newspaper chronicles and consulting the director's correspondence, one came across a continuous series of scandals, which proved the strong corruption that existed at territorial level. An example of this was the arrest of Commendatore Favilla, the director of the Bologna branch, accused of having granted sums to people who had already been refused by the Banco and of having engaged the bank with companies that had already ceased payments.[76]

Following the inspectors' initial investigations, Miraglia was resolute in dismissing and denouncing misconduct to the authorities, even in cases such as that of Biagio Giacchi, who was also a relative of a member of the board of directors, or in deciding to dismiss employee Leopoldo Perris – accused of continuous unjustified absences and dismissed by the board of directors – whose wife, Elena Perris Englen, wrote numerous letters – in an anguished tone – to the director general asking for him to be reinstated.[77] In fact, Miraglia's firm attitude was encouraged by Luzzatti's prior indications, who had urged him not to accept recommendations, a symptom of the tendency towards conflict of interest and favouritism in those years. This mood will characterise Miraglia's first years as director of the Banco; proof of this is the case of the lawyer Francesco del Vasto, discount commissioner at the Campobasso branch: the lawyer was

Nicola Miraglia to the Branch Managers, Naples, 6 October 1896.

[76] Corriere della Sera, "Gli scandali Bancari, l'arresto del Comm. Favilla", in *Corriere della Sera*, 10 November 1896.

[77] ASBNa, Fondo Miraglia, cart. 10 fasc. 8, *letter: Elena Perris Englen to Nicola Miraglia*, Naples, 14 March 1898.

on trial for embezzlement and, once the news reached Miraglia, he immediately requested more information from the director of the Molise capital's branch, also demanding the temporary suspension of the activities carried out by del Vasto.[78] From the report of the defence of Nicolangelo Jafigliola – plaintiff in the trial against the lawyer – of which Miraglia kept a copy, he was "a powerful gentleman" of Campobasso who "lured the most influential people in his town with banquets and dance parties."[79] Although the commissioner emerged unscathed from the trial, Miraglia, focusing on the observations of the defence – which highlighted numerous causes of conflict of interest that had led them to ask for the trial to be adjourned to another magistrate, a request that was not granted[80] – asked that he refrained from calling the lawyer for matters relating to the discount commission.[81] In essence, it is clear from this affair that for Miraglia, an official with important responsibilities had to adopt an impeccable demeanour, regardless of any administrative or criminal charges.

5. Analysis and Critique: The Land Institute's Inspection and Miraglia's Strategic Defence in 1900

The recovery of fixed assets did not exclude the problem of overdue instalments on land loans. In this area, the attempt by some debtors to repay their loans with bank mortgage folders had to be curbed at first, even though the Royal Decree of December, 6th 1896 had expressly forbidden this type of operation. It was then decided that such a request could only be granted for those loans where the de-

[78] ASBNa, Fondo Miraglia, cart. 10 fasc. 11, *letter: Nicola Miraglia to Director of the Campobasso branch*, Naples, 29 June 1898.
[79] ASBNa, Fondo Miraglia, cart. 10 fasc. 11, *report of the defence of Nicolangelo Jafigliola plaintiff against Cav. Francesco del Vasto accused of embezzlement*.
[80] *Ibidem*.
[81] ASBNa, Fondo Miraglia, cart. 10 fasc. 11, *letter: Nicola Miraglia to Director of the Campobasso branch*, Naples, 12 August 1898.

livery of the folders had taken place before the 8th of December 1896, the date on which the decree came into force.

A second issue that Miraglia had to deal with was that of the coordination between the Banco's branches and the tax agencies. The Director had also informed Finance Minister Ascanio Branca of the matter in a letter in which – after stating that in the face of serious needs, the administration was leaving no stone unturned in carrying out its activities – he urged the Minister to authorise, or have the Ministry of Finance authorise, the local agencies to provide the Neapolitan institute's branches with the information requested, referring to the information regarding the existence of real estate or credits in the heads of debtors that could only be obtained through the tax agencies. This information would have made it possible to obtain convictions and ascertain the economic condition of debtors.[82] Through the above-mentioned sentences, Miraglia hoped to arrive at the expropriation of all those debtors from whom it was not considered possible to pay the amount due, a confiscation that would allow the recovery, at least in part, of the debt.

It is now necessary to focus on a series of criticisms that were addressed to the Land Institute on the extraordinary inspection of May 1900, on which Miraglia wrote his comments once the results were published in 1902.[83] The Director's remarks opened by specifying the importance of the central office's findings on the inspection, which demanded the Institute's most careful attention. The Director then went on to analyse the first problem highlighted: the differences between the forecasts made at the time of the law of August, 8th 1895, and mainly that of 17 January 1897, and the results achieved over the past few years. Miraglia pointed out that, considering the special conditions under which the Land Credit, not just

[82] ASBNa, Fondo Miraglia, cart. 3 fasc. 5, Header: Credito Fondiario: Contenzioso (1897-1900), *Letter: Nicola Miraglia to the Minister of Finance Ascanio Branca*, Naples, 16 October 1897.
[83] ASBNa, Fondo Miraglia, cart.3 fasc. 5, Header: Bilanci consultivi Land Credit, *banco di Napoli - Land Credit*, cit., p. 1.

the Banco di Napoli, had been carried out – referring to the depreciation of property due also to the difficult economic conditions of 1898 – it was difficult to predict the real course of the liquidation, and above all the causes that might have disturbed it. The problem of the liquidation of the Land Credit, the Director continued, was too important both financially and economically to reduce it to an accounting examination, which could give the appearance of not being inspired by a high sentiment of this great interest. Consequently, according to Miraglia, an accurate and objective examination of the current state of the company was necessary.

