

RESEARCH ARTICLE

# The role of the Banca Nazionale del Lavoro (BNL) in Fascist Italy's economic strategy towards Franco's Spain, 1936–43

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## Abstract

This article analyses the activities conducted by the Banca Nazionale del Lavoro (BNL) in Spain between 1936 to 1943 to understand Italian policy towards the Francoist regime during that period. In doing so, this piece argues that it is important to adopt a political economy approach that looks at production, trade and industrial investments, always in relation to politics, diplomacy, law, culture and government. In fact, this article establishes that, for the main actors in Rome at the time, all these considerations were inseparable when it came to the Italian policy towards Franco's Spain. Furthermore, I argue that the BNL initiatives are better understood when situated within the larger history of the Fascist regime in Italy and its imperialistic policies in the Mediterranean area.

**Keywords:** Italy; Fascism; Banca Nazionale del Lavoro; Mussolini; empire; Spain

## Introduction

On 7 October 1939, the Italian newspaper founded by Benito Mussolini, *Il Popolo d'Italia*, devoted an article to the activities of the Banca Nazionale del Lavoro (BNL) in Spain. According to this journalistic piece, the Italian bank was gradually increasing its own affairs with the Francoist regime, to the extent that this could now be considered a 'leading factor in the development of Spanish–Italian commercial relations' (*Il Popolo d'Italia* 1939). The position of the BNL, the article continued, would only be enhanced in the coming years thanks to the recent opening of its headquarters in Madrid, a city that had just been 'conquered' by Franco's armies. To show the importance of the new central office, the Italian newspaper emphasised the hiring of staff members specialised in foreign trade with Spain, and, more importantly, the recent visit that had been paid by the Italian minister of foreign affairs, Count Galeazzo Ciano (*Il Popolo d'Italia* 1939).

Less than two years later, on 9 May 1941, the *Popolo d'Italia* predictions were confirmed. On that day, the Spanish treasury officially gave permission to the BNL to open branches in the country that would operate under the same conditions as Spanish banks. This measure, unprecedented for a banking system as closed and protectionist as the Francoist, was granted as a special gesture towards Mussolini's Italy in exchange for the aid given to the rebel side during the Spanish Civil War.<sup>1</sup> The BNL, which was owned and controlled by the state, took advantage of this prerogative to further its presence, and that of various Italian

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companies on the Iberian peninsula. In the words of Italian officials, the BNL had become, by the end of 1941, the 'bank of Italian national interests in Spain'.<sup>2</sup>

The aim of this article is to examine the BNL's key role in Italy's economic relationship with Spain between the year of its arrival in the Spanish market, in 1936, and the halt to its main operations in 1943. Despite the relevance of the BNL in Spanish–Italian relations during that period, the vast amount of scholarly literature has almost completely ignored the role played by the bank. The only exception to this historiographic lacuna is Valerio Castronovo's *Storia di una banca* (2003), a book written to celebrate the one-hundredth anniversary of the foundation of the bank.<sup>3</sup> Although this institutional banking history mainly offers a broad view of the BNL's more than 100 years of life, starting with its origins in 1913, Castronovo's book provides the reader with basic insights into the ways in which the bank became an important tool for the expansionist policies of the Fascist regime in different countries, including Spain.<sup>4</sup>

The scarcity of works devoted to the BNL's activities in Spain contrasts with the numerous studies on Mussolini's involvement in Spanish affairs during the interwar years (Saz 1986; Tusell and García 1985; Heiberg 2003; Carotenuto 2005; Strang 2003; Coverdale 1976; D'Amoja 1967; Giura 1993; Barbieri 2015). The main conclusions reached by this strand of literature is that Italy's policy towards Spain was determined by a combination of political–strategic considerations and ideological elements. Overall, John Coverdale's main conclusions from his seminal 1976 study *Italian Intervention in the Spanish Civil War* remain widely accepted by historians specialising in the subject: Italian involvement in the Spanish Civil War represented a bid for international status as well as a continuation of Mussolini's longstanding anti-republican policy.

At the same time, two historians have defended the potential of integrating economic factors into the analysis of Spanish–Italian relations during these years: Ismael Saz and Gennaro Carotenuto. On the one hand, Carotenuto argues that there were various instances throughout the 1930s when the Italian government paid attention to economic issues in Spain, thus suggesting that 'economic aspects were generally included among the benefits to be expected from the intervention' (Carotenuto 2005, 28).<sup>5</sup> On the other hand, Ismael Saz hypothesises that Mussolini's 'generosity' towards the rebel side during the war could be interpreted as a calculated strategy to strengthen bilateral relations that would eventually yield benefits in the economic camp (Saz 1986, 237).

Taking these arguments as a starting point, this article presents two main claims. First, it demonstrates that the BNL was an integral part of the Mussolini regime's comprehensive strategy to exert significant influence over Spain, because it functioned as a politically connected, state-driven financial instrument, uniquely positioned to channel resources and support strategic economic initiatives aligned with Fascist foreign policy objectives. Second, it shows that Italy's increasing involvement in Spanish affairs during the 1930s and 1940s was driven not only by political and ideological motivations but also by economic factors, particularly as the BNL became more established as a significant financial player. In supporting these two claims, I do not intend to replace political and military studies on Italy's intervention in the Spanish Civil War and its immediate aftermath, but rather to provide an important complement to them.

From a theory perspective, these claims are consistent with a political economy approach that analyses the deep interconnections between politics and economics rather than treating them as separate, isolated spheres. By studying the BNL's actions in Spain through this lens, the article demonstrates the value of moving beyond the 'politics versus economy' dichotomy (del Hierro and Storli 2022). Indeed, this analysis will illustrate how the economy served as a tool for Italian diplomacy, and, the other way round, indeed, this analysis will illustrate how the economy functioned both as an instrument of Italian diplomacy and as a lens through which to understand the nature of power in

regimes with planned economies, where politics, ideology, and economics were deeply intertwined and constantly overlapping. It underscores the idea that diplomacy and economic policy cannot be fully understood in isolation, but rather as interdependent forces shaping each other. to shed light on the nature of power in regimes with planned economies, where the boundaries between politics, ideology and economy were constantly overlapping.

Finally, the article emphasises the importance of adopting a broader chronological perspective (1936–43) rather than the more fragmented approaches that focus solely on the Spanish Civil War or the Second World War, as this enables a deeper understanding of the long-term impact of Italian initiatives in Spain. In that spirit, it follows a chronological structure, with four sections that correspond to four different phases: first, the initial steps of the BNL in Spain between 1936 and 1938; second, the consolidation of the bank as the main economic actor in the years 1938–9; third, the launch of the bank's most ambitious plans in the period 1939–40; and, fourth, the partial implementation of said plans in 1940–3. Finally, from an archival perspective, the article uses primary sources from the BNL archive, the ministry of foreign affairs and the Biblioteca Ambrosiana, together with records from the Spanish general archive of the administration.

