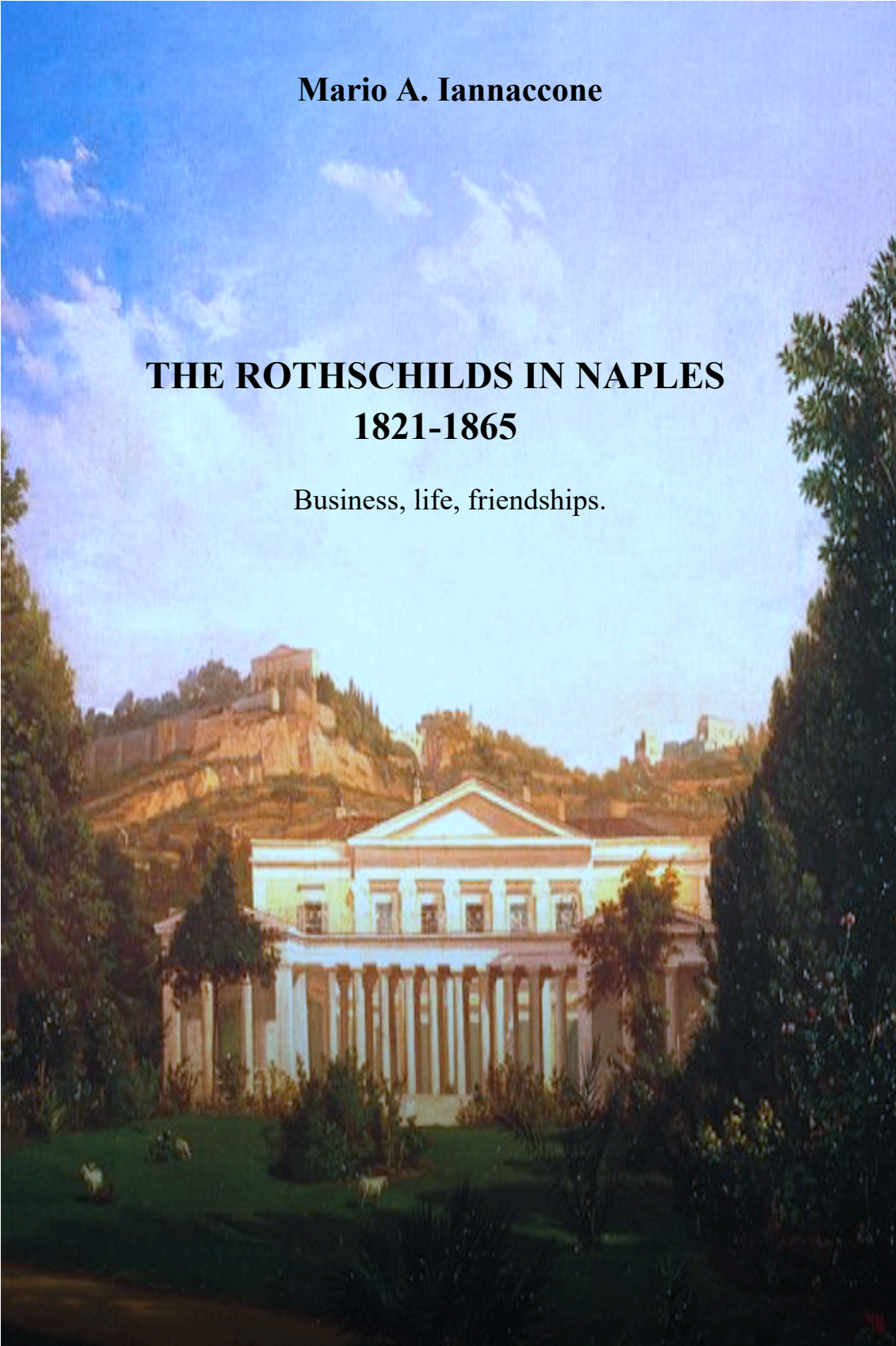


**Mario A. Iannaccone**

**THE ROTHSCILDS IN NAPLES  
1821-1865**

Business, life, friendships.



**The history of the Rothschild Bank of Naples recounted from the point of view of the banking family's frequentations and business dealings, but also from the particular point of view of the business premises, which were in two cases – Palazzo Caracciolo di Torella and Villa Acton – procured by the Lefèbvre de Clunière family circle. With unpublished news and rarely reported implications.**





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**March 2024**

Cover: Villa Pignatella, Riviera di Chiaia, Naples, 1845.  
Carl Wilhelm Götzloff (1799-1866).  
Carnavalet Museum, Paris.



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## Introduction

This book deals with a very specific field of investigation: the social and even economic relations between the Rothschild bankers and the network of Neapolitan notables, among whom were the Lefèbvre industrialists. In the course of their activities in Naples before the Unification, the Lefèbvre family had business relations with many of the Kingdom's leading families, both local and immigrants from France or Switzerland such as the Meuricoffre, the Macry, the Falcon, the Degas, the Forquet - among others - but also with a branch of the most important banking dynasty of the time and probably of all time, the Rothschilds. These contacts were mainly in the form of good relations, contractual relations and buying and selling in the field of prestigious construction; the Lefèbvres provided the Rothschilds with two permanent establishments for their banking business, the first in 1830 when a palace belonging to Teresa Doria, wife of Ernesto Lefèbvre (1817-1891), became the second headquarters of the Rothschild bank, and the second in 1841 when a deed of sale of a property relating to Villa Acton took place, in which the Lefèbvres participated for an important and delicate reason, which we will try to explain since it has never been deciphered before. From that moment on, Villa Acton became the home and business headquarters of the Rothschilds in Naples.

The two families also had co-participations in mixed technology and commercial-financial companies active on the Naples market during the first half of the century.

What can be said with reasonable certainty is that the relationship between the two families was not a financial one.

The Lefèbvres did not, as far as we can tell, apply for mortgages or loans of any kind because they had sufficient liquidity to finance their activities and took full advantage of state subsidies when available. Rather, as can be seen from the examination of the Ciccodicola case (dealt with elsewhere and only mentioned here), they provided liquidity to companies in difficulty because they were part of their network of acquaintances and neighbours.<sup>1</sup>

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<sup>1</sup> Mario A. Iannaccone, *The Lefèvre D'Ovidio Family. A dynasty between the ages*, III vols., ed. 2022.



## Chapter 1

### What remains of the Rothschild archive in Naples

Before going any further, it must be said that the documents relating to the economic activity of the Rothschild bank in Naples have largely been destroyed and that of that considerable activity, only the documentary residue remains that allows us to sketch the general picture, the lending activities to the state and some individual transactions. What has survived is mainly kept at the Centre des Archives du Monde du Travail in Roubaix, France. It is not much compared to what was produced in 40 years of sustained activity.<sup>2</sup> Roubaix is not related to the Rothschild history but, located on the northern border of France, close to Belgium, it was chosen as an archive and museum site because of its industrial tradition that made it an important centre between the 19th and 20th centuries. For the writing of this book, the few documents deposited in the Historical Archives of the Banco di Napoli, what survives in the National Archives of Naples – relating to certain business transactions – and then the archives of Roubaix were also examined. Less relevant for the purposes of

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<sup>2</sup> Centre des Archives du Monde du Travail à Roubaix, *Maison de Naples, Comptabilité générale, 1821-1882* (132 AQ 13-14); *Maison Rothschild, Maison de Naples, Livre des bilans*, 132 AQ 13 (1-4); *Organisation du groupe Rothschild et Maisons disparues*; *Emprunts publics, Emprunts italiens, 1830-1907* (132 AQ 51-60); *Copies de lettres*; *Copie des affaires d'Italie, 1849-1853* (132 AQ 819-822); *Correspondance reçue des Maisons Rothschild, Maison de Naples, 1838-1867* (132 AQ 5878-5900); *Correspondants réguliers* (132 AQ 9 P 1-323).

this study, paradoxically, is the large Rothschild archive in London where the documents deposited that refer to Naples are mainly of a technical nature and relate to the Naples and London offices.