For these reasons, the Director had entrusted a commission chaired by the Banco's general accountant – in which Miraglia himself had requested the participation of an expert from the Ministry who was never sent – with an inspection of the entire land company to be carried out, as instructed by the central office, through the examination of each individual loan.

Therefore, the commission had proceeded to analyse:

- Mortgages.
- Mortgage accounts.
- Mortgage debtors for resold or adjudicated funds.
- Real estate, rustic and urban heritage.

In relation to the issue of loans, these amounted to £59,026,172.40 and were classified into three categories:

- Category A included mortgages in good standing, in arrears by one instalment or in arrears by two instalments but which were of long standing. In addition, mortgages in receivership were also included that gave a net annual income sufficient to service the loan or six-monthly instalments. The loans in this category, the most positive, amounted to £50,847,279.04, with a backlog of £3,519,746.65; for these loans, the Commission had adhered to the respective amortisation schedules, disregarding the backlog.
- The Commission had then included in category B the doubtful mortgages, i.e. those in arrears of more than two instalments, for which the judicial administrations did not render what was nec-

essary to make the repayment service; hence it was feared that part of the arrears might be lost by the expropriation judgement. These loans amounted to a total of £3,550,305.64 and were evaluated individually, including them in the liquidation plan, considering the backlog of £ 9,547,527.4 to be lost, and determining an amortisation quota based on the residual capital and 4 % interest for the entire liquidation period.

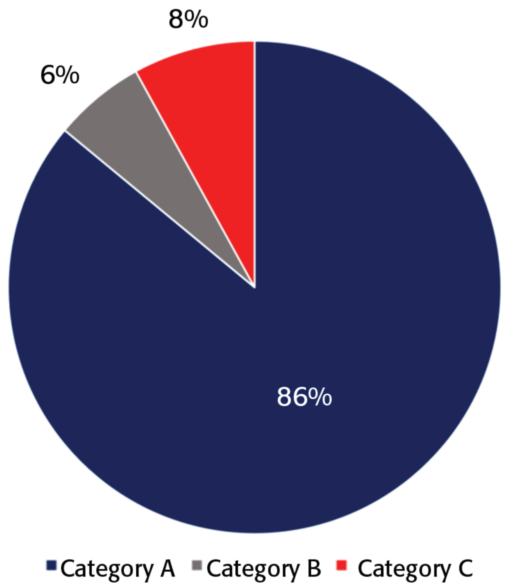
– Lastly, in category C, "bad" mortgages were included, i.e. those in arrears by many instalments, or for which the judicial administrations' annuities were scarce and insufficient, for which a significant loss was expected from the expropriation judgement. These loans amounted to £4,628,587.72 and for these the Commission considered that not only the arrears of £3,259,089.18 should be considered lost, but also one third of the residual capital. For these loans, an amortisation quota was established in the liquidation plan for the entire duration of the liquidation, based on five eighths of the residual capital at an interest of four per cent.

In the overall examination of the Commission's data with respect to mortgages, it is interesting to note that in the first four years of the Banco's management alone – and just three since the enactment of the law of 17 January 1897 – the bank had managed to liquidate a large part of the "bad" mortgages, which in 1897 amounted to 58 million liras. We will focus on the issue of real estate in the next section, while here we intend to analyse Miraglia's response to the doubt, put forward in the inspection results, concerning the anticipated repayments not contemplated in the liquidation plan. On these issues, the Director was categorical: no prediction can be made, because, even assuming a sum, either short- or long-term loans can be repaid; and it is easy to see from the shift in maturity, that the damage, which comes to the Institute, can be more or less intense.[84]

This could have been compensated for by looking at the fact that

[84] *Ivi*, p. 9.

Chart 1
Percentage of Mortgages by Category out of Total



Source: Author's elaboration on data from ASBNa, Fondo Miraglia, cart. 3 fasc. 5, Bilanci consultivi Land Credit, *banco di Napoli - Land Credit*, cit., p. 2.

the liquidation plan did not consider the free fund and related interest, the larger income over the long period of liquidation of the properties that had become passive in 1901, and the closed buildings. Properties that amounted to the sum of £3,314,706.66. Furthermore, Miraglia pointed out that a higher calculated value of the real estate should also be considered in these calculations. The Lucanian economist's observations thus showed the total groundlessness of the objection and his ability to analyse and plan the Institute's work in a far-sighted manner.