### The entry of the BNL in Spain, 1936–8

The Italian bank became a relevant actor in Spanish affairs from the summer of 1936. However, the role played by the BNL during the early months of the civil war was almost exclusively focused on strengthening commercial relations between Mussolini's Italy and the rebel side. In this regard, exchanges between the two countries had experienced problems since the end of the nineteenth century.<sup>6</sup> Indeed, the Spanish historian Ángel Viñas calculates that, by 1935, Italy was the least significant among Spain's major economic partners, which included the USA, Britain, Germany and France, absorbing only 7 per cent of Spanish exports to the five countries by that year. According to Viñas, part of the problem was that Spain and Italy had commercially ignored each other throughout the twentieth century, with only a modest balance of trade when compared with other European countries. In short, bilateral trade before the summer of 1936 was limited, with Italy receiving only 1.91 per cent of Spanish exports.<sup>7</sup>

Despite these issues, officials in the Italian treasury became convinced that they could find new dynamics to reactivate bilateral commerce. The solution was relatively straightforward: the growing Italian industrial sector should obtain access to the abundant reserves of raw materials present in Spain, such as wolfram, pyrites and iron ore, to be exchanged for manufactured goods (mainly pharmaceutical products, machinery, chemicals including citric acid and sulphur, aeronautical material and wooden slats) which the Iberian economy urgently needed. Ideally, these synergies could be fostered over time so that, once the Italian industrial sector definitively took off, it could provide the Spanish market with all the necessary manufactured goods and infrastructures the country required to modernise its own economy. To do that, however, it was first necessary to sign of a new commercial treaty that would be the basis for increasing the traditionally modest balance of trade (Carotenuto 2005, 48; Tusell and Saz 1986).

In this regard, the outbreak of the Spanish Civil War presented authorities in Rome with the perfect opportunity to accelerate their plans. Given the importance of military aid provided by Rome, essential for Franco's armies to win the war, Mussolini now had unprecedented leverage. That is why the Italian government decided to send a delegation at the beginning of 1937 to negotiate an increase in trade between Rome and the new government formed in Burgos. However, the treasury was not the only actor that saw the Spanish Civil War as a great economic opportunity. Indeed, Arturo Osio, the director of the

BNL, had also become convinced that Mussolini's decision to intervene in Spain opened up promising opportunities for both the country and the bank that he had managed for the past decade. Therefore, Osio hurried to persuade the Italian government to include his bank in the negotiations with the Francoist authorities, aiming to establish it as the Italian institution responsible for regulating commercial relations between the two parties. If this new role was granted, Osio promised, the BNL would be able to quadruple or even quintuple operations in the Spanish–Italian balance of trade, thus revitalising commercial exchange.<sup>8</sup>

Mussolini granted Osio's requests in April 1937 and allowed a small team of experienced BNL officials to be included in the official delegation sent to Spain to negotiate with the rebel authorities. Furthermore, Mussolini authorised the opening of two offices controlled by the bank, one in Burgos and one in Seville, under the name of the Banca del Commercio tra Italia e Spagna. Last but not least, Il Duce insisted that the treasury transfer 5 million pesetas to the BNL to support the first economic operations by Italian companies in Spain. These bold measures reflected both the BNL's growing strategic importance and Osio's rising prestige within Italy's financial sector.<sup>9</sup>

By 1937, the BNL was indeed firmly situated 'at the forefront among Italian banking institutions', with a capital of 200 million lire (of which 188 million had been committed by the Italian treasury) and a workforce of 4,000 employees (Castronovo 2003, 168). Moreover, Osio had managed to earn the trust of Mussolini, appearing as an efficient and loyal manager (Scialoja 1974, 11). This image originally stemmed from his successful navigation of the BNL's transition from a co-operative institution into a state bank during 1925–6. Osio's position became even more consolidated in 1929, when the Italian treasury, after verifying the BNL's improved financial health, officially designated the bank a public credit institution, a status that enabled it to carry out special functions at the government's request.<sup>10</sup>

As the progressive adoption of autarchic policies and the proclamation of the empire signalled a new phase in Italian foreign policy, in the early 1930s Osio began promoting the idea that banking institutions such as the BNL should serve as instruments of the state, helping to secure the financial resources needed to support the regime's increasingly ambitious international agenda (Castronovo 2003, 115). In this way, Osio was able to reposition the BNL within the evolving political and economic landscape, something that was ultimately validated at the highest level, when Mussolini himself praised the bank as a crucial tool for the government to realise specific economic and social objectives 'for its flexibility of means, for its direct control, for its advantageous political connections'.<sup>11</sup> All these developments help explain why the Mussolini regime decided to rely on Osio's bank as one of the Italian institutions responsible for co-ordinating commercial relations between the two countries (Castronovo 2003, 176–177).

The BNL reciprocated the confidence it received by developing a very active economic agenda. Less than a year after its arrival on the Spanish market, Osio was able to report the following information to the Italian minister of foreign affairs, Galeazzo Ciano:

Nine-tenths of all Italian–Spanish trades from last March to today have passed through us. The Bank has obtained quasi-official recognition of its activity from the central and peripheral Spanish authorities. Spanish companies interested in trading with Italy are advised by the competent Spanish bodies to turn to our organisation for the preliminary examination of applications and for their regularisation in formal and substantial terms.<sup>12</sup>

The BNL also managed to extend its activities beyond trade issues; in fact, the Italian bank also obtained permission to convert the salaries of the members of the *Corpo di Truppe Volontarie* (CTV) from lire to pesetas so that soldiers who needed money for everyday

expenses in Spain could go to any of the bank's branches and receive the right currency. The BNL would then deposit the equivalent of those amounts in lire in Italy, thus functioning as a bank for Italian soldiers on Spanish soil (Castronovo 2003, 177).

Lastly, the BNL began assessing the first proposals coming from Italian companies to make use of the 5 million lire made available by the treasury. At the beginning of 1937, the bank had received substantive applications from Montecatini (for developing chemical industries in Spain), from Marelli (to co-operate with electromechanical industries), and from SNIA-Viscosa (to build an artificial fibre industry in northern Spain). These operations were studied by the newly opened offices in Seville and Burgos, which also functioned as propaganda machines to attract Italians living in Spain and wishing to establish business relationships with the rebel side.<sup>13</sup>

Despite not having a detailed plan for major economic gains in 1937, it appears that the Italian treasury, BNL officials and Mussolini himself had begun seeking synergies and creative solutions to expand their activities in Spain, aware of the limitations of penetrating a foreign economy with limited assets and a dearth of currency.<sup>14</sup> Moreover, these initial enterprises clearly show how economic and political initiatives were interlinked: finances could be used to improve diplomatic relations and vice versa. BNL officials had established themselves as efficient negotiators in the eyes of the Italian government, giving the bank an ideal position within Mussolini's increasingly ambitious policy towards Franco's Spain.

### The settlement of the war debt: the BNL becomes the 'bank of Italian national interests in Spain'

The plans for the BNL's consolidation as the leading actor for Italy's economic interests with the Francoist authorities coincided with a crucial development: the settlement of the war debt. As the Spanish Civil War was approaching its end, both the Franco and the Mussolini regimes were confronted with the thorny question of repaying the significant military aid given by the Fascist regime. After lengthy discussions, an agreement was reached between the two parties on 29 November 1938. According to this accord, the war debt was fixed at nearly 7 billion lire, of which 3.3 billion were the result of the CTV's expenses (del Hierro 2011). Once the agreement had been reached, it was necessary to establish payment channels, the areas in which the money should be spent, and, more importantly for this article, the institutions in charge of managing those funds. The negotiations to arrange all these aspects began in Rome in January 1939 and would last more than a year, until May 1940.<sup>15</sup>

One of the first people to grasp the economic potential of these negotiations for Italy was Ernesto Carpi, a shadowy figure born in Naples in 1880. After moving to Barcelona in the 1920s, he held roles as a bank director, railway adviser and film company founder. Known for his unscrupulous dealings, Carpi enriched himself through questionable banking operations and built a transnational network that made him a key intermediary in the 1930s, linking Spanish conspirators with Mussolini's agents. Though unofficial, his ties to the Francoist elite made him valuable to Italian officials for sensitive missions. Unsurprisingly, he soon learned of the Spanish-Italian talks and sought to profit from them.<sup>16</sup>

