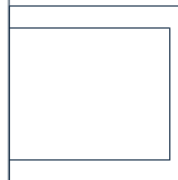


Archivio Storico Mediobanca

“Vincenzo Maranghi”

**ITALY’S MEDIOBANCA,
THE MARSHALL PLAN
AND
THE RECONSTRUCTION OF
WESTERN EUROPE**

Frankfurt am Main, 30 Jun 2023



MEDIOBANCA

ARCHIVES DO NOT PASS ANY JUDGMENT,
THEY ARE THOUGHT-SPARKLING FLINTS



THIS IS THE QUESTION...

Which are the right questions to ask
to successfully reconstruct the
infrastructure and economy of a
country or region?

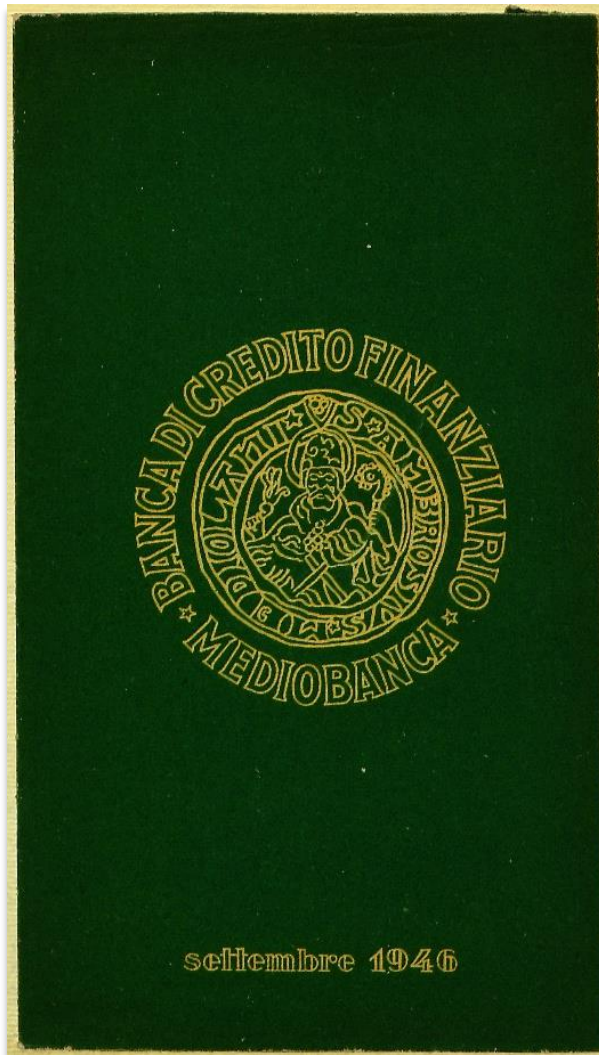
TALKING ABOUT THE ANSWER...

In 1947-1948, which were the questions of a European “private” banker about ERP?

ABOUT MEDIOBANCA



MEDIOBANCA'S KEY POINTS



- ◆ Established in 1946, April 10
- ◆ Main aims:
 - ◆ support the **reconstruction**, development and export capability **of Italy's industry** after World War II
 - ◆ revival of a **private financial collaboration between U.S.A. and Italy** through the collaboration of foreign shareholders
- ◆ Intent: give back space to the **private system** after 20 years of domination by a statist ideology
- ◆ Defined by the press as a **Centaur**, half **public** (property) and half **private** (management).

DICHOTOMY BETWEEN PRIVATE & PUBLIC



“the formula that gave birth to Mediobanca was **the closest one to a “private economy” formula**, which was possible in Italy for a “banque d'affaires” of national importance.”

Enrico Cuccia

ABOUT ENRICO CUCCIA (1907-2000)

GENERAL MANAGER 1946-1982

MANAGING DIRECTOR 1949-1982

HONORARY CHAIRMAN 1988-2000



CUCCIA'S PROFESSIONAL CAREER

Wall Street Crash!