Finally, the Director concluded by highlighting the numerous errors committed, in his opinion, by the inspection commission. In particular, the Lucanian economist declared a state of blatant accounting disorder: in fact, it appeared evident that the commission confused the cash requirements and the liquidation procedure.

Other criticisms had been highlighted by Miraglia on the 13th of May of 1901, in his comments on the report of the commission regarding the extraordinary triennial inspection of March 20th 1900. On that occasion, the Director had observed how in the Commission's thinking there was an inseparable link between the Banco and its Land Credit, so much so that the fate of the former, according to the Commission, depended on the fate of the latter,[85] a thinking, that of the commission, as Miraglia pointed out, in total contrast to the law that had, as it has been pointed out in the preceding paragraphs, the aim of separating with a clean break the management of the land credit in liquidation from the actual banking management of the issuing institutes, thus noting the discordance of intentions even within the same government circles.

6. Managing the Banco di Napoli's Vast Real Estate Portfolio

The Land Credit's activities in connection with transactions and expropriation proceedings, led the Banco to find itself in possession of an immense real estate portfolio consisting of rustic and urban assets, which the Institute had to deal with in terms of management and sales. As regards urban assets, the Land Credit was in possession of about one hundred buildings in Naples and about two hundred and fifty in Rome,[86] and from the onset, the administration of these assets proved very difficult for the Banco. Miraglia's investigations revealed that most of these buildings, located in town centres, were in poor condition, causing a considerable burden in maintenance costs. To give an idea of how onerous the administration of these buildings was, suffice it to say that for 1897, this type of expenditure had accounted for 40% of the Land Institute's budget.

[85] ASBNa, Fondo Miraglia, cart. 4 fasc. 2, *comments by Nicola Miraglia on the report of the Commission for the extraordinary triennial inspection of 20 March 1900*, 13 May 1901, p. 1.
[86] The data are taken from L. De Rosa, *Storia del Banco di Napoli*, vol. III, tomo III, cit, p. 72, the professor took the information from ASBNa, *Verbali etc.*, 4 August 1897, p. 1718.

No better was the condition of the rustic estates, hard hit by the agrarian crisis that hit Italy and Europe from the 1880s onwards and that had highlighted the "dramatic limitedness" of the economic strategy and of the unitary ruling classes:[87] the properties "Abandoned by their owners and received by the Banco in the worst conditions, produced an income that was almost insignificant compared to their size."[88] Overall, the difficulty of managing rural and urban real estate united the Banco with other institutions, such as the religious orders restored in Naples in the aftermath of the Restoration, which encountered similar administration problems.[89]

However, management saw a glimmer of resolution after Miraglia took the government of the Banco. In fact, requests to purchase rustic property increased in those years, a clear sign not only of how the productive factor of land was considered as the best opportunity to improve one's economic condition but also of the high regard in which the Italian farming world held the Director General. A trace of these proposals and the agrarian restructuring projects implemented by Miraglia can be found in his private correspondence, in the letters exchanged with Antonio Bizzozzero and Cornelio Guerci.[90] In a letter dated April 16th, 1897, which Bizzozzero returned

[87] P. Bevilacqua, *Breve storia*, cit., p. 48.
[88] L. De Rosa, *Storia del Banco di Napoli*, vol. III, tomo III, cit., p. 73.
[89] To learn more about the management of the assets of religious orders: F. Dandolo, *La proprietà monastica in puglia nella prima metà dell'Ottocento*, Naples, 1994, pp. 91 ff.
[90] Cornelio Guerci (1857-1949) was an important Italian politician and farmer. He had approached agriculture, which he conceived as the primary factor of the national economy, with a scientific approach when, as a student of Ascanio Sobrero in Turin, he had been urged to experiment with the use of explosives in agriculture and had perfected the method later illustrated in a memoir of 1880. He also founded the Cattedra ambulante di agricoltura di Parma under the direction of Antonio Bizzozzero. Guerci was also involved in politics, being elected to parliament for the first time in 1892 in the Langhirano constituency. The advent of Fascism soon saw him agree to a regime whose initiatives in the agrarian field and trade union policy he greatly appreciated; for him, who lived to see the end of it, B. Mussolini was the man of providence, as he had to say in his last book, *Maestri e agricoltori*, Parma, 1929, to which – dedicating it to teachers so that they would undertake to "enamour young people to the land" – he entrusted a sort of summa of the motives that had guided a political and entrepreneurial activity that had contributed much to the economic development of his land. He died in Parma