In the summer of 1938, Carpi therefore decided to leverage his connections by sending to Arturo Osio a detailed plan – centred on the bank itself – for advancing Italian interests in Spain. While there is no archival evidence of Osio's immediate reaction, the BNL archives show that the bank's leadership incorporated the main points of Carpi's proposal into its own strategy. Besides Carpi's 'prestige', this decision made sense since the plan aligned closely with Osio's vision for the BNL's role in Italy's foreign policy.<sup>17</sup>

First and foremost, the goal was that the amount derived from the CTV's expenses should be fully administered by the BNL. Second, as soon as the war debt was placed in the hands of the BNL, the latter should finalise the purchase of a Spanish bank; once this was done,

the Italian authorities would be able to invest that amount of money in the Spanish market. Third, the BNL should use the war debt to unblock Spanish–Italian trade through the signing of a new clearing agreement. Finally, the BNL would push to be the only relevant Italian economic actor operating in Spain.<sup>18</sup>

In practice, the last aim entailed absorbing the other Italian institution that had been operating in Spanish territory since the outbreak of the war: the Società Anonima Fertilizzanti Naturali Italia (SAFNI). Founded in 1927 at the initiative of the Italian government, SAFNI was one of the earliest state-driven industrial joint-stock companies established in direct competition with private enterprises. Although modest in size, SAFNI played a pioneering role in Italy's industrial policy, particularly in the fertiliser sector, and was strongly associated with Vincenzo Fagioli, a prominent businessman who was extremely well connected with the Fascist regime (Cabassi 2012; Segreto 1994). That is why in August 1936 the Italian treasury had tasked SAFNI with managing the first bilateral trade exchanges between Italy and the rebel side, securing the exchange of Spanish olive oil, pyrites and woollen fabrics in return for Italian military equipment.<sup>19</sup>

However, as the Mussolini regime became more deeply involved in the war, the increasing scale and complexity of financial operations necessitated the involvement of additional actors to support the relatively limited operation established by SAFNI.<sup>20</sup> This coincided with the rise of the BNL as a key financial actor in Spain, and the treasury was ultimately convinced that it was necessary to involve Osio's bank in order to assist SAFNI with certain responsibilities. Eventually, this decision created significant uncertainty about which institution would direct Italian economic policy in Spain after the war. BNL officials exploited this uncertainty, aggressively manoeuvring to ensure that the Italian bank secured a leading role at SAFNI's expense.<sup>21</sup>

At the same time, Osio and his team realised that the Italian delegation needed to adopt a different type of approach during negotiations with the Francoist authorities. In their view, the Spaniards were becoming tired of the aggressive tactics of other allied countries, so much so that more and more voices in the Burgos government were starting to advocate for more co-operation with Italy instead.<sup>22</sup> In the words of the director of the BNL branch in Bilbao, Vittorio Merello, 'There is no doubt that the highly independent character of this people reacts against excessive penetration and is alarmed.' Accordingly, it was important for the bank to continue with its 'policy of respect', which was creating sympathy within the Francoist regime.<sup>23</sup> The BNL therefore suggested adopting a cautious strategy aimed at achieving long-term objectives in Spain and based on the philosophy 'Plant the seeds now, harvest later.'<sup>24</sup>

Although the negotiations with the Francoist authorities proceeded at a slow pace, the BNL was able to yield benefits right from the start. In 1938, exports from the rebel side to Italy rose significantly, reaching 9 per cent of total exports.<sup>25</sup> That year, the BNL handled 67 credit openings with Spanish banks, totalling 27,573,000 lire. These transactions involved goods such as preserved fish, rosin, turpentine, timber and wines. On the import side, the BNL was able to process 1,220 transactions worth 55.5 million lire, facilitating the Italian purchase of essential goods such as iron ore, gauze, pharmaceuticals, machinery and aeronautical materials.<sup>26</sup> Such was the potential of these initial operations that the government in Rome decided to inject an additional 40 million pesetas into the bank, aiming to further foster commercial exchanges between the two countries, provided these transactions remained relatively small and swift.<sup>27</sup>

The BNL was also able to establish credit lines with major Spanish banks such as the Banco Español de Crédito (6,586,000 lire) and the Banco Hispano Americano (9,328,000 lire), as well as smaller credits with institutions including the Banco Exterior de España and the Banco Internacional de Industria y Comercio. These new connections encouraged Osio and

his team to begin planning the first investments in the industrial sector, while also floating the idea that the bulk of the war debt should eventually be transferred to the BNL for management.<sup>28</sup> Meanwhile, during meetings of the technical commission overseeing war debt repayments, BNL officials persuaded the Spanish team that fostering bilateral industrial co-operation was essential to Spain's economic reconstruction. The commission proceeded to identify three areas in which Italian aid would be particularly welcome: rebuilding public works (roads, buildings and railways), developing military industries, and reconstructing civil industry (especially cars and chemicals).<sup>29</sup> Overall, these concessions agreed by the Francoist regime were exceptional in a context of nationalisation of inter-state economic relations, mainly through clearing agreements.<sup>30</sup> This was even more remarkable considering that some of Franco's main economic advisers favoured more autarchic policies or at least limiting foreign presence in the nation's finances (del Arco Blanco 2006).

These BNL's successes did not go unnoticed in Rome, and on 1 April 1939 Count Ciano issued an official order instructing the CTV command to transfer all funds to the BNL as soon as they had been paid by the Spanish government. This crucial decision had the support of all the relevant ministries, including the treasury, currency and war ministry, and shows that the highest echelons in Rome were now convinced that a substantial part of the future economic efforts in Spain needed to be channelled through the BNL.<sup>31</sup> The new arrangement was immediately communicated to the Francoist authorities, who received on the very same day a letter requesting their agreement for the Italian bank's new role.<sup>32</sup> As the Italian government explained, '[F]or reasons of prestige and economic convenience it is appropriate that the treasury of the CTV and of the Italian bodies in Spain be carried out by the Banca Nazionale del Lavoro already established in Spain.'<sup>33</sup>

The new hierarchy would become even clearer a few months later when the Italian government decided that all the real estate owned by SAFNI in Spain should be transferred to the BNL.<sup>34</sup> Similarly, the BNL would receive 6,000 shares in the iron mines in the Moroccan region of the Riff (20 kilometres south-west of Melilla) that SAFNI had purchased at the beginning of the Spanish Civil War.<sup>35</sup> Although the authorities in Rome also clarified that economic operations should be conducted by the BNL in close contact with SAFNI, in practice this meant that the latter, so important during the first months of the war, was now subordinated to the BNL. The emerging chain of command was obvious to Osio and his team, who concluded at the end of 1938: '[T]he Bank is thus from every point of view, not only the economic and technical centre of trade and commercial information, but the real and proper "bank of Italian interests in Spain".'<sup>36</sup>

### The end of the Spanish Civil War: a new stage for the BNL in Spain?

If the period 1938–9 had witnessed the consolidation of the BNL as one of the main actors in the Italian economic policy towards Spain, the months between autumn 1939 and summer 1940 would be crucial in devising more concrete plans for expansion. These plans would mostly be based on a memorandum and a report the BNL drafted for the Italian government during the autumn of 1939, analysing all the prospects for the Spanish national economy. The premise for these reports is relevant and confirms the need to adopt novel approaches to understand Italian economic policy in relation to Spain during these years. Indeed, both documents argued that, for political initiatives to succeed, they needed to be sustained by a strong economic strategy. With the culmination of Italian efforts during the Spanish Civil War, it was now time to reap the benefits by merging both spheres, which the BNL's directors regarded as 'inseparable, fully depending on each other'.<sup>37</sup>