Thus, in order to understand why the House of Rothschild in Naples is the least studied, despite the fact that it is well known – as we shall see – the size of the loans it granted to the Kingdom and the commercial credits to local industrialists and merchants often recorded elsewhere, and despite the fact that Metternich already in 1818 considered it the richest in Europe, one has to go back to its final destiny, that is to the fact that it was closed in 1863. There are more technical studies, of financial history, that explain the type of activity of the Neapolitan Rothschild bank, and I refer in particular to Marco Rovinello's essay *Un grande banchiere in una piccola piazza* (2005),<sup>3</sup> but also to texts that have outlined the strategy of the various Rothschild banks in general such as Niall Ferguson's *The House of Rothschild*.

So why are there so few documents available to us? After the death of the founder of the Neapolitan branch in 1855 at the Villa Acton-Rothschild-Pignatelli in Naples, his son, Adolphe (1823-1900) took over the management of the *Maison* but, due to the rapid decline in the importance of Naples as a financial and industrial centre – after a promising start in the 1820s-1840s – it was decided to close it in

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<sup>3</sup> Marco Rovinello, *Un grande banchiere in una piccola piazza. Carl Mayer Rothschild e il credito commerciale nel Regno delle Due Sicilie* in «Società e storia», Issue: 110 (2005), pp. 705-739; *Prestare non è perdere. Correntisti e debitori della casa Rothschild di Napoli (1821-1855)* in «Annali dell'Istituto Italiano di Studi Storici di Napoli», XXII (2006/2007), pp. 177-221. These studies are also complemented by IDEM, *Cittadini senza nazione. Migranti francesi a Napoli (1793-1860)*, Le Monnier, Florence 2009.



consultation with the relatives of the other banking houses active at the time. One of the causes, before the Italian Unification that brought other problems to Naples, was the increasing shift of trade to the Atlantic routes enriched by the growing American and South American power and the decline of the eastern ports. In 1863, the activities of the Carl Mayer Rothschild & Sons Bank came to an end altogether and the imposing archive of 140 tons of documents was transported to Frankfurt am Main, probably by ship to Venice and then by wheel, as the railway lines were insufficient. In Naples, as in Rome, however, there remained a network of agents who continued to handle the business of outstanding contracts or commercial cases.

In Frankfurt, the management of the parent company was entrusted to Carl von Rothschild (1820-1886) who then passed to Wilhelm Carl von Rothschild (1828-1901) son of Carl Mayer. In 1901, when the latter died, Frankfurt was no longer considered to be a significant financial centre. Since none of the family members from the London, Paris or Vienna branches were willing to move to Berlin, which was experiencing a considerable increase in business volume and was becoming an important stock exchange centre, it was decided to close the Frankfurt house as well. The remaining business was transferred to a smaller office, the Disconto Gesellschaft in Berlin, and the liquidation of the Frankfurt business was handled by the London house, which became the most important marketplace along with Paris.



The headquarters of the Rothschild Bank in Frankfurt. In one of its warehouses the archives of C. M. Rothschild & Sons of Naples were kept for about 30 years.

Most of the Frankfurt and Naples archives were stored at 25 Große Friedberger Strasse in the same city. Upon Wilhelm Carl's death in 1901, the entire archive was sent to the rubble on the orders of Nathaniel von Rothschild, the first Lord Rothschild to head the London office which had become the most powerful of all, just ahead of the Paris office. Many documents were saved for their historical value and Alphonse de Rothschild (1827-1905) had them transferred first to Brussels and then to rue Lafitte in Paris where they were finally destroyed. Only a small number of important documents survived until 1940, but they were burnt before the occupation of Paris by the Germans on 14 June of that year. Thus, the archives of the house in Naples followed the fate of those in Frankfurt and were mostly destroyed.

Today, correspondence between Carl Mayer de Rothschild & Sons and the London branch remains in the London archives.<sup>4</sup> The archives of Rothschild Frères in Paris with the general accounts of the Neapolitan house were eventually transferred to the Archives Nationales du Monde du Travail in Roubaix. This means that, of all the branches, the Neapolitan one is the least known and the most difficult to study, also in relation to relations with local industrialists and financiers. Some information, however, can be found from other sources, such as local, national and bank archives or from printed communications or information found in contemporary memoirs and books. Having clarified the question of the archives and the fact that much of the information concerning the life of this banking house has to be reconstructed mainly through types of documents other than financial or commercial ones, much remains to be said about the Rothschilds' establishment in Naples, their activities and their relations with local immigrant or non-immigrant rulers.

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<sup>4</sup> Carl Mayer and his son M. Adolphe had a very close relationship with the London branch. More than 9,000 letters survive, mostly very technical and relating to the inner workings of the bank or the relationship between branches, written in English, German and Judendeutsch (in fact yddisch combining features and words of German with Hebrew words) covering the entire period of the branch's existence, from 1820 to 1863, as well as other missives prior to the opening of the branch (1814 to 1818).



Archives Nationales du Monde du Travail di Roubaix. Last destination of the remnants of the archives of C. M. Rothschild & Sons in Naples.

As for the other players in the Neapolitan marketplace – industrialists such as the Lefèbvre, merchants such as the Degas or bankers such as the Meuricroffe – their relationship with the Rothschilds was not one of subservience, however, the bankers in particular suffered from their increasing expansion first in the market for loans to the state and then in other fields such as *commodities* trading. The Lefèbvres made, like few others, history in their own right, since they derived their wealth and prestige mainly from their paper industry, which had increased an already considerable wealth due to the commercial activities of Charles Lefèbvre (an able supplier to Murat’s army and later manager of a tax district in Puglia). The Lefèbvre family showed such liquidity and financial strength



throughout their activity that they did not need to take out loans, except in the form – quite different from actual loans – of non-repayable or non-repayable funding from the state for the establishment of new businesses. Overall, the relations with the Rothschilds in Naples draw a very interesting picture of Neapolitan high society and the international financial networks of the time.



## Chapter 2

### Prelude

#### First Rothschild contacts with Naples

An early example of the Frankfurt Rothschild bank's interest in joint trading and investment activities can be seen in the initiative linked to the *Compagnia privilegiata per la navigazione a vapore Andriel & C.*, a limited partnership company founded on 10 April 1817 in the office of the notary Gaetano Lapegna in Naples, which had its headquarters in Vicolo Concezione di Toledo No. 32. The company was founded to set up a fleet of steamboats, a very innovative and pioneering field at the time. It was founded with an endowment of 200,000 shares of 1,000 ducats each, of which the first 100 formed the company's fund in cash and were advanced by the bank Emmanuele Appelt & C..