Sudameris – Paris
BCI / Paribas venture

Banca d'Italia – London

Monetary and Economic Conference, London.
(Italian Finance Minister Jung's Staff)

Istituto per la Ricostruzione Industriale – I.R.I. - Rome


Delegate of
Sottosegretariato agli Scambi e Valute - Ethiopia

Banca Commerciale Italiana – Milan / Rome.
Foreign Service.
Co-director from 1943.

Mission in Lisbon for anti-fascist *Partito d'Azione*

August – Rome.
Planning with Mattioli for a new investment bank

November – U.S.A.
Member of **Quintieri / Mattioli economic mission**

 **General Manager**
1946-1982
Managing Director
1949-1982
Honorary Chairman
1988 - 2000

Conference of Commercial Banks Economists at Easbourne (UK)

1929 1930 1931 1933 1934 1936 1938 1942 1944 1946 1947

CUCCIA'S PROFESSIONAL CAREER



Cuccia had been a witness of the effects of the great crisis of 1929, when – as he said – **“the State has undertaken, in many countries and on a growing number of occasions the function of a banker”,** due to the necessity of financing industrial enterprises.

CUCCIA'S «PENINSULAR»¹ OUTLOOK ON ERP



Source Eyes East toward Europe. Supplement to Fortune magazine - September 1940. From David Rumsey Historical Map Collection.

MEDIOBANCA & ERP

AN AMERICAN EXPERIMENT IN EUROPE



BANKER'S WORKTABLES IN EUROPE ABOUT RECONSTRUCTION AND ERP, ATTENDED BY MEDIOBANCA

Eastbourne conference of commercial banks economists.

Promoter: Midland Bank

When: **1947** May 31 - 1947 June 13.

Project for a new "Eastbourne conference" on ERP

Promoter: Mediobanca - Midland Bank

When: **1947** June - **1948** December.



Comité Bancaire Européen d'études pour la mise en oeuvre de l'ERP.

Promoter: Paribas

When: **1948** July 13 - 1948 November 29



MEMOS, MINUTES AND CORRESPONDENCE IN MEDIOBANCA'S
ONLINE ARCHIVE

BANKER'S WORKTABLES IN EUROPE ABOUT RECONSTRUCTION AND ERP : LIST OF THE BANKS

		Eastbourne 1947	Project: Eastbourne on ERP	Comité Bancaire Europeenn
Australia	Bank of New South Wales, London - Sidney	R. S. Brittain T. Hytten		
	National Bank of Australasia, Melbourne	G. R. Mountain		
	Union Bank of Australia, Melbourne	D. H. Merry		
Belgium	Banque de Bruxelles, Bruxelles	L. C. Ameye	L. C. Ameye	
	Banque de la Société Générale de Belgique, Bruxelles	G. C. Dirckx	G. C. Dirckx	Baron Willy De Munck
Canada	Bank of Montreal, Montreal	W. T. G. Hackett		
	The Bank of Nova Scotia, Toronto	J. D. Gibson		
Denmark	Den Danske landmandsbank, Copenhagen	S. H. Bondesen	S. H. Bondesen	
France	Banque Nationale pour le Commerce et l'Industrie, Paris	H. Germain Martin	H. Germain Martin	
	Paribas			Jean Reyre
Great Britain	Midland Bank, London	W. F. Crick D. Carrol Jones	W. F. Crick	
Italy	Banca Commerciale Italiana, Milan		A. Gerbi	
	Mediobanca, Milan	Enrico Cuccia	Enrico Cuccia	Enrico Cuccia
Nederland	Amsterdamsche Bank, Amsterdam.	S. Brouwer	S. Brouwer	
	Nederlandsche Handel Maatschapij, Amsterdam	D. C. Renooy	D. C. Renooy	Baron Henri Collot d'Escury
Norway	Christiania Bank Og Kreditkasse, Oslo	E. Engebretsen	E. Engebretsen	
Perù	Banco de Credito del Perù, Lima.	A. Gerbi		
Sweden	Aktiebolaget Svenska Handelsbanken, Stocolma	P. G. Norberg		
	Svenska Handelsbanken, Stocolma	L.E. Thunholm	L.E. Thunholm	
Switzerland	Crédit Suisse, Zurich	E. Bader	E. Bader	Eberhard E. Reinhardt
	Société de Banque Suisse, Bâle	C.L. Viret	C.L. Viret	
U.S.A.	Bank of Manhattan Company, New York	M. Shield		
	Bankers Trust Co., New York	J. H. Riddle		
	The Chase National Bank, New York	B. H. Beckhart		
	The National City Bank, New York	G. B. Roberts		