From a financial perspective, BNL officials argued that there were big opportunities for Italy to increase, four- or fivefold, its presence in Spain's 'vast economic sector'; this included trade, but also industrial co-operation. Indeed, the settlement of the war debt

could provide those pesetas which were essential for the implementation of projects of industrial co-operation between the two countries. These could take three different forms: the acquisition of capital shares made directly by the BNL, agreements for Spain to supply raw materials (especially iron and steel), and the financing of operations by private firms in the Spanish market (joint creation of cars, aviation, weapons, chemicals and construction sites), using Italian technology. This was the only way, the report concluded, for Italy to secure a strong presence in the highly competitive Spanish market, where the French and the British economies already had strong positions, and where Germany and the USA were taking decisive steps. Although both Spain and Italy were financially exhausted in 1939, Spain because of the civil war and Italy due to the heavy economic impact of its military efforts in Ethiopia and intervention in the Spanish Civil War, the BNL suggested that Italy could greatly benefit by assisting the Francoist regime in rebuilding its economy, especially if the bank was able to match the ambition of its competitors.<sup>38</sup>

Furthermore, Osio and his team started viewing Italy's commercial and industrial expansion in Spain as a first step towards broader cultural influence. In the words of the bank's leadership, '[P]latonic and hedonistic relationships soon run out if they are not strengthened and materialised by a complex of actions and interests, which, in our case, reside precisely in the sectors discussed [cultural policies].'<sup>39</sup> This was connected to another crucial objective during discussions of the plan with Mussolini himself: consolidation in Spain would be a perfect springboard to reach other international markets, including Portugal and, more importantly, the 'two Americas'.<sup>40</sup> As the bank started to ponder the benefits of shifting its focus away from a Europe on the brink of war, metaphorically described as an 'infernal brothel', Spain, 'now skeletal but soon to be rebuilt', emerged as a vital strategic hub. Positioned at the crossroads of two overlapping economic triangles (Madrid–Buenos Aires–Rome and Madrid–New York–Rome), the Francoist regime offered a crucial platform for expanding into the more promising and stable markets of South and North America.<sup>41</sup>

Based on these premises, the BNL developed a comprehensive five-step strategy aimed at reinforcing Italy's influence within the Spanish economy. The first step involved undertaking targeted political actions to capitalise on Spain's war debt, leveraging this financial obligation as a means to secure advantageous conditions for Italian interests. Next, the BNL sought to consolidate its role as the central financial institution co-ordinating all Italian economic activities in Spain, ensuring that its operations consistently served the directives of Italian political authorities. To further strengthen its financial position, the bank prioritised the acquisition of additional pesetas, which would be injected into the bank to facilitate its activities and investments. In parallel, the BNL promoted the gradual expansion of commercial exchanges between Italy and Spain, fostering deeper trade ties and mutual economic benefit. Finally, the strategy called for the progressive development of industrial co-operation across various sectors, encouraging joint ventures and collaborative projects that would embed Italian industrial presence more firmly within the Spanish market. Through this multifaceted approach, the bank's leadership aimed to systematically enhance Italy's economic foothold in Spain, aligning financial, commercial and industrial initiatives under a unified strategic vision.<sup>42</sup>

To carry out this plan, Osio understood that it was first necessary to achieve two intermediate goals: the final settlement of the payment of the war debt (as already explained, without regulating Italian credit, the availability of pesetas was very limited) and authorisation from the Francoist regime to create a Spanish–Italian bank able to carry out regular banking activities under the same conditions as Spanish banks. To achieve these and to become 'the co-ordinating centre of Italian–Spanish economic collaboration', the BNL needed the full support of the Italian government.<sup>43</sup> That is why, between September

1939 and February 1940, the BNL director met with Mussolini almost every month, persistently portraying the bank as vital to Italy's imperial ambitions and arguing that Mussolini's backing would ensure the success of BNL's initiatives in Franco's Spain, which in turn 'will be the positive premise for the further development of the Italian economy in the Mediterranean countries'.<sup>44</sup>

Another relevant aspect of the BNL plans is that they outlined the specific approach Italian officials needed to adopt when dealing with the Spanish authorities, allowing us to problematise Mussolini's claims of Italian 'generosity'. First, the bank's officials claimed that it was necessary to understand that the interruption of international credits due to the increasingly tense international context had slowed the Spanish recovery, thus creating a desperate situation for much of the Spanish population. Indeed, traditional lenders in Europe (mainly France and Britain, but also Germany) were already in the middle of war preparations and had become reluctant to loan any more money to a regime whose allegiances were far from clear.<sup>45</sup> This attitude increased feelings of xenophobia among the Spanish population, who had begun to regard foreign agents, especially the Germans, as mere 'thieves' who had come to 'loot the country'.<sup>46</sup> Accordingly, the BNL directors suggested the adoption of a more 'charitable' approach in the short term, something that would entail some leniency regarding the first payments, reducing the amounts and being flexible with the deadlines. At the same time, though, BNL officials did not lose sight of the main target and urged the negotiators to include Spanish raw materials in the bilateral clearing agreement. This would be justified by the fact that the authorities in Rome were 'willing' to send Italian-manufactured products in exchange, and this would benefit the rebuilding of the national economy.<sup>47</sup> To be sure, this 'generous' approach was nothing more than a tactic aimed at yielding important advantages in the mid- to long term. By showing an interest in the resurgence of Spain, which had suffered massive damage and dislocation to its economy from the civil war, the Italian attitude would appear even more sympathetic compared with that of the Germans.<sup>48</sup>

Although there is no archival evidence of Il Duce's direct reaction to Arturo Osio's persistent advocacy for the BNL's strategy in Spain, there are sufficient indications to assert that his response was positive. First, it is indicative that Osio and Mussolini met so often during that time to discuss that very topic; this means that the Italian dictator was at least open to listening to BNL initiatives for the Francoist regime. However, the crucial evidence was that the Italian government ended up approving these plans and worked hard during the following months to comply with the two main goals put forward by the BNL: the creation of a Spanish-Italian bank and the settlement of the war debt.<sup>49</sup>

Mussolini gave official permission for the constitution of a state-private enterprise, officially named the Banco Hispano-Italiano del Trabajo (BHIT), immediately after the meeting held on 25 September 1939.<sup>50</sup> During that encounter, Osio had presented the agreement reached with the Spanish banker and businessman Juan March only a few months earlier, on 31 May 1939. According to this agreement, now ratified by Mussolini, the BHIT would have a capital of 20 million pesetas, of which half would be provided by the Italian government and the other half by Juan March. The bank would have its headquarters in Madrid (with branches in other Spanish cities), with a governing body that would be half Spanish and half Italian, and it would be given a period of 20 years to foster economic relations between the two countries.<sup>51</sup>

In order to understand the magnitude of this agreement, it is important to remember that the Spanish government, in 1939, had already started to pass a series of laws restricting to a minimum the role and competences of foreign banks in the country (Castro Balaguer 2012). This obviously conflicted with the plans of the BNL, which needed extensive room for manoeuvre in order to properly administer the resources of the war debt. Accordingly,

this extraordinary decision can be understood only in the context of the increasingly friendly tone of Spanish–Italian relations, since it gave the BNL a competitive advantage with respect to the few rival foreign banks that still operated in Spain, namely Credit Lyonnais, the Bank of London and South America, and the Société Générale de Banque en Espagne (Rozas 1975, 374). While these entities were forced to adapt to increasingly restrictive legislation, the BNL had found a workaround in Spanish law and was allowed to operate under the same conditions as Spanish banks.