The general partners include the following names:

Luigi de' Medici

Agostino Serra, on behalf of the reason of Emmanuele Appelt

Ludovico Potenzani, Marquis

Carlo Filangieri, General

Augusto Lefèbvre

Carlo Lefèbvre

Giovanbattista Bourguignon, Swiss Consul

Augusto Rougon

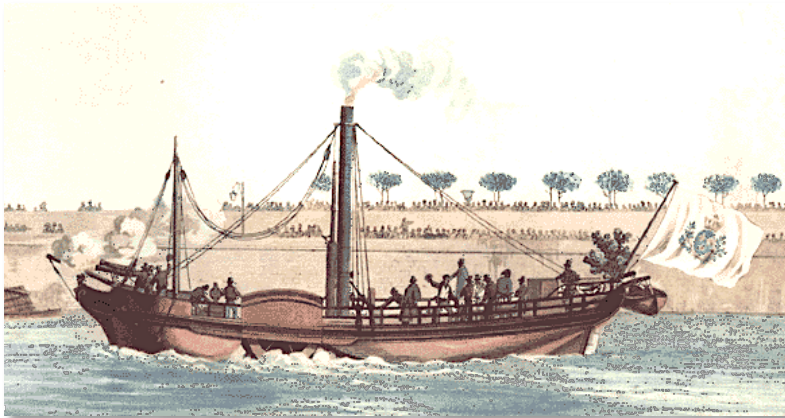
Maurizio Dupont

Domenico Catalano

Carlo Forquet

Fortunato Wolff, representing the Rothschild family

The document shows that already at this date, before the series of international meetings and conferences that reshaped the balance of power within the Kingdom of Naples, three key figures in Neapolitan industrial and financial history knew each other: Fortunato Wolff, representative of the Rothschild bank (emissary from Frankfurt), the politician Luigi de' Medici and the industrialist Charles Lefèbvre. The initiative was linked to the development of a new and promising technology, steam applied to navigation, and therefore interesting but still pioneering.



Andriel's Elise on her maiden voyage to France in 1815 before arriving in Naples in 1816.

The partners, who had been carefully selected, bought 15 shares each for a countervalue of 1,500 ducats. It was a minimal sum for the Rothschilds that can only be explained as an experiment and a policy of diversification that became constant during the course of the 19th century when, in addition to the very large business connected with state loans and co-participation in banks and consortia, the business of constructing networks also began, especially railways, but also the construction of sewers, gas and then electricity. A limited affair, therefore, compared to the bank's liquidity, but also significant considering the prudence and extreme caution that characterised the Frankfurt bank's investors. In the case mentioned, the board of directors included the French Giovanbattista Bourguignon, Edoardo (Edward) Valentin, Carlo (Charles) Forquet, Charles Lefèbvre, Giuseppe Pignatelli Duke of Terranova, Domenico Catalano and Abbot Teodoro Monticelli. Secretary of the company was Giuseppe Cottrau.<sup>5</sup>

For a few years the activities of the Rothschild bank, which operated with agents from Frankfurt and then Vienna, were limited to such operations, significant in terms of industrial culture and technological innovation but not in terms of the money invested. Having grown in wealth and influence for much of the 18th century, the early 19th century brought the Rothschilds some difficulties, as the Peace of Vienna and relations with France and Russia did not produce the hoped-for results and the loans that had been discussed – after those granted to Napoleon Bonaparte – were never disbursed.<sup>5</sup>

Everything changed at the consolidation of the Restoration

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<sup>5</sup> Niall Ferguson, *The House of Rothschild*, Penguin, London 1999, pp. 112-113.

by the main will of the Austrian Empire's Minister of State, Chancellor Klemens von Metternich (1773-1859), as a result of threats brought to the new equilibrium by events that occurred in 1820. On 1 January 1820, a military rebellion began in Spain in Cadiz when some officers, who were to leave for the Americas, refused to embark and started an *alzamiento*, a military uprising also known as the Pronunciation of Cadiz. The revolt led in 1821 to the re-imposition of the Cortes of 1812 but also to the imposition of the Constitution and the formation of a Parliament. The liberal and constitutional government in Spain lasted until 31 August 1823, when a French army led by the Duke of Angoulême at the head of 100,000 soldiers crushed the army of the constitutionalists with the Battle of the Trocadero, in which Prince Charles Albert of Savoy also took part in aid of the already numerous French troops.

In Italy, which had just emerged from Napoleonic occupation, insurrectional attempts multiplied and Jacobin revolutionary clubs were still secretly hatching their rebellions and uprisings of military garrisons, not to mention the Carbonari: a revolt broke out first in Sicily and then in Naples itself in July of that year. The uprising was so serious and well organised that it required the military intervention of the Austrians. In March 1821, a kind of revolution also broke out in Piedmont, led by minorities, generally bourgeois and liberals. These were mainly constitutional uprisings, but in some cases also pro-jacobins and therefore democratic, which aimed to establish a republic. It was in response to these that Metternich, a key player in the international politics of those years, first of all listened to King Ferdinand of Naples' requests for military aid and involved the bankers active in the Vienna marketplace.



Coat of arms used in all branches of the Rothschild family.





## Chapter 3

### The financing of the Holy Alliance

Having implemented the rules established at the Congress of Vienna and the Treaty of Casalanza signed on 20 May 1815, Ferdinand IV took possession of the Kingdom of Naples on 7 June 1815 with the title of King of Naples. The first problems, as we shall see, occurred in the aftermath of the revolutionary turmoil that affected Sicily – which did not accept the loss of its dynastic autonomy and independence – and Naples. A protest movement, still muted, still barely visible, arose above all following the suppression of the Kingdom of Sicily united to that of Naples in December 1816.

The founding kingdoms of the Holy Alliance (Empire of Russia, Empire of Austria, Kingdom of Prussia) had realised that the only way to prevent a new revolutionary uprising could be a policy of containment directed especially against France where revolutionary feelings were still strong.<sup>6</sup> The Rothschilds' rise to financial power and their coming to Naples after the Napoleonic period matured after a chain of

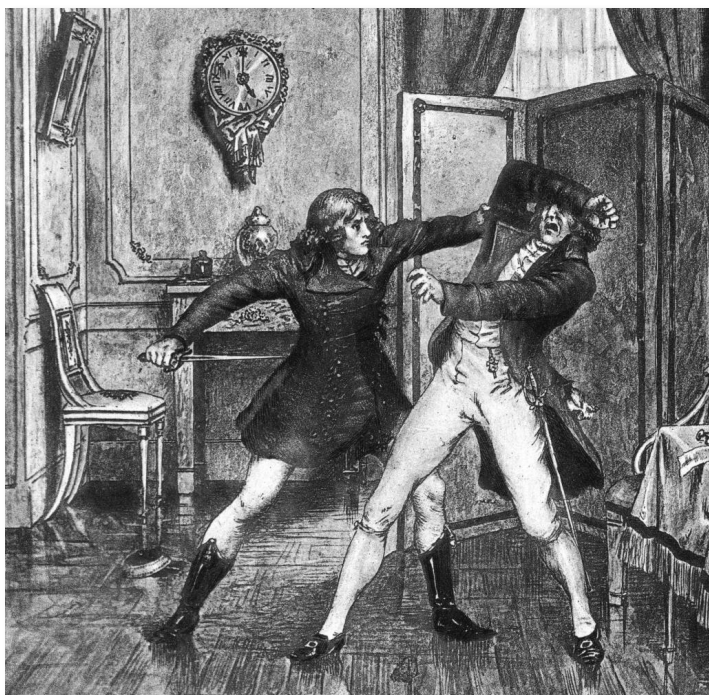
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<sup>6</sup> Stephen A. Fischer-Galati, *The nature and immediate origins of the treaty of holy alliance*, «Galati History», Vol. 38, No. 132 (1953), pp. 27-39. Sergio Luzzatto gives an insight into the persistence of the revolutionary tradition and desire for revenge in two books: *Il Terrore ricordato. Memoria e tradizione dell'esperienza rivoluzionaria*, Einaudi, Turin 2000; *Ombre rosse. Il romanzo della Rivoluzione francese nell'Ottocento*, Il Mulino, Bologna 2004.

events that began with the assassination of August von Kotzebue (1761-1819), murdered on 23 March 1819 by the liberal student Karl Sand who suspected him of being in the pay of the Tsar, and continued with assassinations and insurrectionary attempts all over Europe including the aforementioned Pronunciamento di Cadiz. It was at this point that Metternich decided to curb liberal tendencies throughout Germany by imposing a policy of control and consolidation of the states that had emerged from the Congress of Vienna, a policy that required a lot of money, money that had to be borrowed on the bank market.