ERP, AN AMERICAN EXPERIMENT IN EUROPE

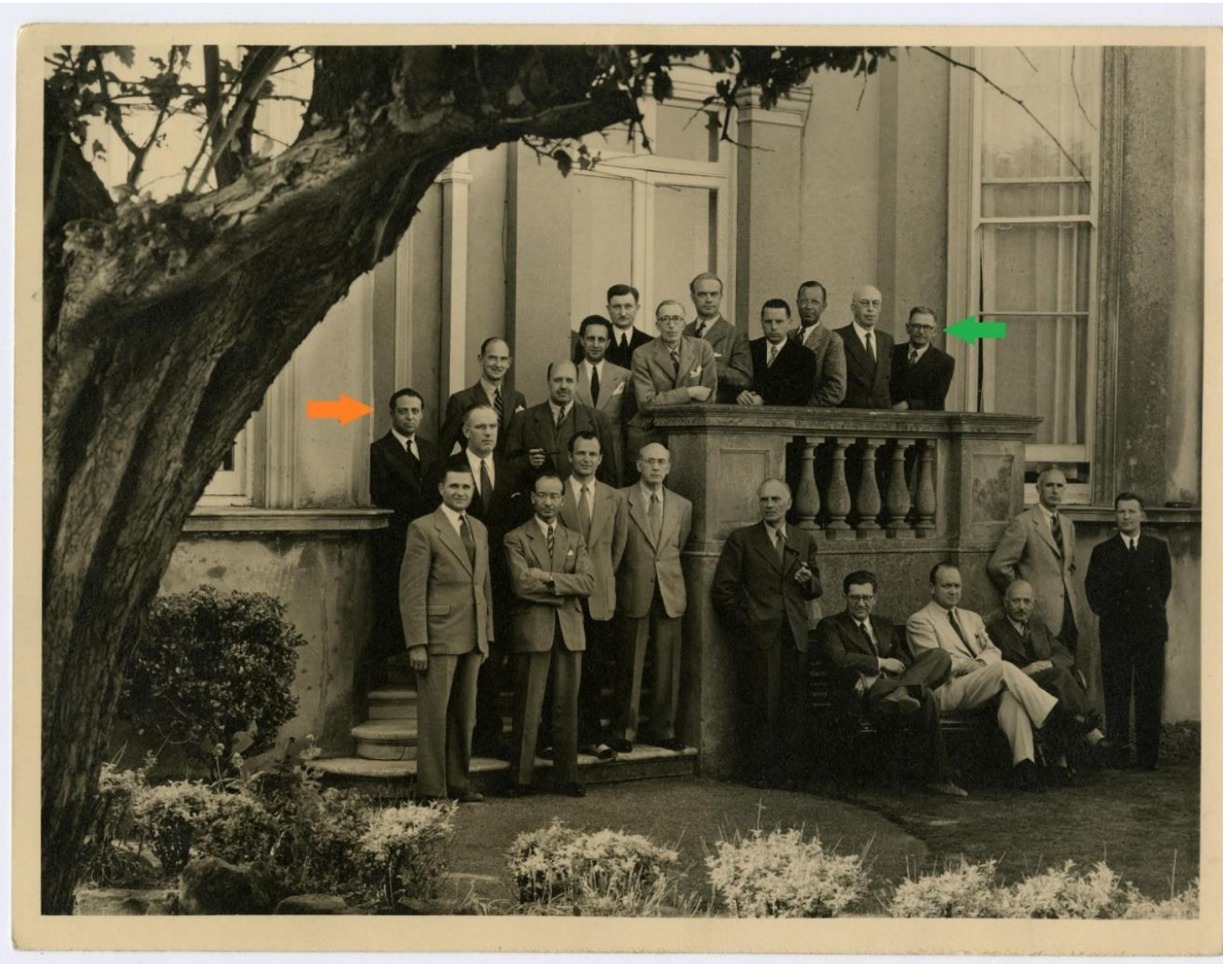
“From the American side there is, undoubtedly, **a great desire to help private enterprise**, also as an important factor in the improvement of the general situation in Italy, **but this desire is a very platonic one**, since private enterprises in the United States **don't seem disposed to assume the risk involved in ventures in our Country**, and they appear only too ready to shift over their task to a Public Institution.”