The second part of the plan would materialise one month later when the issue of the war debt was finally resolved. This was done through an agreement, signed on 8 May 1940, according to which the debt would be reduced to 5 billion lire to be repaid in 50 semesters from 31 December 1942 until 30 June 1967.<sup>52</sup> At first glance, the accord appeared to be extremely beneficial to Franco's regime, which saw the debt with Italy considerably reduced and obtained permission to repay it over a prolonged period. However, a thorough analysis of the treaty shows that the Mussolini regime also obtained important benefits. In fact, the agreement stipulated that at least half of the total amount should be placed in commercial clearing to facilitate exchanges between the two countries, and the other half could be used by the Italian government to invest in the Spanish economy. In other words, both governments made sure that the war debt would be exclusively used to improve economic relations between the two countries.<sup>53</sup> Although Franco's Spain benefited from the agreement, Mussolini's constant claims regarding his generosity must be nuanced, for Fascist Italy was finally opening the gate to a long-term goal that had seemed unattainable not so long before: fostering the penetration of their companies into the Spanish market.<sup>54</sup>

In conclusion, the 1939–40 agreements not only facilitated the expansion of the BNL in Spain but also provided Italy with the financial tools to consolidate its position in that country. Although it is true that Mussolini had forgiven approximately a third of the total war debt and had granted lenient terms for repayment, he had obtained important benefits too. When the Spanish economy was becoming increasingly closed and autarchic, the BNL had found a workaround to invest and expand in the Spanish market. Also, if the Italian strategy regarding the Francoist regime became successful, it would set an example for other parts of the Mediterranean region. This would be tested in the following months, when the BNL put into action an ambitious plan of expansion and investments for the large amount of money at its disposal.<sup>55</sup>

### The BNL and the Italian investment plan: lights and shadows

The investment plan discussed above is key to understanding the extent of Italy's economic policy in Spain during the following years. The first characteristic of the BNL strategy was how fast it was set in motion. Indeed, officials in Rome feared that if the first instalments of the war debt remained unused for an extended period, the protectionist Spanish authorities could regret the deal and stop the operation altogether.<sup>56</sup> In this way, before the beginning of October 1940, the BNL had already spent more than the total amount of money at its disposal – that is, 103 million pesetas (against the 100 million of the first instalment). This sum can be divided into three distinct categories: expenses related to commerce; industrial placements and participations (Participation in affiliated companies refers to the fact that the BNL purchased parts of another company with which it now had a formal relationship. in affiliated companies or real estate; and money devoted to the constitution of the BHIT.

The bulk of these expenses (30 million pesetas) was devoted to easy operations aimed at developing Italian purchases of Spanish products. In this way, at the beginning of October 1940, it was reported that the Italian bank had managed to mobilise 90 per cent of the clearing between the two countries just in this type of unidirectional trade.<sup>57</sup> The importance of these exchanges would grow exponentially during the following months, especially

concerning the quality of the goods traded. In a report sent by Senator Giuseppe Morelli, president of the BNL, to Mussolini on 10 April 1941, the former revealed that Italy had finally managed to obtain from Spanish markets strategic materials that were essential for the country's war effort (especially mercury, cast iron and lead).<sup>58</sup> It is worth noting that this was achieved in a very difficult context, which included the Spanish economy's struggles to meet foreign demands, reservations from certain government sectors, strong interventions from Britain, the USA and Germany, and transportation difficulties.<sup>59</sup>

The importance of this type of commerce was very much emphasised by BNL officials, especially with a view to the war effort (see [Table 2](#) and [Table 3](#)). They were clearly aware that Italy did not have the necessary resources to sustain a prolonged war effort; this was even more the case after the wars in Spain and Ethiopia, which seriously depleted the already scant resources at Mussolini's disposal (Carotenuto 2005, 23–24). While often not informed of the disastrous state of the Italian war machine, Mussolini eventually understood that Italy's long coastline was vulnerable to attack and that the country could easily be blockaded. Italy therefore lacked resources and could only fight alongside a powerful ally, in this case Nazi Germany, while trying to obtain as many raw materials as possible from neutral countries. Specifically, John Gooch explains how, by 1940, the country needed at least 700,000 tons of iron, 40,000 tons of copper, 6,000 tons of steel, 4,000 tons of nickel, 20,000 tons of rubber, 1,300,000 tons of liquid fuels and 150,000 tons of meat. Although Spain could not provide such copious quantities, any help was more than welcome (Gooch 2020).

Furthermore, the BNL had invested 33 million pesetas in various industrial placements and participations in affiliated companies. In some cases, these investments involved participation in existing companies, while in other cases, they led to the creation of new companies with majority ownership by the BNL (see details in [Table 1](#)). Moreover, the bank spent 25 million pesetas in real estate placements located in various parts of the country, always with a speculative intention. Finally, the BNL devoted 13 million pesetas for its half of the constitution of the BHIT. Although this Spanish–Italian bank had not become official yet, the authorities in Madrid, and especially Minister of Finance José Larraz, had assured the Italians that the BHIT would receive official authorisation to start operations before the end of the year.<sup>60</sup> Overall, the BNL had managed to invest almost 60 million pesetas in different sectors of the Spanish economy.

The impact of BNL initiatives was immediately felt in both the commercial and the industrial sectors. On the one hand, bilateral trade experienced growth: indeed, the years 1939–43 witnessed an increase in exports to Germany and Italy at the expense of exports to the USA and Britain, thus showing a tendency to lean towards the Axis (Carotenuto 2005, 38). On the other hand, Italian companies had further consolidated in the Spanish market. Hispano-Olivetti reached a predominant position in the Spanish market for typewriters during this period, and it would consolidate its position after the end of the Second World War. Pirelli also grew in Spain, becoming the second most important tyre company after Firestone. Vespa-Lambretta and SNIA-Viscosa were also examples of Italian companies that had a larger presence in Spain after 1939. But it was the insurance sector that saw the largest gains. Indeed, Italian insurance companies, present in Spain since the 1920s, became even more relevant, acquiring larger quotas of the Spanish market. The most important example was the INA (Istituto Nazionale delle Assicurazioni), which was granted exceptional access to the Spanish market in 1941: the whole Italian insurance sector followed. The FIAT–SEAT deal was also very important (Carotenuto 2005, 49–51). As Morelli argued in front of Mussolini, the BNL 'supported by your high benevolence and trust, can now be identified as the co-ordinating and driving force behind the tenacious work of Italian penetration in the various sectors of the Spanish economy'.<sup>61</sup> Indeed, the BNL plans were part of a larger strategy that was supposed to yield more benefits overall, due to the growing trust