The local Neapolitan market could not be relied upon even though there were financiers with considerable means, such as the Cilento family, who had excellent liquidity but used it for buying and selling grain. There had been some serious attempts to found a shareholder bank such as the *Cassa di Conservazione delle rendite de' beni fondi del Regno delle Due Sicilie* (29 February 1816), conceived by the baronial De Felice family, aimed especially at landowners, which could count on considerable initial liquidity but which then had to close due to difficulties that arose among the partners.

Among the leading exponents of the financial community in Naples were the Meuricoffres, an evangelical family from Switzerland active in the Lyon market. They arrived in Naples at the end of the 18th century, establishing conspicuous businesses and founding a bank that dealt in commercial credit, which grew with Georges (1795-1858) and Auguste (1800-75) and which, along with small and medium-sized credit business, traded in foodstuffs, oil and hemp in particular.



The Murder of August von Kotzebue.

These combined financial activities, commercial credit, production of primary resources and import/export with their own ships and their own warehouses of oil, hemp, wheat, to be exported to Eastern Europe, Great Britain, the Ottoman Empire and the United States. Other, almost always family-owned businesses were active in Naples, such as Falconnet, Forquet, Appelt, Stella, Sorvino, Duchalio and De Martino.<sup>7</sup>

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<sup>7</sup> Daniela L. Caglioti, *Imprenditori evangelici nel Mezzogiorno dell'Ottocento*, in «Archivi e imprese», VIII (1997), 16, pp. 245-281; Daniela L. Caglioti, *I Meuricoffre da Goethe al Credito Italiano: cinque generazioni di banchieri protestanti a Napoli (XVIII-XX secolo)*, 2007; M. Doria & R. Petri (eds), *Banche multinazionali e capitale*

However, their size was not considered sufficient to finance a war unless they formed a consortium. However, they were not willing to do so because it was not their field and because international connections were needed for such operations. The Rothschilds had already gained a great deal of experience and large profits by financing Great Britain in its war against Napoleon in particular. Metternich therefore thought of them after a series of serious events: the assassination of Kotzebue, the assassination of Charles Ferdinand of Bourbon, Duke of Berry (1778-1820) in Paris on his way out of the theatre in February 1820, the Pronunciation of Cadiz in July, the popular uprising in Portugal, the uprisings in the Kingdom of Sardinia in March 1821 and among the Greeks. Very often, it has been ascertained, these uprisings were instigated by members of ultra-democratic associations, by the Italian Carboneria and by members of left-wing Freemasonry in France and the French-speaking area as the Kingdom of Sardinia was at that time. All this, and more, showed that if new wars were not in sight, it was undeniable that ferment and revolutions were in preparation. When, from isolated assassinations, the need to form a counter-revolutionary coalition was discussed, Metternich put his informers into action and sought a concrete solution.

The discussion began at the Congress in Troppau (October-December 1820), later moved to Ljubljana (or Laibach, January 1821) and then to Verona (September-December 1822).

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*umano. Studi in onore di Peter Hertner*, Franco Angeli, Milan 2007. The list can be found in John A. Davis, *Società e imprenditori nel Regno Borbonico (1815-1860)*, Laterza, Rome-Bari 1979, p. 26.



the progenitor, Mayer Amschel Rothschild (1744-1812). In the 1910s several banks in the City of London alone granted loans to states. One was the Reid, Irving & Co. bank, another the Smith, Payne & Smith. The largest of all was Baring Brothers founded by Francis Baring (1740-1810) in London in 1762. By the turn of the century the Germans Schröder, Brandt & Huth and the Rothschilds' co-religionists Abraham (1756-1810) and Benjamin Goldsmid had arrived. Not everything was easy for the financiers of wars at that time: there were always risks around the corner, so much so that Abraham Goldsmid after losing £43,000 in 1810 committed suicide, although this did not put an end to the activities of the family, which remained powerful.

Those who intervened in favour of the powers of the Holy Alliance (officially formed in Paris on 26 September 1815) could be seen as conservative bankers or even bankers of "reaction". For the Rothschilds this could be a problem, as they usually did not support one political side or the other but preferred to present themselves as technicians and financiers who looked after their own company's interests above all. However, at times one tendency was preponderant over the other, so it could be convenient to support and stabilise it. The politically unstable Europe of the Restoration threatened the stability of markets, trade and stock exchanges. Trading in grain, silk, oil or spices could become risky: in the event of military or diplomatic disagreements, loaded ships could be detained or confiscated and those who financed those transactions could lose a great deal.

Loans to kingdoms could be jeopardised by revolutions and sudden changes of power. Like all bankers, the Rothschilds reasoned in terms of business opportunities and stability.



The emergence of new States brought with it great opportunities, because bonds could be issued on loans as had happened in Greece, Brazil and other places. From this point of view, the huge liquidity available to the Rothschilds could act both to stabilise and to bring about reversals. Unlike others, who hesitated, the Rothschilds in Frankfurt seized the opportunity and their business grew enormously after 1815. Starting with around £500,000 of total capital considering the whole family and branches, ten years later they had £4,330,333, while the Barings starting with £374,365 in 1815 found themselves with £309,804 ten years later.

The difference was also in the method: the Rothschilds accumulated and kept everything in the family, marrying cousins and avoiding dispersion - as had been done by various royal dynasties, e.g. the Bourbons whose family policy behaviour they seemed to imitate - whereas the Barings or other bankers also distributed dividends outside the family. The Rothschilds also reinvested all capital in their business. In the years after 1825, profits were equally impressive, even in the Neapolitan branch: consider that between 1825 and 1828, the Paris branch made profits of £414,000, the Neapolitan branch, between 1823 and 1829 totalled 7,390,742 ducats (£924,000). The numbers in the following years were destined to multiply.<sup>8</sup>

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<sup>8</sup> Niall Ferguson, *The House of Rothschild*, cit., p. 162.



Klemens von Metternich.

As we have seen, the bankers had already “tasted” the Neapolitan market for the first time in 1817 by buying shares in a company building and fitting out steamships. In that case they had carried out the transaction through an agent called Wolff, an engineer who was studying the Neapolitan market place and gathering information. The Rothschild banking dynasty had expanded from its original headquarters in Frankfurt am Main by opening branches in London (N. M. Rothschild & Sons, 1798), Paris (De Rothschild Frères, 1811) and Vienna (S. M. von Rothschild, 1820). Here lived Salomon

Mayer von Rothschild (1774-1855) who became a financier of Klemens Metternich and his policies.