to Miraglia on 29th of November he explained the general outline of the restructuring plan that the Banco was about to undertake. The plan envisaged the opening by the Banco of a current account for management expenses and work on the estate of a farm in the Sommariva-Parma area. Any expenditure would be approved in advance by Miraglia himself and the management of the property would be delegated to a person trusted by both. Moreover, Bizzozzero, firmly believing in the importance of the work and in the possibility, which he himself stated, that "the example could be useful for the country," recommended that too large an expense be avoided, limiting the work to what was strictly necessary for an industrially conducted agriculture.[91] The letters show, in short, how the world of agriculture had remained, even after he left the Ministry, a central theme in the General Manager's activities, in the conviction that this was a fundamental sector for the development of the country, and of Southern Italy. On the other hand, in the late 19th and early 20th century, Italy was still profoundly characterised by the importance of the primary sector. Moreover, the letters are direct evidence of the strong interest of the Italian institutional world, recently highlighted by Simone Misiani, in state intervention in agricultural policy through the intermediation of credit institutions. Attention that was at the basis of the subsequent legislation on special credit for agriculture in which the Banco di Napoli was one of the protagonists at the beginning of the 20th century through the law of July 7th 1901, which allowed the Cassa di Risparmio of the Institute to use two-tenths of its deposits to finance the farm credit to consortia and institutes legally constituted.[92] The management of rustic and urban assets remained a key issue throughout the years of Miraglia's administration of the Banco di Napoli, especially until the first decade of the twentieth century.

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on the 18th of June of 1949. See: G. Monsagrati, "GUERCI, Cornelio", in *Dizionario biografico degli Italiani*, vol. 60, Rome, 2003.

[91] *Ibidem*.

[92] S. Misiani, *Banche agricoltura e stato italiano*, cit., pp. 19 ff.

7. Comparative Analysis of Real Estate Management Challenges in Rome and Naples

The history of the administration of buildings, including all of its problems, can be reconstructed by reading the appendix to the explanatory notes to the 1909 land credit Advisory Balance sheet. In particular, the appendix, by focusing on two specific categories of expenditure (rents and maintenance expenditure) allows us to gain an overall picture of the housing situation in the two towns primarily affected by the estate's assets. Referring to the rents, in fact, it was pointed out that a distinction had to be made between the patrimony in Rome and that in Naples. The one in Rome was in fact for the most part located in well inhabited districts. In Naples, on the other hand, the proportions changed and would continue to change, according to the estimates, due to the sales that took place almost entirely in the "good part" of the city.[93] Therefore, according to the administration, the proportions in Naples were exactly the reverse of those in the capital. It should be borne in mind, that Rome was experiencing a condition of general well-being with good opportunities for development, a prospect attributable to its role as capital of the kingdom, while the same was not true of Naples. In those years, Naples was in a difficult period, well described by Giuseppe Russo, in which the former capital of the Kingdom of the Two Sicilies was looking for a new way.[94] It was natural, therefore, that security and ease of collection would have an impact on the collection fee.

Lastly, an analysis of maintenance costs reveals the administrative difficulties encountered by Miraglia. In fact, in Rome, when the amount did not exceed £2,000, the work for each area was carried out by individual craftsmen depending on the type of work and the cost was settled based on a tariff on which there was a variable and distinct discount depending on the type of expenditure,[95] as shown in Table 2.

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[93] ASBNa, Fondo Miraglia, cart 3 fasc. 5, *appendix to the explanatory notes to the 1909 land credit advisory balance sheet*.

[94] G. Russo (ed.), *L'avvenire industriale di Napoli*, cit., p. 11.

[95] See ASBNa, Fondo Miraglia, cart 3 fasc. 5, *appendix to the explanatory notes to the 1909 land credit advisory balance sheet*.

Table 2
Rebate by type of maintenance work on Land Credit buildings in Rome

Masonry	6%
Joinery	3,50%
Asphalt	6%
Painting	7,50%

Source: ASBNa, Miraglia Fund, cart. 3 fasc. 5, *appendix to the explanatory notes to the consultative balance sheet of the 1909 Land Credit*.

The situation in Naples was a "long and painful history."[96] In 1894, the Board of Directors had decided to contract out the ordinary maintenance of the Parthenopean city's urban patrimony by means of a percentage of the income collected. The tender was won by the company Vitale, Pantaleo & C. with a percentage of 5.80. However, disagreements immediately arose over the classification of the work between the company and the administration, disagreements that led to the payment of approximately £20,000 over and above the amount in work defined as extraordinary maintenance. The contract remained with the company until May 4th 1899, with the agreement to liquidate the work with a 10% discount on the Folinea tariff prices: from that date until January 1904, liquidation was made on the Vitale tariff prices, with a single 10% discount and a single metal surcharge. In 1903, in order to avoid the inconveniences that had occurred in keeping the maintenance of the buildings separate from that of the administration, by a resolution of the 28th of January, the Board decided to entrust the administrators of the areas into which the property in Naples was divided, with the maintenance of the buildings as well, with the following reductions with respect to the Vitale tariff excluding any metal surcharge (Table 3).

At the end of the appendix, once again, a clarification was necessary regarding the work of the Ministry's supervisory commission, which, according to the administration, did not consider the peculiar conditions of the buildings in the city of Naples.[97] The Director's

[96] *Ibidem*.
[97] *Ibidem*.