**Table I.** Investments made by the BNL branch in Spain between, 1941 and 1942

Name of the company	Amount of invested according to the Spanish branch of the BNL (in pesetas)
Establecimientos Moro, Sociedad Anónima, Madrid	Purchase of 5 million in company shares
Compañía Española de Negocios S.A. Madrid (CEMSA)	Investment of 3 million
SAFNI-Bancoper	Investment of 100,000 to create the society
FIAT–SEAT	5 million in capital for the new Spanish company that FIAT wanted to create for the construction of cars in Spain
Sociedad Anónima Española de Talleres Aeronáuticos (SAETA)	Participation of 5 million in the company, which had agreed with Savoia Marchetti the production of engines and other machinery for aeroplanes
Sociedad Nacional de Industrias Aplicaciones Celulosa Española S.A. (SNIACE)	Participation of 5 million <sup>1</sup>
Fabrica Española de Magnetos S.A. (FEMSA)	Participation of 500,000 plus 5 million to finance the company, which would exploit the patents owned by Magneti Marelli
Two important companies in charge of maritime transportation	Participation of 3–3.5 million in two companies secretly managed by the BNL to transport Spanish products to the Italian market
Compañía Española de Propiedad Industrial y Cinematográfica S.A. (CEFICSA)	Participation of 500,000
Sociedad Anónima Cristobal Colón	Participation of 1 million
Compañía Ibérica de Transportes (CITSA)	Participation of 600,000
Sociedad Emprendimientos Transportes Sociedad Limitada Lisboa (SNTCLI)	Participation of 1 million
Compañía Inmobiliaria Barcelonesa S.A. (CIBSA)	Participation of 4.8 million and financing of 2 million
Compañía Inmobiliaria Minerva Sociedad Anónima (CIMSA)	Financing of 9 million
Fomento Inmobiliario Sociedad Anónima S.A. (FISA)	Participation of 2 million in the creation of the company, plus an injection worth almost 25 million from the Italian treasury
SAFNI Ibérica, a branch of SAFNI-Bancoper	Participation of 700,000
Representación de Industria y Comercio S.A. (RICSA)	Unknown
Sociedad Anónima Films Espana (SAFE)	Unknown

*(Continued)*

**Table 1.** (Continued.)

Name of the company	Amount of invested according to the Spanish branch of the BNL (in pesetas)
Ulargni Films Internacional S.A. (UFISA)	Unknown
Sociedad Anón, Fabricaciones y Repuestos Aeronáuticos	Unknown
Urbanizaciones Ebro S.A. (UESA)	Participation in the real estate agency
Zaragoza City Hall	Purchase of land in Zaragoza (34,000 square metres)

Source: Table compiled by merging the reports from Merello and the inquiry conducted by the BNL in 1945.

<sup>1</sup>This investment countered that of the one done by the German group Phrix with the Fabricación Española de Fibras Artificiales S.A. (FEFASA).

**Table 2.** Imports made by the BNL branch in Spain to Italian ports, June 1940— March 1941

Material	Total amount (in quintals)
Cast iron	24,535
Lead	36,276
Silver	45
Wolfram	633
Bismuth	5
Leather	144
Wool	1,000
Mica	0.2
Total	62,638.20

Source: Table compiled from data in the report sent by Morell to Mussolini on 10 April 1941.

between the two governments at the expense of the more expeditive German approach to economic relations.<sup>62</sup>

Despite the optimistic tone of Morelli's report to Mussolini, BNL officials were aware that there were still important challenges on the horizon if Italy wanted to match the economic presence of other major players in Spain. First and foremost, the bank's directors wanted to keep finetuning the balance of trade, which continued to be in Spain's favour. A key reason for this was the nature of the goods exchanged between the two parties: Spain exported basic consumption goods of relatively low value, while its economy needed more expensive manufactured products. Additionally, when Italy sought to increase its exports, it faced supply issues due to the ongoing problems in the Spanish economy. This led to a Janus-faced problem for Italy, which could not sell its products on the Spanish market and feared a stagnation in commercial exchanges. This structural issue with Spanish-Italian clearing would not be addressed until the end of the 1940s (del Hierro 2015).

Moreover, at the beginning of 1941, the Spanish-Italian project to create the BHIT came to a sudden halt; although the details of this failed operation are unknown, Italian sources seem to suggest that Juan March decided to withdraw from the operation in the end.<sup>63</sup>

**Table 3.** Cargo in Italian vessels located in Spain and Portugal, retrieved by the BNL and sent to Italy

Material	Total amount (in quintals)
Copper	24,890
Tin	1,121.50
Asbestos	6,871
Wool	4,812
Hydrophilic wool	2,674
Machinery	165.50
Mica	145
Total	40,679

Source: Table compiled from data in the report sent by Morell to Mussolini on 10 April 1941.

This setback, however, did not stop the BNL authorities, who knew that obtaining banking privileges was an essential breakthrough if they wanted to bridge the gap with the great powers. Accordingly, BNL officials forced Madrid to start negotiations to find an alternative to the failed BHIT. After participating in discussions for several months, the two parties finally reached an agreement in July 1941. According to the agreement, the Italian government's position prevailed: Franco's government gave the BNL official authorisation to conduct complete banking activities in the country, including the possibility of opening branch offices, accepting deposits and giving credit to Spanish citizens or companies.<sup>64</sup>

Nevertheless, the BNL did not manage to take advantage of this new opportunity. The Italian bank would be deeply impacted by the change in the new international scenario that took place after the summer of 1943. The Allied invasion of Sicily in July of that year, the ousting of Mussolini from power by the Grand Council of Fascism on 24 July, and the subsequent signing of the armistice with the Allies on 8 September left Italy in a very delicate situation (Lepre 2008). As a result of these developments, the BNL management in Madrid decided to pause all its banking activities, at least until the situation in Italy became clear.<sup>65</sup> At the end of the war, the bank continued to exist in Spain, but it could not carry the primary task entrusted to it upon its creation: becoming a key tool of expansionism in the Mediterranean through the establishment of the necessary bases to penetrate the Spanish economy financially and industrially.

## Conclusion

This article has demonstrated the BNL's central role in Italy's economic relations with Spain between 1936 and 1943. While the bank's initial tasks during the early stages of the Spanish Civil War focused almost exclusively on reviving the previously limited exchanges between the two countries, Arturo Osio and his team soon recognised that the Spanish market offered broader opportunities for the Fascist regime beyond trade. In response, the bank's leadership began promoting a more ambitious strategy to the Italian government, one that placed the BNL at its centre. After careful consideration, Mussolini endorsed these plans, now convinced that Italy's intervention in Spain could also yield substantial financial gains in a context where economic and political dimensions were entirely inseparable.<sup>66</sup>

These developments took place within a new phase of Italy's foreign policy, marked by Mussolini's active promotion of the imperial ideal. Territorial expansion was then regarded

as the logical outcome of the Italian race's perceived spiritual and demographic supremacy in the Mediterranean. In this setting, Spain emerged as a territory where Italy was expected to exercise what Davide Rodogno has termed a 'directing influence' (2003, 280). While preserving Spain's formal independence, Italian authorities sought to exert substantial political, economic, cultural and military influence by managing credit in the agrarian, commercial and industrial sectors, as well as by participating in the financing of new public works projects. Fully aware of both the fierce competition to 'conquer' the Spanish market and the weaknesses of Italy's economic sector, the diplomats in Rome became convinced that the BNL was the most suitable actor to develop plans that would capitalise on Mussolini's wartime aid. Accordingly, it is important to expand current interpretations of the Italian intervention in Spanish affairs between 1936 and 1943, highlighting the interplay between political, ideological and economic motivations (Heiberg 2003, 65–66).

Italian behaviour in Spain also shows an increasing reliance on a system of 'national controlled economy', founded on principles of solidarity between different national economies, and articulated around state-owned actors such as the BNL (Rodogno 2003). In practical terms, the BNL relied on the war debt and the ensuing clearing, or the principle of balanced exchanges, to obtain the products and raw materials that could not be obtained at home. Whereas during the period 1936–8 BNL officials concentrated their efforts on the unblocking of the commercial clearing agreement, after that date the bank became determined to stress the complementarity of the two economies. Accordingly, the trading of capital and technology in exchange for raw materials became the main course of action. Ultimately, the Italian resolve to obtain strategic materials and to push financial and industrial penetration confirms the notion that imperial powers were using clearing agreements as an aggressive economic tool to obtain benefits in smaller countries.