In December 1820, Metternich wrote from Troppau to Salomon von Rothschild alluding to a transaction of at least 25 if not 30 million francs to be lent to the King of Naples. The response to the request was positive both from the Rothschilds and from another banker, David Parish (1778-1826), a German who, after conducting reckless speculation in the United States, had been appointed American consul in Antwerp in 1819: his attempts to arrange loans with Austria put him at odds with the American authorities who were opposed to imperial policy.



Salomon Mayer von Rothschild, founder of the Vienna branch, who initiated the discussions that would lead to the establishment of the Rothschild Bank of Naples.

The Austrian Minister of Finance Johann Philipp Karl Stadion (1763-1824), present at the Ljubljana Conference in January 1821, told Metternich that he was eager to discuss these points and to see Austrian troops cross the Po. But there were conditions: firstly, that it should not be direct aid to the Kingdom of the Two Sicilies. That is, the loan was not to be paid directly into the account of the Minister of Finance of the Kingdom of Naples. Salomon, to whom the family had given the task of looking after the operation, went to Ljubljana at the invitation of Metternich and Karl Vasil'evič Nessel'rode (1780-1862), Minister of the Russian Empire.



Finance Minister Stadion, anxious to see Austrian troops “pass the Po”.

Salomon was concerned that his presence in Ljubljana might arouse curiosity and doubts in other bankers – all of whom had informers – and other rulers with whom the Rothschilds had financial dealings.<sup>9</sup> The prospect of a new loan to Austria could depress the Austrian stock market and raise fears of a collapse of its finances. Secondly, the Rothschilds did not want to make it known immediately that they were helping the Holy Alliance, perhaps because it was aimed at protecting Catholic monarchies, perhaps because taking part in a coalition openly against others was not advisable in banking circles. The matter was therefore discussed between brothers in a series of letters cited – but apparently not consulted – by Ferguson.

Salomon said that a loan would only be granted to Ferdinand *after* he had seized power, but initially only in the form of a reimbursement granted to the Austrians for the costs incurred following their military intervention to free occupied Naples from a constitutional government. For this reason, he offered Stadion, the Austrian Minister of Finance, short-term loans to finance the army commanded by General Johann Maria Philipp Frimont (1759-1831), which was already on the march southwards. As had already been the case during the Napoleonic wars, when they had financed the British, the Rothschilds used their network of collaborators to provide the army with cash at reasonable costs for each individual leg of the journey. In fact, they were known to have a network of couriers and secondary agencies that allowed them to get documents and sometimes even gold from one part of Europe to another in a very short time.

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<sup>9</sup> Niall Ferguson, *The House of Rothschild*, cit., p. 128.

In Sicily in June 1820 an insurrectionary movement was formed by the barons and their popular patrons, and in July an uprising was followed by Carbonari uprisings in Naples so that King Ferdinand I was forced to grant a constitution modelled on the Spanish Constitution of 1812. In August, the new Neapolitan Parliament was elected. Meanwhile in Palermo, the rebels, led by Giuseppe Alliata di Villafranca, formed a government headed by Giovanni Luigi Moncada, prince of Paternò, and on the 16th the Sicilian Parliament was convened, which restored the 1812 Constitution there too. When a delegation sent to Naples with a request for the restoration of the Kingdom of Sicily was refused, the insurrection became war and consequently an expeditionary force of 6,500 Bourbon soldiers left Messina for Palermo. General Florestano Pepe sought an agreement that was, however, refused. The next general Pietro Colletta reconquered Sicily, putting the island back under the control of the constitutional Neapolitan government. Ferdinand, at that point, formally asked for help. This led to the descent of the Austrian army in 1821.

In order to handle the Naples affair, which was expected to be very important, at a meeting in Frankfurt am Main, a trusted young member of the family was chosen, already prepared, as had been the case in Paris. Indeed, in 1811, the young James de Rothschild (1792-1868), the youngest of the five sons of Mayer Amschel Rothschild (1744-1812), the dynasty's founder, had been entrusted with setting up a French bank, Rothschild Frères, at the age of just 19.<sup>10</sup> The Rothschilds

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<sup>10</sup> James de Rothschild, on 24 October 1802 was initiated into Freemasonry in Emulation Lodge No. 12 in London, which belonged to the United Grand Lodge of England. This meant that he closely followed the interests of the English Crown, which were expressed by

never gave management positions to people outside the family, except in subordinate positions.



At the Ljubljana Congress, it was decided to resort to financial aid from the Rothschilds.

The young Calmann, known as Carl Mayer (1788-1855), who was 33 years old and had already gained some experience, was sent to the Neapolitan capital to ensure that everything went well. In March 1821, Carl travelled to Ljubljana to meet with Metternich and the exiled king there. For Metternich, the Neapolitan campaign was a real counter-revolutionary crusade. If it failed, he said, the revolution would spread from Italy to the whole of Europe. The military campaign created panic on the Vienna Stock Exchange, and Austrian bonds, denominated in silver, depreciated. Carl Mayer was well prepared, he had studied law in Göttingen and then in Berlin

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that lodge.

where he had attended lectures by such luminaries of German jurisprudence as Leopold von Ranke and Friedrich Carl von Savigny. His studies and training invited him to prudence.

The reconquest of the city of Naples was achieved during the same March 1821 following the approval of a grant to King Ferdinand I of the Two Sicilies. At that point, the Austrians occupied Naples, quartered themselves and suppressed the Constitution. The loan was disbursed the following April and for the details Luigi de' Medici enlisted the help of Domenico Barbaja, a wealthy contractor who had built the Temple of San Francesco di Paola, Palazzo S. Giacomo and the San Carlo theatre. He was also impresario of the Royal Theatres in Naples since 1840 and had considerable real estate at his disposal. Another banker active in Naples, Charles Forquet – who was related to many Neapolitan noble families through his sons – made a report to the Medici in which he indicated in 1821 that Barbaja was one of the richest merchants in Naples who had already granted loans to the crown. Another close advisor to the Medici was Charles Lefèbvre, whose opinion was certainly sought. The size of the loan required a negotiation with the Rothschilds, which, as we know, was successful and in which he himself participated. After this negotiation, Barbaja left the state loan business.<sup>11</sup>

It was not until the following year, having conquered and quelled Sicily, that Ferdinand I renamed the new state entity the Kingdom of the Two Sicilies. At that point, Rothschild entered Naples following the army with a group of clerks and wagons to set up the banking branch. Without that funding, the Austrians, tried by 20 years of wars against the Revolution and

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<sup>11</sup> Nicola Ostuni, *Finanza ed economia nel Regno delle Due Sicilie*, Liguori, Naples 1992, pp. 148-156.



Napoleon, would have found it difficult to send an expeditionary force.<sup>12</sup> Thus was formed the sovereign debt market, destined for very few players, which was to develop greatly.



When he entered Naples, Ferdinand I brought with him ministers and advisors, among them the Rothschilds.

Rothschild had access to the state budgets and after examining them declared to the Medici that he doubted the Kingdom's ability to pay back the money. After negotiations

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<sup>12</sup> On the emergence and development of the sovereign debt market in post-Restoration Europe, see Marc Flandreau - Juan H. Flores, *Bonds and Brands: Foundations of Sovereign Debt Markets, 1820-1830* in «The Journal of Economic History» Vol. 69, No. 3 (2009), pp. 646-684.

and proposals, even listening to the different needs of the Neapolitans and Austrians, the banker managed to reach an agreement between the parties. At first he lent 16 million ducats at a rather high rate, and in November 1821 he made a second loan of 16.8 million ducats. Two more loans of 22 million and 20 million ducats respectively (but denominated in sterling) were lent again in 1822 and 1824.<sup>13</sup> As we shall see, all these loans were to be repaid within 20 years.