Enrico Cuccia - Burnett Walker, 1947 October 14

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK

→ Enrico Cuccia
→ Wilfrid Crick

1947, Eastbourne
conference of
commercial banks
economists, 1947 may
31 to 1947 june 13.



1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK

The most significant argument arising from
this correspondence with Crick was

**the issue of predominance of
the political side**

or – in other words –

Bankers VS Politicians

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK: EXTRACTS

“Looking at the situation from here, the first thing that strikes me is that **our work (as bankers) is becoming every day more tedious** in a world full of exciting events.

[...] **bankers**, after the war **have lost their professional “sense of risk”** in the international field. I don’t know whether this pitiful situation is the outcome of an epoch bristling with **great politicians who dominate the stage** with their problems and ambitions, and of **very poor bankers** playing only secondary roles”.

Enrico Cuccia – Wilfrid Crick, 1947, November 20

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK: EXTRACTS

The big point:

“the “professional” risk is of much less weight than the “political” one and that this latter is of such a magnitude that only the whole community of tax payers can eventually be charged for covering it.”

Enrico Cuccia – Wilfrid Crick, 1947, November 20

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK: EXTRACTS

Cuccia's utopia:

“If the world (and specially the U.S.A.) is really interested in the **recovery of private enterprises in Europe**, would it not be more logical to **reestablish relations between bankers taking all their “professional risks”, and covering** – each one with their own Government or with the Overseas Governments interested in the European rehabilitation – **the “political” risks?**”

Enrico Cuccia – Wilfrid Crick, 1947, November 20

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK: EXTRACTS

All roads lead to... public economy:

“Must we not fear that the **American taxpayers’ funds** will furnish the means for a **further swelling of the “political” banking system?**”

“The question is not only **if and how** soon the European economy will recover, but **what kind of economy will “precipitate” out of the American experiment in Europe**”

Enrico Cuccia – Wilfrid Crick, 1948, January 12

1947-48: THE CORRESPONDENCE BETWEEN CUCCIA AND WILFRID CRICK: EXTRACTS

All roads lead to... public economy:

From the Italian point of view **I would not say that a "private enterprise" economy must be the one which most probably may be expected out of this experiment.**

In the banking field this is not a problem of ownership of the banks' capital (In Italy this problem is without any practical significance to-day), but it is one of a **great expansion of what I called the "political" banking system.**

Enrico Cuccia – Wilfrid Crick, 1948, January 12

ABOUT TENACITY: THE ERP SURVEY

2 This questionnaire is confidential, and the answers will be treated as such.

I. MECHANISM OF E.R.P. IN EACH COUNTRY

A. What is the amount allocated to your country for the first year (or 15 months) of E.R.P. aid?

- 1) On a "grant" basis } (Approximate figures or estimates)
- 2) On a "loan" basis }
- 3) What amount has already been granted for the quarter to June 30 last?