Of course, this model of economic expansionism was not entirely original. In fact, the BNL activities in Spain need to be situated in the context of Western colonial empires' larger traditions, in combination with the relative influence of the experience of Nazi Germany and certain specificities of the Mussolini regime. In other words, the plans enacted by the BNL were the re-elaboration of the classic scheme of Western European capitalism, wrapped around the typical topics of Fascist propaganda and a rhetoric of generosity that tried to create distance from Germany's more aggressive tactics. In this regard, although it is undeniable that some of the Italian actors might have genuinely believed in this narrative, the 'friendlier' approach remained a thinly veiled strategy used in front of Francoist officials to obtain better conditions. Despite the claims that Mussolini wanted to end the exploitation imposed by the plutocratic nations and offer a more generous approach than that of the Germans, in the end Il Duce was seeking to replace these countries. After learning of Italy's limitations in the industrial and financial spheres when compared to Germany, France or Britain, BNL officials persuaded Mussolini that a more subtle approach disguised under a rhetoric of alleged 'generosity' would yield more benefits.

Finally, it is important to note that Italian officials at BNL envisioned a long-term project for Spain, intended to start modestly and expand gradually, since they were aware that the existing gap with the major powers could not be bridged overnight. As a result of this cautious approach, only a small portion of these plans had been implemented by the time the Mussolini regime collapsed in the summer of 1943. At the same time, though, we should not forget that the objectives of fostering industrial co-operation and improving commercial relations so as to include strategic materials were achieved, even if not on the scale that Osio and his collaborators at the BNL had originally devised. Indeed, the different advances made during these years were used by the Italian authorities to consolidate the position of most of their companies in Spain; by 1943, Italian insurance companies had monopolised

the Spanish market, Olivetti and Pirelli had considerably increased exports, and FIAT was immersed in a series of negotiations with the Spanish government in order to build a new car factory in Spain.<sup>67</sup>

Carotenuto, Rodogno and Saz are clearly right when they argue that more research is needed to understand the relation between economic exploitation plans and the general situation of the Italian economy during the 1930s and the early years of the 1940s. In this regard, and as this research has proved, substantial advances will be achieved only if the Italian imperial project is understood in all its dimensions: political, military, cultural, but also economic.

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## Notes

1. Archivo General de la Administración (AGA), box 54/16707, letter from Sangróniz to Martín Artajo, 19 July 1951.
2. Biblioteca Ambrosiana (BA), Fondo Gallarati Scotti, folder 10, letter from the director of the BNL, Corrado del Vecchio, to the Italian ambassador in Madrid, Tommaso Gallarati Scotti, 28 December 1945. The report tracks the history of BNL activities in Spain from 1936.
3. Although the main focus of the book was to study the history of the BNL, starting with its founding in 1913, it does include two subsections devoted to activities in Spain during the interwar years (Castronovo 2003, 176–179, 204–209, 235).
4. For other examples of how Mussolini used banks as tools in his foreign policy, see Iacopini (2013).
5. To back this hypothesis, the Italian historian highlighted the fact that several Italian private companies (FIAT, SNIA-Viscosa, Olivetti, Pirelli and the many insurance companies that populated the Spanish market) acquired dominant positions in Spain in the 1940s.
6. The structure of the trade remained almost unchanged during these decades: Spain exported raw materials (mainly iron) and foodstuffs (especially salted fish), and Italy exported manufactured goods (García Sanz 1994, 55–57).
7. Although Viñas does not detail why the two economies traditionally ignored each other, two main factors can be mentioned. First, the governments of both countries viewed each other as competitors in exporting agricultural goods to other markets. Second, the economies were centred around similar products, making it difficult to find items to exchange in the commercial treaties signed during the twentieth century (Viñas 1984, 152–192).
8. Archives of the Banca Nazionale del Lavoro (ABNL), correspondence with Spain, letter from the president of the BNL, Arturo Osio to Ciano, 22 March 1937. See also Castronovo (2003, 177).
9. Memorandum 1016 of the executive committee of the BNL, 22 April 1937 (quoted in Ostuni 1999, 92). The text specifies that the involvement of the BNL in Spain had been personally approved by Mussolini.
10. Part of these achievements as the BNL's director were also related to his specific style of running the institution. Indeed, Osio was a determined leader who did not shy away from political fights, preferred confronting problems head-on, and had a tendency not to hide negative figures, all features that earned him the respect of both co-workers and businesspeople. He was often aggressive with little regard for polite formulas, had good intuition for people, and, more importantly, a sense of where the political climate was heading (Scialoja 1974, 11).
11. Taken from a letter sent by Benito Mussolini to Osio (quoted in Castronovo 2003, 134).
12. Report from Osio to Ciano on the BNL's activities in Spain, 22 April 1937 (quoted in Ostuni 1999, 116).
13. Minute no. 1016 of the executive committee of the BNL, 14 October 1937 (quoted in Ostuni 1999, 92).
14. In this context, a dearth of currency should be understood as a shortage of stable, widely accepted money to be used to purchase Spanish products. During the interwar years, several countries struggled with insufficient foreign exchange reserves, rigid gold standard policies and the collapse of the gold-exchange standard, leading to deflationary pressures and economic instability (Faudot and Nenovsky 2024).
15. On the Spanish side, the delegation would be headed by Eduardo Aunós, and Xavier Merenduano and Manuel Arburua from the ministry of industry. On the Italian side, the committee would be headed by Luca Pietromarchi, head of the office of economic warfare, with the support of Ernesto Carpi and a certain Gozzi. ABNL, correspondence Spain, Commissione Speciale Italo-Spagnuola per la formulazione del programma di ammortamento del debito per forniture speciali, undated but not before 11 January 1939.