Ferdinand was adequately financed in order to regain control of the city and the Neapolitan territory, including Sicily, the real Achilles' heel of the kingdom, since there were forces there that favoured the British interested in the sulphur mines to supply their armies with gunpowder.

During the same period, the Bourbons of France were able to obtain much higher loans than the Bourbons of Naples, while those of Spain did not. The difference between Spain and Naples, argues Ferguson, lies in the fact that after the Restoration the Rothschilds refused to lend to the neo-absolutist Spanish Kingdom without guarantees from the French government, guarantees that the French were unwilling to give. They had considered a loan in collaboration with Baring and Reid & Irving but the monarch refused to repay the vouchers that had been issued by the Cortes and to reimburse France for the costs of the invasion. Finally, the bankers suspected that the money could be used in a reckless attempt to retake the colonies of South America that had become, by that time, mostly independent as kingdoms or even republics. The Rothschilds declared themselves monarchists, yes, but

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<sup>13</sup> Niall Ferguson, *The House of Rothschild*, cit., pp. 129-130.

also fearful of the real plans of the Bourbons of Spain and even France.<sup>14</sup>

Thus it was that the Rothschilds gained a reputation as Restoration bankers but, as Ferguson rightly observes, this was a “caricature” since they were politically agnostic and loyal to their own interests; they did not espouse ideal causes that could damage their business, they were detached from the prevailing political ideology, as is explained in a letter that James Rothschild wrote to Nathan in the autumn of 1826 and which is quoted by Ferguson.<sup>15</sup> However, the counter-revolutionaries at that time generated financial necessity and thus profit, whereas the revolutionaries only caused risk. The Rothschilds in any case preferred constitutional and therefore nominally more democratic structures to absolutist ones: from that point of view, they were not formally counter-revolutionaries. Any loan to Spain had to be guaranteed by a constitutional French government, which is why the change of policy introduced by Charles X (1757-1836) who succeeded his brother Louis XVIII (1755-1824), who died in September 1824, was frowned upon by the leaders of the various Rothschild bank branches. Charles led an absolutist government that gave little confidence also because, it seemed, European governments were widely moving towards constitutionalism in one way or another. In essence, constitutional monarchies, at that time, guaranteed safer affairs, more so than absolute monarchies but also, certainly, more so than republics. Finally, one must consider that the laws of the Kingdom of the Two Sicilies still did not grant freedom to Jews, who could not own property but

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<sup>14</sup> Niall Ferguson, *The House of Rothschild*, cit., p. 132.

<sup>15</sup> *Ibid*, p. 133.

only warehouses or rent houses.<sup>16</sup> This was obviously a disturbing element but it was elegantly overcome by leaving the Rothschilds free to intervene in the financial and political affairs of the Kingdom with measures that were conducive to the protection of their huge loans.

After his entry into Naples, Ferdinand left a free hand for some time to Antonio Capece Minutolo, Prince of Canosa (1768-1838), who imposed prohibitions on assemblies, the keeping of weapons and imposed bounties on former rebels. Those guilty of *lesa maesa* were whipped on the public street, the leaders of the Carbonari uprisings hanged. The convents were reopened and the Jesuits readmitted, but not all of Joachim Murat's reforms implemented in the French Decade (1805-1815) were cancelled, indeed much was maintained and readjusted.

Rothschild, before paying the second instalment of the 16.8 million ducats loan in November 1821, set a number of non-negotiable conditions: he demanded the return to the Ministry of Finance of Luigi de' Medici, who had already held important posts and whom he trusted for the competence he had shown in securing the budgets, and he demanded - as a consequence of the first request - the dismissal of the Prince of Canosa. Upon hearing the news of the appointment of Medici, his personal enemy, Canosa went into exile. For the rest, Ferdinand merely imprisoned a few dozen rebels and had the leaders, Morelli and Silvati, hanged. Meanwhile, the Congress of Verona (1822), attended by France, Prussia, Russia, Spain,

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<sup>16</sup> Vincenzo Giura, *La riammissione degli ebrei sotto Carlo III, 1740-1747*, in *La Comunità Ebraica di Napoli, 1864-2014. Centocinquanta'anni di Storia*, edited by Giancarlo Lacerenza, Giannini, Naples 2015, pp. 44-52.

England, the Austrian Empire, the Papal States, the Kingdom of Sardinia and the Grand Duchy of Tuscany, cancelled the constitutional aspect of the Kingdom of the Two Sicilies and the Kingdom of Spain.

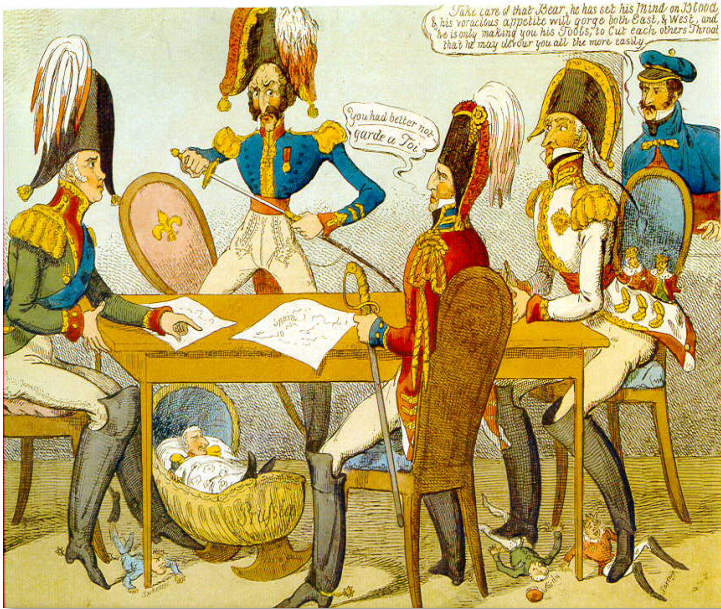


A lost portrait of Antonio Capece Minutolo, Prince of Canosa, by Angelica Kauffman. His counter-revolutionary politics and his activities in the Calderari group led the Rothschilds to demand his removal, demanding the appointment of Luigi de' Medici.

In 1822, as is well known, the five brothers – Amschel Mayer of Frankfurt, Salomon M. of Vienna, Calmann M. of Naples, Jakob M. of Paris and Nathan M. of London – were ennobled by Emperor Franz I, the last Emperor of the Holy Roman Empire. The title in Austria was “baron”, i.e. Freiherr, which was later also accepted in the other European kingdoms. Members of the Neapolitan family began to use “von” Rothschild to recognise the concession of nobility, whereas the

French branch would use “de”. This was an exceptional concession, as usually only the eldest sons of a family received a title of nobility, whereas in this case all brothers, from the oldest to the youngest, were granted ennoblessement with the right to pass it on to their eldest sons. The ennoblement, therefore, was granted to the heads of the five banking houses that already in 1822 probably amassed the greatest wealth in Europe and whose money could be instrumental in financing the stability of entire kingdoms: in essence, they had made a fundamental contribution to the wars of the last 20 years in order to consolidate the power of the Empire and the monarchies of the Restoration.

At the Congress of Verona in 1822, the Austrians declared that they wanted to recover all the money they had spent, which amounted to 4,65 million gulden – a monetary value in use in Württemberg until 1873 and the introduction of the mark – and which Metternich had already demanded from Rothschild in August 1821. This soon raised the question of the cost of the Austrian army’s stay in Naples.