B. 1) In what proportions has E.R.P. aid been distributed as between capital and consumer goods for the first quarter?

2) What is the forecast for this distribution for the remainder of the year?

3) How much capital goods will be acquired:

- a) On a "grant" basis } (Approximate figures)
- b) On a "loan" basis }

C. E.C.A. regulations have established the following three ways of financing the acquisition of commodities under E.R.P. on a "grant" basis:-

- a) Re-imbursement of the dollars already expended by a participating country from its own resources;
- b) Issuance of a "letter of commitment" to banking institutions in the U.S.A.;
- c) Issuance of a "letter of commitment" to suppliers.

Please state:

- 1) Which of these three ways are to be used in respect of imports of E.R.P. goods into your country;
- 2) Whether your authorities, whilst admitting all, especially recommend one or the other.

D. 1) What particular financial arrangements (if any) have been instituted for the acquisition of E.R.P. goods by private consumers or users?

2) In order to facilitate these acquisitions, have any of your exchange or credit control regulations been eased or set aside?

3) If new institutions have been formed for the purpose of handling the financial problems of E.R.P. acquisitions and/or dealing with the internal financial side of E.R.P., please give some information about:-

Confidential.

3

SUMMARY OF THE ANSWERS TO THE E.R.P. QUESTIONNAIRE.

A. Amounts allocated for the first year (or 15 months) of E.R.P. aid. (Millions of dollars).

	1. On a "grant" basis	2. On a "loan" basis	Total.
Belgium			
First plan			295
Provisional figures			
new plan	200 conditional (for financing inter-European trade)	45	250
	5 unconditional		
Denmark		not yet known	120-150
France			
First plan		not yet fixed	1130
Great Britain			
First plan		not yet fixed	132
Italy	abt.600	abt.100	700
Netherlands	abt.480	abt.120	600
Norway		not yet known	100
Sweden	-	28.4	28.4
Switzerland	-	-	-

(is not a recipient country under E.R.P.)

Note. According to recent press reports concerning the Paris conference the E.R.P. allocations have been fixed as follows:

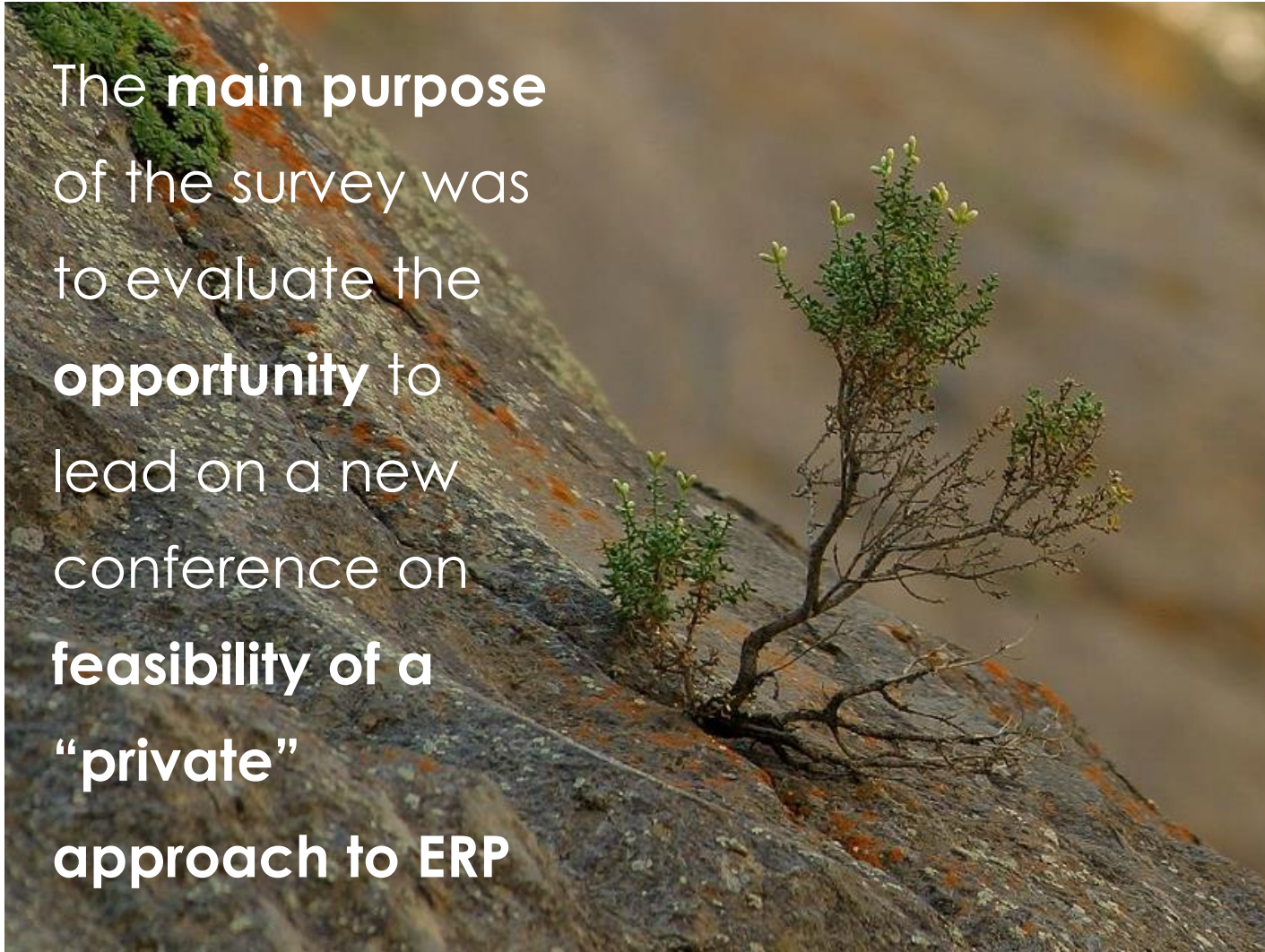
	millions of dollars
Great Britain	122 1/2
France	99
Italy	606
Netherlands and Netherlands-Indies	496
Bizania	364
Belgium	250
Austria	217
Greece	146
Denmark	110
French zone	100
Norway	84
Turkey	50
Sweden	42
Trieste	28
Iceland	11
Eire	9
Portugal	-
Switzerland	-

4 565 million have been reserved for inter-European payments. This amount will be supplied by Great-Britain, Belgium, Bizania, Italy, Sweden and Turkey in behalf of the Netherlands, France, Greece, Denmark and the French zone.

2.

ABOUT TENACITY: THE ERP SURVEY

The **main purpose**
of the survey was
to evaluate the
opportunity to
lead on a new
conference on
feasibility of a
“private”
approach to ERP



ABOUT TENACITY: THE RESULTS OF ERP SURVEY

Crick:

“[...]I am bound to confess, however, that – perhaps owing to my **“insular” outlook** and insufficient knowledge of conditions in neighbouring countries – the material **fails to suggest me enough questions of direct concern to our institution** and ourselves [...]”

Wilfrid Crick - Enrico Cuccia, 1948, September 23

Cuccia

[...] You have already answered [...] you do not see enough questions of direct concern to your institutions[...] but I couldn't help noticing the reference you have made to **your Insular outlook**: which [...] may be easily shared even by **"peninsular"** or **"continental" people**, each one arriving at a conclusion very similar to yours.

Enrico Cuccia – Wilfrid Crick, 1948, October 9

THANK YOU FOR YOUR ATTENTION

Taddeo.MolinoLova@mediobanca.com

Archivio Storico Mediobanca
Vincenzo Maranghi

Online Archive:

<https://archiviostorico.mediobanca.com/patrimonio/home.html>



MEDIOBANCA