16. More information about Carpi can be found in the Archivio Centrale dello Stato, ministry of the interior, political police division, Carpi, envelope 251, folder 32, note from the Rome police headquarters, 10 November 1938.
17. ABNL, correspondence Spain, letter from Carpi to the BNL, 28 November 1938. The plan was positively received and incorporated into the BNL strategy in Spain. ABNL, correspondence Spain, letter from Osio to the Italian ministry of foreign affairs, 8 August 1938. The letter explained that Carpi's plan had been approved by the BNL, the ministry of finance, the ministry of currency, and Ciano himself.
18. These investments would follow Carpi's recommendations, and, in theory, he should be entitled to receive a percentage in his capacity as an adviser. ABNL, correspondence Spain, letter from Carpi to the BNL, 28 November 1938. Interestingly, the moment the BNL adopted Carpi's plan, this figure stops appearing in the bank's official document regarding its activities in Spain.
19. There is more about SAFNI in ABNL, correspondence Spain, letter from the director of the BNL branch in Bilbao, Vittorio Merello, to Osio, 16 December 1938; letter from Gozzi to Osio, 23 December 1938. There also are bibliographic references in Tamames (2011) and Jackson (1999). Still, there is remarkably little literature regarding other crucial actors in the Italian economic policy towards Spain.
20. ABNL, correspondence Spain, letter from Merello to Osio, 16 December 1938; report by the BNL on Spain, 19 November 1939.
21. *Ibid.* The BNL archives also contain a report signed by a certain Pancrazio, probably an official of the bank in Spain, stressing the lack of resources available at the Spanish offices of SAFNI. ABNL, correspondence Spain, report from Pancrazio, undated.
22. Although Germany was not directly mentioned, it is clear from the context that BNL officials were talking about that government. At the same time, they never provided any evidence other than personal impressions after a series of meetings with the Francoist authorities.
23. ABNL, correspondence Spain, letter from Merello to Osio, 16 December 1938. +
24. ABNL, correspondence Spain, report on Spain by the BNL, undated but not before December 1938.
25. Elena Martínez Ruiz (2008) stresses the Italian flexibility which allowed for the signing of a series of rotational credits so that Spain could continue paying for military supplies. Although the Spanish authorities delayed many of these operations, the supplies were not interrupted.
26. Report by the BNL on activities carried out in Spain in 1938, undated but no later than 12 January 1939 (Ostuni 1999, 216–217).
27. ABNL, correspondence Spain, report from the BNL on the banking activities in Spain, undated but not before 1 April 1938.
28. Report by the BNL on activities carried out in Spain in 1938, undated but no later than 12 January 1939 (Ostuni 1999, 216–217).
29. Minutes of the meeting of the special Spanish–Italian commission, February 1939 (Ostuni 1999, 216–217).
30. A clearing agreement is generally defined as a contract that enables parties in different currency areas to settle monetary claims without using foreign-exchange reserves. This mechanism was especially useful for countries facing currency shortages, as it enabled them to conserve their limited foreign exchange reserves while still engaging in international trade. Thus, clearing agreements emerged as a practical solution to the challenges posed by a dearth of currency in international economic relations (Faudot and Nenovsky 2024).
31. ABNL, correspondence Spain, letter from Ciano to the command of the CTV, 1 April 1939.
32. ABNL, correspondence Spain, copy of the note sent to Burgos, undated but not before 1 April 1939.
33. ABNL, correspondence Spain, treasury services for the CTV and for Italian national representatives to Spain, undated but not before 1 April 1939. Interestingly, Ciano's decision coincided with the opening of a new central headquarters in the heart of Madrid, in Calle del Príncipe, just a few metres from the Comedia theatre where José Antonio Primo de Rivera had founded the Falange six years earlier.
34. ABNL, correspondence Spain, conversation between the BNL and Bellinato, from SAFNI, 13 November 1939.
35. ABNL, correspondence Spain, conversation between the BNL and Faggiuoli, from SAFNI, 14 November 1939.
36. ABNL, correspondence Spain, report from the BNL on the banking activities in Spain, undated but not before 1 April 1938.
37. ABNL, correspondence Spain, memorandum, undated but probably from October 1939.
38. ABNL, correspondence Spain, report by the BNL on Spain, 19 November 1939.
39. *Ibid.*
40. ABNL, personal audiences with Mussolini, Spain folder, 23 February 1940.
41. ABNL, correspondence Spain, reserved note for Arturo Osio, undated but probably from the summer of 1939 when the conflict in Europe was about to break out.
42. ABNL, correspondence Spain, memorandum, undated but probably from October 1939.
43. ABNL, correspondence Spain, report, undated but not before April 1939.

44. For example, in one of the meetings Osio illustrated the bank's relevance by showcasing four large projects for bilateral co-operation, all with the BNL as a key intermediary. First, there was the agreement with SORIMA and Impresa Bussich to aid Spain in the repair of a number of vessels; there was the accord with Montecatini to foster collaboration in the chemical sector; Vaselli and Puricelli had also agreed to assist with the reconstruction of several roads and public buildings; and, lastly, SNIACE was about to obtain permission to open a branch in Spain to produce artificial fibres. At the same time, FIAT was also making decisive steps towards establishing a subsidiary in Spain. ABNL, personal audiences with Mussolini, Spain folder, 25 September 1939. During this period, the two figures met almost every month to discuss Spanish-related matters. ABNL, correspondence Spain, report, undated but not before April 1939.

45. ABNL, correspondence Spain, report by the BNL on Spain, 19 November 1938.

46. ABNL, correspondence Spain, memorandum, undated but probably from October 1939.

47. ABNL, correspondence Spain, report by the BNL on Spain, 19 November 1939.

48. Ibid.

49. ABNL, personal audiences with Mussolini, Spain folder, 25 September 1939.

50. ABNL, personal audiences with Mussolini, Spain folder, 23 February 1940. During this meeting, Osio informed Mussolini about the agreement, assuring him that the BHIT would be functioning before the end of that year.

51. ABNL, extracts of minutes from Valerio Castronovo, minute no. 1170 from the bank's executive committee, 31 May 1939. The full text of the agreement can be found in ABNL, correspondence Spain, copy of the agreement between Juan March and the BNL, 31 May 1939.

52. AGA, box 9.875, folder 8, Italy, 'Convenio hispano-italiano de 8 de mayo de 1940 sobre amortización de la deuda española'. The Francoist authorities requested the renegotiation of the agreement to reduce the total amount of debt and to pay in smaller instalments over a longer period of time. They also wanted to ensure the payments, considering the poor state of the Spanish economy.

53. Ibid.

54. Ibid.

55. ABNL, extracts of minutes from Valerio Castronovo, report from Osio to Thaon di Revel, 3 October 1940.

56. ABNL, extracts of minutes from Valerio Castronovo, letter from Senator Giuseppe Morelli to the governor of the Bank of Italy, Vincenzo Azzolini, 9 May 1941.

57. ABNL, extracts of minutes from Valerio Castronovo, letter from Osio to Thaon di Revel, 4 October 1940.

58. Senator Morelli had been appointed president of the BNL in December 1937. However, Castronovo clarifies that Osio was still the figure everyone identified the BNL with, because of his personality and the deep network of contacts he had. Morelli had more honorary functions of representation and less decision-making power (Castronovo 2003, 170).

59. The last point is particularly relevant because it forced the BNL to create two companies to arrange the transport of these strategic materials: S.A. Cristobal Colón in Vigo, and the Compañía Ibérica de Transportes in Madrid. ABNL, extracts of minutes from Valerio Castronovo, report from Morelli to Mussolini, 10 April 1941.

60. ABNL, extracts of minutes from Valerio Castronovo, letter from Osio to Thaon di Revel, 4 October 1940.

61. ABNL, extracts of minutes from Valerio Castronovo, report from Morelli to Mussolini, 10 April 1941.

62. Ibid.

63. AGA, 54/16707, letter from Sangróniz to Artajo, 19 July 1951.

64. BA, Fondo Gallarati Scotti, folder 10, letter from the director of the BNL, Corrado del Vecchio, to the Italian ambassador in Madrid, Tommaso Gallarati Scotti, 28 December 1945.

65. Archivio Storico del Ministero degli Affari Esteri (ASMAE), DGAE 1945, Spain, branch A, folder 29, letter from the Italian attaché, Luciano Mascia, to the minister of foreign affairs, Ivanoe Bonomi, 16 November 1944. It is also relevant that Arturo Osio had been replaced by Alberto d'Agostino as the director of the BNL in January 1942. Although it is not clear why this decision was made, it seems that Osio had lost the support of Mussolini.

66. ABNL, correspondence Spain, report from the director of the company Fertilizzanti Naturali d'Italia to the BNL, 8 May 1938.

67. ASMAE, branch A, 1945, Spain, pack number 29.

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**Italian summary**

Il presente articolo analizzerà le attività condotte dalla BNL in Spagna tra il 1936 e il 1943 per comprendere la politica italiana nei confronti del regime franchista in quel periodo. A tal fine, sosterrò l'importanza di adottare un approccio di economia politica che consideri la produzione, il commercio e gli investimenti industriali, sempre in relazione con la politica, la diplomazia, il diritto, la cultura e il governo. Questo articolo dimostrerà, infatti, che, per i principali attori di Roma dell'epoca, tutte queste considerazioni erano inscindibili quando si trattava della politica italiana nei confronti della Spagna di Franco. Sosterrò inoltre che le iniziative della BNL risultano più comprensibili se inquadrare nella lunga storia del regime fascista in Italia e delle sue politiche imperialistiche nell'area del Mediterraneo.

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