Satirical caricature showing the discussions at the Congress of Verona in 1822 by members of the Quintuple Alliance. One of the most important decisions was to support Ferdinand in Naples.





## **Chapter 4**

### **The Rothschilds in Naples**

#### **The emergence of alliances**

Carl Mayer Rothschild (also written in Neapolitan documents as Carlo Mariano but only for convenience and assonance), therefore established his offices and a home for family stays in Naples. His wife, Adelheid Hertz (1800-1853), continued to live in Frankfurt am Main at 31-33 Neue Mainzerstrasse for most of the decade, although from time to time and especially in the warm season she stayed in Naples where her last two children were born. At first, the residence and the bank, which was still nominally dependent on the Viennese bank, were established at Calata Ponti Rossi, today Via Ponti Rossi 118. This was an area characterised by the presence of the remains of the Roman aqueduct in tufa and red bricks from the Claudian period – hence the name – partly rebuilt in the 16th century thanks to Don Pedro de Toledo, Marquis of Casafuerte (1484-1553) and the architect Antonio Lettieri. At the beginning of the 19th century, the area was sparsely built-up, rich in vegetation and well connected to the city by roads that quickly reached the area of the Royal Palace. There were many villas, most of which have now disappeared, such as the 18th-century Villa Casazza, Villa Colletta, Villa Falcon, Villa Morra and Villa Parisi-Collareta.<sup>17</sup> It was,

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<sup>17</sup> There have been numerous changes of ownership of this last villa, which, in 1831, is recorded in the Catasto Provvisorio as belonging to Maurizio Dupont and then in 1858 to Michele Parisi.

therefore, a very desirable area for the city's notables because it was immersed in a flourishing countryside but very close to the centre and the palaces of power at the foot of the hill. From that area, moreover, one could enjoy the view of the whole of Naples. The Rothschilds were housed in a building that belonged to Cavalier Paolo Marulli dei Duchi d'Ascoli (1766-1846), brother of Troiano Marulli, a former police superintendent and married to a Doria d'Angri.<sup>18</sup> Paolo Marulli was also in the king's entourage and, through his wife Charlotte Sanford, knew the Rothschilds in London.



In the background, behind the ancient aqueduct, Villa Marulli, the bank's first headquarters, can be glimpsed. Watercolour by William Pars, 1780.

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<sup>18</sup> Archivio Storico del Banco di Napoli (ASBN), Affari Diversi, f. 2482, letter of 23 March 1822. There is another Villa Marulli in the territory of the municipality of San Giorgio a Cremano, south of the boundaries of the municipality of Naples.



The entrance today with a crenellated wall of Villa Marulli then Villa Walpole at Calata dei Ponti Rossi (today Via dei Ponti Rossi, 118). Well connected to the city, in the early 19th century it was an area of prestigious villas with English gardens.

At Villa Marulli, Carl Mayer hosted the business and, from time to time, the family between 1822 and 1830. The villa at that time had a large Italian-style garden, which has now disappeared, and rooms for banquets and dances. A few dozen metres from his villa stood the now disappeared Villa Forquet.

Carl and Adhela's children clearly followed their father's path. The first two were Charlotte (1819) and Carl Mayer (1820-1886) born in Frankfurt. The next two, Adolphe Carl (1823-1900) and Wilhelm Carl (1828-1901) were born in the Palazzo Policastro Caracciolo, while Anselm Alexander Carl (1835-1854) was born in Villa Acton, the bank's last home. As for Villa Marulli, today it has been remodelled and the Italian-

style garden no longer exists; the interiors have been repurposed for communal healthcare purposes.<sup>19</sup>



*Particolare di Chiaja* by Kaspar van Vittel (Italianised Gaspare Vanvitelli). Above right, the Ponti rossi area where the first Rothschild bank was established for a few years at Villa Marulli.

Returning to the activities of the Bank of Naples, a good collaboration had been established between Carl and Finance Minister Luigi de' Medici and the latter's entourage, which included, among a few others, Charles Lefèbvre and Carlo Forquet, who were called upon to act as advisors and consultants on financial and industrial policy matters. At this time, the Medici began to repeat that the Austrians could leave the country safely, as the occupation was costing a lot of money and weakening the Kingdom's finances. Carl Rothschild agreed to that point, as he was obviously interested in strengthening the Kingdom's financial hold that he had directly lent to.

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<sup>19</sup> Yvonne Carbonaro - Luigi Cosenza, *Le ville di Napoli*, Newton Compton, Rome 2008.



The original structure of Villa Marulli as it stands today. The dimensions show that it was large enough to accommodate the bank's activities with offices and living quarters.

A glimpse of that world in those years is told to us by a visitor of the Rothschilds and their co-religionist. He is Moritz Daniel Oppenheim (1800-1882), and his memoirs published posthumously in 1924. The latter had left safer careers to become a painter and had also studied, among other things, in Rome. He was invited between 1823 and 1824 to Villa Marulli to carry out his first commissions paid for by Carl Mayer in the very early years of the bank's foundation. In his memoirs, he recalls how he moved about undisturbed in the city of Naples and how he could move and live among the "gentiles" without any problems, as he had done in Rome in contravention of the laws of the Papal States and also in contravention of the rules of *kasherut*, i.e. the set of rules that had to be observed by the observant Jew. Oppenheim,

adhering to the Romantic aesthetic, was a rebel even though he had the consent of his family. When he arrived in Naples he began working on the banker's orders.<sup>20</sup> In his *Memorie*, he gives an account of sumptuous parties and aristocratic soirées dances between the capital's aristocrats and the entourage of De' Medici and his ministers in the city's main palaces, including Palazzo Calabritto and Palazzo Partanna, where people close to the royal administration, including the Lefèbvre family, lived at the time.<sup>21</sup> The invitation made by Carl Mayer to this very special co-religionist who had dared to break with the traditions of his people to become a painter was unusual for such an observant Jew.<sup>22</sup> Oppenheim stayed in the

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<sup>20</sup> «Naples provided the key to his future. The warm reception accorded him by Baron Carl Meyer von Rothschild created the ties which would eventually make Oppenheim the painter and art factotum of the Frankfurt Rothschilds» (Schorsch 1994).

<sup>21</sup> «In the winter of 1826 Carl played host to Leopold of Saxe-Coburg, entertaining him with amateur dramatics "balls and soirees" at his villa in Naples» (Ferguson 1999). Moses Montefiore, in his diary of his trip to Naples – where he had no trouble visiting his nephew Carl – recalls that in 1828 the family was invited to parties of the Neapolitan aristocracy: «In the evening Mrs. Montefiore accompanied Baroness Charlotte to a ball at the Sardinian Embassy, to which both she and Mr. Montefiore had been invited by the Marquis and Marchioness of S. Satrius. Mrs. Montefiore said there were about five hundred of the nobility present, who had been invited in honour of the Princess Salerno, a daughter of the Emperor of Austria, whom she saw there enjoying a waltz» (Louis Loewe, (ed.) *Diaries of Sir Moses and Lady Montefiore: Comprising their Life and Work as Recorded in their Diary from 1812 to 1833*, I, Belford-Clarke & Co., Chicago 1890, p. 52 (from the diary dated 17 January 1828).