Table 3
Reduction from the Vitale tariff on type of work

Masonry	11%
Joinery	14%
Tinker and glazier	10%
Painting	18%

Source: ASBNa, Miraglia Fund, cart. 3 fasc. 5, *appendix to the explanatory notes to the Credito's advisory balance sheet land of 1909*.

comment is explanatory of a general governmental indifference, perceived by citizens, to the housing, economic and social conditions of the city of Naples. Indifference highlighted by Pasquale Villari's comments on the work of the Commission for the Industrial Increase of Naples.[98] Villari also pointed out how "almost all the measures taken to beautify Naples and improve its conditions, have succeeded to the detriment of the disadvantaged population,"[99] referring to the "severe blow" inflicted by the "sventramento" of the city following the cholera epidemic of 1884. However, it should be borne in mind that the redevelopment of Naples following the cholera epidemic of 1884 – although it was the cause of a great speculative movement – took the form of the greatest town planning change the city had experienced in contemporary times, the results of which can still be admired today between Corso Garibaldi and Mergellina. Giuseppe Galasso, in particular, highlights the close link between the events that hit Naples at the end of the 19th century and the emergence of a "Neapolitan question", closely connected to the broader "southern question", at the basis of the «perceptible elevation of the tone and projections of the government's reflection and action» that occurred with the special law of 1904.[100] Therefore, as Galasso again stated in the interview edited by Percy Allum: if the "risanamento" operation is highly debatable due to its privatistic implementation and the

[98] P. Villari, "Le condizioni dell'industria a Napoli", in G. Russo (ed.), *L'avvenire industriale di Napoli*, cit., p. 183.
[99] *Ivi*, p. 187.
[100] G. Galasso (ed.), *Napoli*, Rome, 1987, pp. XXV ff.

coarseness and frivolity of some of the "sventramenti" that led to only a partial solution to Naples' problems, in the end one can only give it a positive judgement. A part of the city –which was not susceptible to urban redevelopment – did in fact gain breathing space, making the city more liveable and modern,[101] and the first real Neapolitan social housing project was built on the Arenaccia and Vasto districts.[102]

8. Conclusion: Towards Stability and Growth, Lessons from Miraglia's Management

In general, as shown in Table 4, the costs of building administration in the various towns significantly fell year by year, and the modest increases in costs were justified by unexpected events such as the eruption of Vesuvius in 1906. The reasons for the reduction, as stated in the explanatory notes to the land credit advisory accounts, were mainly attributable to the sales made over the years – thanks to the renovations carried out – but also to the improved administration of the properties remaining in the Institute's possession.

TABLE 4
Variation in building administration costs of the Land Loan per town 1906-1910

	1906	1907	1908	1909	1910
Variation in administrative expenses buildings in Naples	46719.04	-63313.81	66631.35	-64634.17	-248805.5
Variation in administrative expenses buildings in Rome	-146.88	142049.94	140659.89	-86825.1	-266545.5
Variation in administrative expenses buildings in other cities	-1826.32	4686.1	-5432.32	-1572.33	-685.24

Source: Author's elaboration on data from ASBNa, Fondo Miraglia, cart. 3 fasc. 5, *notes to the consultative balance sheet of the Land Credit for the years 1906,1909, 1910*.

[101] "Barely four years after the cholera, in 1888, 'Gladstone, having come to Naples, hardly recognized the city of late Bourbon times'. This means that the cholera, rather than being the first start to the urban renewal of the city, had acted as a catalyst and enhancer of a more fundamental movement that had already begun in the first years after 1860". See: *Ivi*, p. XXVII.
[102] P. Allum, *Giuseppe Galasso*, cit., pp. 171 ff.

Overall, the greatest benefits came from a more careful management, which led to a general increase in annuities, as can be seen in Table 5 extracted from the note to the 1910 land credit advisory balance sheet.

Table 5
Development of Building Rents Land Credit by City 1906-1910

	1906	1907	1908	1909	1910
Buildings in Naples	1,354,234 | 12	1,449,628|63	1,540,138|89	1,484,104|03	1,323,544|75
""Rome	3,314,751 | 50	3,589,873|16	3,656,998|99	3,645,039|18	3,446,260|79
""Other cities	5,533| 62	2,977|"	3,874|20	4,291|"	4,364|"
Total	4,674,519 | 24	5,042,477|79	5,201,012|08	5,133,434|21	4,774,169|54

Source: ASBNa, Fondo Miraglia, cart. 3 fasc. 5, *note to the 1910 land credit advisory balance sheet*.

As shown in the two tables, in line with the administration's own findings, in 1909 the Land Credit had entered a new phase of its liquidation.[103] If on the one hand, revenues decreased due to the reduction in interests on loans and the extension of them, on the other hand, in that year the Institute was exempted from paying its debt to the Banco, because it was now extinguished, through the tax on movable wealth and the circulation tax on banknotes.

On the advisory balance sheet of 1908, not found in Miraglia's papers but mentioned in that of 1909, it was confirmed that the liquidation was carried out in such a way that, except for events of an extraordinary nature, it could be considered as successful. In fact, they had proceeded to foresee every possible disruptive cause with the utmost prudence.[104] A prudence that had yielded largely positive results if one considers that, by way of operating surpluses, £ 7,528,953.47 had been used up to that time to purchase government or guaranteed securities.

Furthermore, from 1902, the year in which a liquidation plan was prepared by the administration, until December, 31st 1909, the

[103] ASBNa, Fondo Miraglia, cart. 3 fasc. 5, *note to the 1910 land credit advisory balance sheet*.
[104] *Ibidem*.

estate had been worth over £719,784.43 more than the value forecast in the plan itself, with an overall percentage of 13.13%, obtained from a 38.43% greater income for urban estates, and a 7.59% less for rustic estates. These elements prompted the administration to point out that except in extraordinary cases, the reassuring forecasts would be achieved.[105]

With respect to mortgages, an analysis of the diagram in the 1909 advisory balance sheet – showing the percentages derived from the ratio of current half-yearly payments to those falling due in the year on the one hand, and half-yearly payments in arrears to those remaining due on 31st of December of the previous year from 1897 onwards – shows how the rigour imposed by Miraglia had helped the landowner not only to collect the maturing mortgages on time, but also to pay off a large part of the debt.

TABLE 6
Ratios of current instalments overdue in the year and overdue to 31st December of the previous year 1897-1909

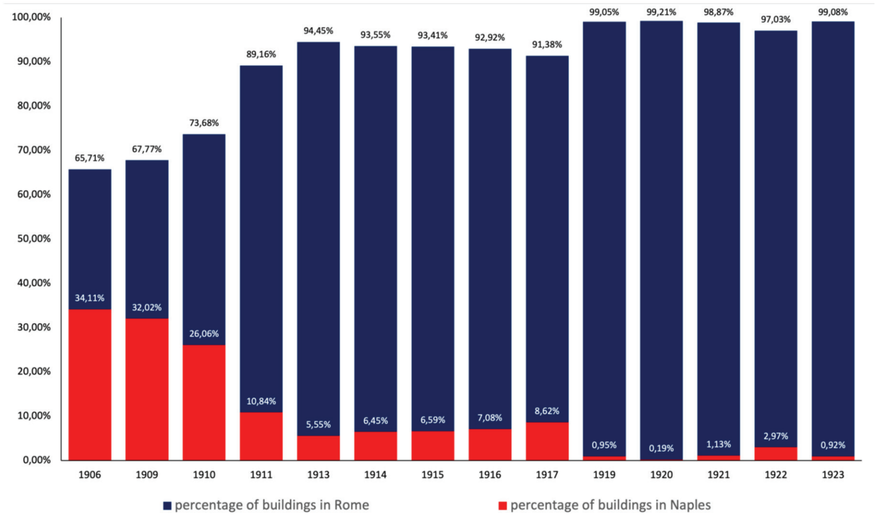
Year	On currents	On backlogs	Year	On currents	On backlogs
1897	35.48	15.49	1904	57.07	21.09
1898	53.86	6.04	1905	71.84	17.01
1899	56,00	7.39	1906	55.26	21.35
1900	52.81	12.15	1907	61.64	20.48
1901	50.31	25.08	1908	71.44	15.33
1902	51.19	21.19	1909	71.65	16.25
1903	51.56	23.39			

Source: ASBNa, Fondo Miraglia, Cart. 3 Fasc. 5, *Note to the 1909 Land Credit Advisory Balance sheet*.

Consideration should be given to another strategy implemented by the administration: to sell the assets owned by the Institute in the city of Naples first. The reasons for this choice, highlighted by Chart 2, can be found in the already mentioned appendix to the explanatory notes to the 1909 consultative balance sheet for the part con-

[105] *Ibidem*.

CHART 2
Percentage of Land Credit buildings by city (1906-1923)



Source: Author's elaboration on data from ASBNa, *Fondo Miraglia, Cart. 3 Fasc. 5, notes to the advisory balance sheet of the Land Credit years 1906, 1909, 1910, 1911, 1913, 1914, 1915, 1916, 1917, 1919, 1920, 1921, 1922, 1923*.

cerning the general difficulty of managing assets in the city of Naples.

In addition, it must be said that even in the context of the management of the land institute, the issue of the recommendations that Miraglia had already had to deal with in relation to the restrictions applied, once he had taken up his post at the Banco di Napoli directorate, came up again. Illustrative of the situation that in more general terms presented itself to him was the Imbriani mortgage affair, relating to the debts contracted by Matteo Renato Imbriani[106] and

[106] Matteo Renato Imbriani (1843-1901) was an Italian politician and exponent of the historic Radical Party. The son of Paolo Emilio Imbriani, originally from Roccabascerana, he followed his father into exile and received a strict education, first at a private boarding school in Turin, then at a military college. The real centres of his political activity were Naples and Apulia, which elected him deputy in the Trani and Corato constituencies. He was also responsible for the construction of the Apulian Aqueduct. An article in the Corriere delle Puglie reports, from the pen of its editor Martino Cassano

his father to the Land Credit. It was Miraglia himself who summed up the affair in a letter sent to the undersecretary of Finance, pointing out in an ironic tone how benevolent everyone had been and how serious the position was.[107] Despite the details of the story, two aspects are of interest here; firstly, the mismanagement connected with the previous administration: in particular, Miraglia highlighted a mistake made by the landowner who did not give his consent to a sale concluded by Imbriani for the cutting of the forest, a decision that the Director himself admitted he "cannot explain why."[108] It is also appropriate to focus on the continuous letters of pressure that the Lucanian economist received to try to reach a solution to the issue; the matter had in fact become more complicated following the death of Matteo Renato Imbriani, who in his will made his wife universal heir. She therefore received not only the assets but also the debts owed to the landowner. Particularly striking is the letter Miraglia received from the Prime Minister Giuseppe Zanardelli, in which the latter urged him to find an amicable solution to the matter, considering the circumstances that led the Poerio and Imbriani families to contract the relevant debts and considering the conditions in which the widow Imbriani was left.[109] Once again, therefore, the Director's correspondence makes it possible to highlight the important pressure he received from illustrious government figures. At the same time, the correspondence shows how the Lucanian economist put the interests of the Institute he was called to direct first, even in these difficult circumstances.

(despite the deep aversion between the two), the impassioned dialectic with which the Hon. Imbriani emphasised the need for a functional aqueduct in Apulia, at a meeting between many Apulian deputies convened by the then President of the Province, Lattanzio. See: G. Paladino, "IMBRIANI, Matteo Renato", in *Enciclopedia Italiana*, Rome, 1933.

[107] ASBNa, Fondo Miraglia, cart. 3 fasc. 3, Header: Matteo Renato Imbriani, *Draft letter: Nicola Miraglia to undersecretary of Finance on the history of Imbriani's legacy*, Naples, 30 May 1904.

[108] *Ibidem*.

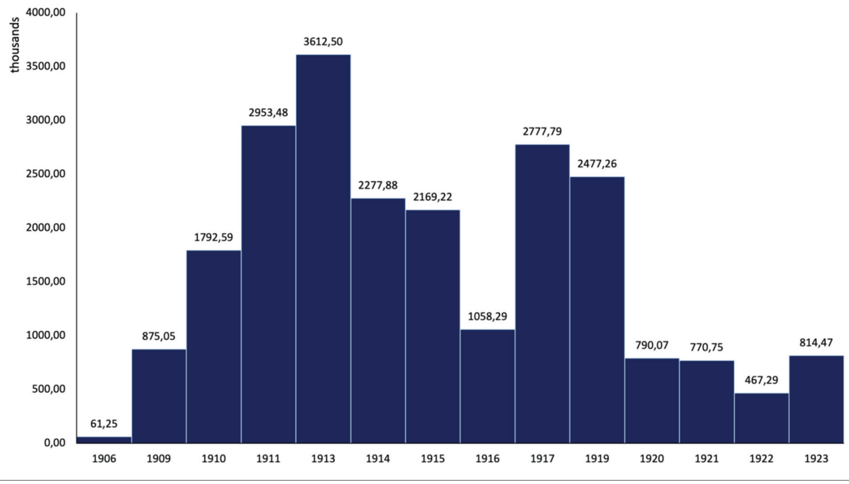
[109] ASBNa, Fondo Miraglia, cart. 3 fasc. 3, Header: Matteo Renato Imbriani, *letter: Giuseppe Zanardelli to Nicola Miraglia*, Rome, 10 July 1902.

Globally, it can be assumed that after little more than a decade of Miraglia's administration the liquidation of the Land Credit was well organised and needed only an ordinary course of action, barring serious disruptive causes capable of upsetting the overall picture. An example of this tendency can be seen in Chart 3, which shows that in the years that followed, the Land Economy never made a loss and that the reductions in absolute terms were in some cases due to the Institute's normal trend, as was in 1913 when there was an intensification of sales among the Land Economy's assets. In other cases, it was due to historical circumstances, such as the outbreak of the First World War: the same considerations can be made for Chart 4 showing the figures for profits, available from the year 1911.

Moreover, the reforms implemented under Miraglia's leadership provide valuable insights into the role of banks in fostering economic development in Southern Italy and supporting industrialization during the Giolitti era. The case of the Banco di Napoli illustrates how a financial institution, despite facing severe economic and institutional crises, can become a driver of stability and growth through prudent and targeted management. The strategies adopted by Miraglia – including administrative rigor, asset liquidation, and direct supervision of branches – highlight the importance of competent leadership with a strong commitment to the public good. These interventions not only safeguarded the Banco di Napoli's operations but also laid the groundwork for a banking management model capable of positively influencing other financial institutions in the country. The role of the Banco di Napoli under Miraglia thus becomes emblematic of a broader process of modernization within the Italian financial system, a process that, despite numerous challenges, sought to balance economic stabilization with the revitalization of productive activities and social inclusion. Furthermore, this case raises compelling questions about how the banking system can be leveraged to support not only local economies but also the national development project, offering valuable avenues for future historical and economic research.

This management in liquidation lasted more than thirty years and ended in 1929, when Miraglia was no longer at the head of the southern credit institution, with the reconstitution of the section following the loss of the Banco's issuing privilege and its transformation into a public-law credit institute with "a great fundamental function of assistance and economic propulsion in the southern provinces"[110] as Giuseppe Frignani, Miraglia's successor at the head of the Banco, defined it. After 1910, during the next twenty years of liquidation, the office's activities were limited to taking care of the repayment of loans as the half-yearly instalments fell due and pursuing legal action against defaulting borrowers. A result that was not even imaginable when Miraglia took over as general director of the Banco, which he was able to achieve thanks to the perseverance, competence and moral integrity that characterised his work in dealing with the thorniest issues that seriously jeopardised the Neapolitan institute's activities.

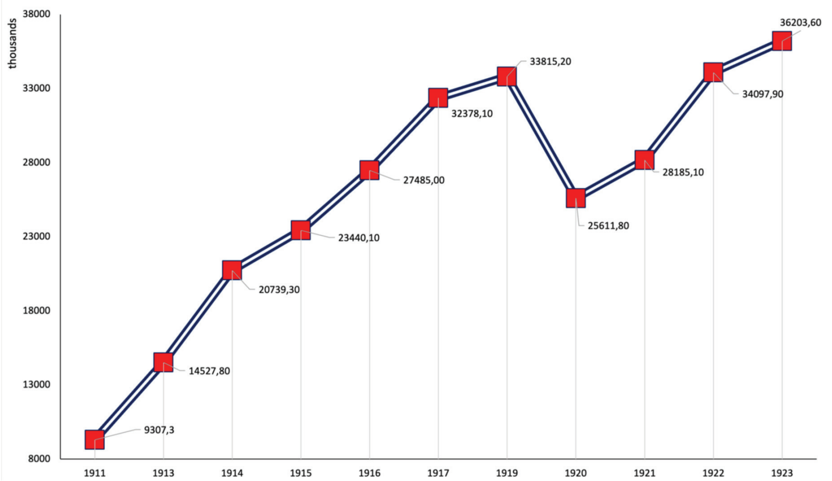
CHART 3
Banco di Napoli's Land Credit cash surplus 1906-1923 (Thousands)



Source: Author's elaboration on data from ASBNa, Fondo Miraglia, Cart. 3 Fasc. 5, *notes to the advisory balance sheet of the Land Credit years 1906, 1909, 1910, 1911, 1913, 1914, 1915, 1916, 1917, 1919, 1920, 1921, 1922, 19...*

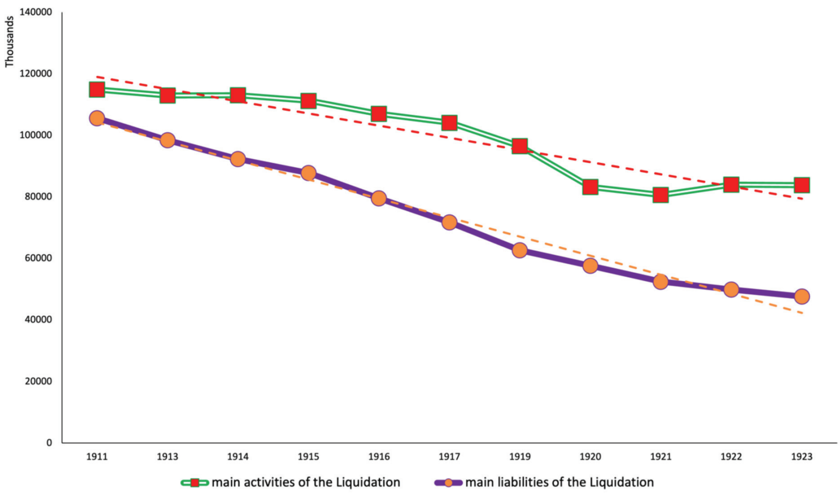
[110] G. Frignani, "Il Banco di Napoli", in *Annali di Economia*, Vol. 9, No. 2, June 1934, pp. 549-357.

Chart 4
Trend in Land Credit's liquidation profits 1911-1923 (Thousands)



Source: Author's elaboration on data from ASBNa, Fondo Miraglia, Cart. 3 Fasc. 5, *notes to the advisory balance sheet of the Land Credit years 1913, 1914, 1915, 1916, 1917, 1919, 1920, 1921, 1922, 1923*.

Chart 5
Comparison of the main assets and liabilities of the Land Credit in liquidation (1911-1923)



Source: Author's elaboration on data from ASBNa, Fondo Miraglia, Cart. 3 Fasc. 5, *notes to the advisory balance sheet of the Land Credit years 1913, 1914, 1915, 1916, 1917, 1919, 1920, 1921, 1922, 1923*.

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