<sup>22</sup> Carl and Oppenheim had come into contact thanks to James's intervention; in fact Oppenheim, a novice painter and lacking in means, relates that he travelled from France to Italy – and this is not an insignificant fact in our history – in the carriage that carried the Rothschilds' dispatches from the Parisian office to the southern one. Everett E. Dodd, *Moritz Oppenheim, the Rothschilds, and the*

city between 1824 and 1825 looking for co-religionists and finding none: «until 1830 we find no trace of Jews in the major city of Italy».<sup>23</sup>

The Rothschild family, which Attilio Milano described as a «power of no small account even in the political field», called in a co-religionist artist to comfort them, through the art of portraiture, on the untimely death of Anselm Alexander Carl. The painter, called in for that reason, executed a posthumous portrait surrounded by the blackness of mourning. Carl Mayer gave him plenty of time to calmly realise the painting. Oppenheim writes: «There I was very warmly received in the Rothschild house. In the beautiful villa at Capo di Monte, I also stayed overnight».<sup>24</sup> Villa Marulli was indeed close to the Capodimonte estate. About 25 years later, in 1850, Oppenheim executed another portrait, this time of Carl Mayer.

On 4 January 1825 King Ferdinand died at the age of 73. He was succeeded by his son Francis I of the Two Sicilies (1777-1830), almost 50 years old, already trained and ready to rule the Kingdom. Francis made an agreement with the Rothschilds to receive another loan of 9 million ducats that were to be used for Austrian military expenses, as the Emperor's army continued to maintain a rich and costly contingent that was beginning to create some discontent.

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*Construction of Jewish Identity*, VCU Scholars Compass, Richmond VA 2006. Dodd mistakenly places Oppenheim's descent into Italy in 1821 instead of 1823.

<sup>23</sup> Roberta Ascarelli, *Ritratto di famiglia con pittore: Moritz Oppenheim e i Rothschild di Napoli*, in *Per i 150 anni della comunità ebraica di Napoli. Saggi e ricerche*, edited by Giancarlo Lacerenza, UniorPress, Naples 2015, pp. 33-39.

<sup>24</sup> Moritz Daniel Oppenheim, *Memorie*, p. 72.



During 1825, De' Medici on several occasions accused the Austrian government of taking advantage of the situation and demanded a reimbursement of 1 million ducats in addition to the withdrawal of the army itself. As the Austrians did not intend to pay back the requested sum, Carl advanced the money to De' Medici, causing Metternich's irritation. Within that 1825, over the course of 7 loans, Rothschild directly or indirectly granted the Kingdom of the Two Sicilies a total of 72 million ducats. The Kingdom was in debt at the time but this was normal: conquering a kingdom had always cost a lot of money; since the Middle Ages, loans were often granted from kingdom to kingdom – think of the Medici, the Strozzi and the Tuscan families. In this way, the Rothschilds inaugurated an international market for state securities, securities that could be bought and sold on the main stock exchanges of Europe, especially Vienna, Paris and London. In fact, as a banker, Rothschild could maintain financial control over the Bourbon kingdom. How this was carried out and what the exact results he obtained, even with regard to the ups and downs of protectionist policies, is explained by Nicola Ostuni in his *Finanza ed economia nel Regno delle Due Sicilie* (Liguori editore, Naples 1992), the complexity of which is difficult to summarise and which it is not even necessary to do here, except to reiterate that Rothschild's arrival profoundly changed the financial and, in part, also the commercial marketplace of the Kingdom.

After getting rich – the process had lasted little more than 20 years – the Rothschild brothers also sought social success in the various contexts in which they had established themselves: James Rothschild in England achieved it easily, not least because of his open character, by entering high



society; Carl Mayer managed to bond with the local aristocracy and high bureaucrats and accepted all invitations that came from eminent members of the aristocracy, business and international politics.

In the winter of 1826 Carl Mayer invited Leopold of Saxe-Coburg, the future king of Belgium, to entertain him with theatrical performances and “balles et soirées” at his villa at Ponti Rossi in Naples. He also invited Moses Montefiore, a member of a wealthy and influential Anglo-Italian banking family of the Jewish religion, who found it pleasant to entertain Carl and the Neapolitan aristocracy, which included the Lefèbvre family.<sup>25</sup>



One of the many eighteenth-century prints that showed the notoriety of the archaeological area of Ponti Rossi.

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<sup>25</sup> Niall Ferguson, *The House of Rothschild*, cit., pp. 196-201.

One may ask what was the reason for choosing Villa Marulli ai Ponti Rossi as the first headquarters of a prestigious bank that immediately started to give credit but also offered advice on the creation of a Neapolitan stock exchange. Certainly Naples had no shortage of villas or palaces even in the centre. On the one hand, it could have been Carl Mayer's character, which is described as very closed and reserved, and on the other, the foreignness of the place for him: he had grown up in the Jewish quarter of Frankfurt am Main, Germany, and therefore finding himself in a Catholic country – very different from the Protestant Frankfurt – also sunny and lush could have induced him to find a sheltered abode far from the noisy centre of the Neapolitan capital.

Carl Mayer became a passionate collector of Greco-Roman antiquities, and the Red Bridges, i.e. the ancient Roman Aqueduct, which had been partially reconstructed, may have attracted him. It was a well-known site, among many in Naples, and had been the subject of many prints and engravings that were also disseminated in Germany throughout the 18th century.

## Chapter 5

### Luigi de' Medici

Carl Mayer Rothschild, along with the management of the public debt agreed upon with Luigi de' Medici, undertook to improve the financial situation of the Kingdom's coffers so as to facilitate the exchange of money flows with other countries. To this end, he first obtained the opening of direct exchange between Naples and the German marketplaces in 1821, as well as the authorisation to import and export gold and silver, a type of exchange then – as now – subject to strict controls. As noted by leading scholars of the period, the first decade of the Rothschilds' stay was a preparation for establishing the main lines of organisation of the bank's activities in Naples, for studying the environment, for understanding what business was most profitable – apart from loans to the state, which remained the main activity – and for forming a network of trusted agents, local or otherwise.

In the Historical Archives of the Banco di Napoli, a letter is preserved in which we read that Rothschild asked the brothers for help, even several times, to create a network of expert agents who would settle in the Neapolitan capital and work only for him. The environment was full of infiltrators and agents who answered to foreign states such as France or England or Greece, and it was very important to have people they trusted to sift through information. One network that Luigi de' Medici had at his disposal and that he used for all business, including, of course, those that linked him to the

Rothschilds, was that of Charles Lefèbvre who worked as a tax collector in the Terra d'Otranto, in Bari and Lecce, and had his own agents who informed him of events in the East that might have a bearing on the ships that docked in Bari. He also had a direct line to Paris and Lyon, through brothers and relatives, which could be used to obtain additional information. This might explain why only he was chosen by Luigi de' Medici for naturalisation. Others, in fact, were not admitted because they did not have such characteristics. In times when no other sources of information existed, these friendship and family networks, however small, were invaluable.

The permanent agents whom the Rothschilds asked for were to be granted authority to sign on behalf of the brothers in order to take care of often highly confidential business which included contacts at the highest levels of the local state. They had to be people of absolute trust because they had to make decisions during the director's absence from Naples, periods that could last for months. In 1821, the first agent was appointed, a certain J. P. Fresenius, the Latinised name of an official from Frankfurt, who took care of the first, very delicate business. In 1824, Christian Konrad Haller arrived from Stuttgart (Kristian Konrad Haller, born in 1804) and then, from Geneva, Charles Renevier, Salomon Hanau, Cristiano Fisher and Marco Audrà from Paris.<sup>26</sup> Some were well-known personalities who would appear for decades in the almanacs and correspondence of the Kingdom and were also among the

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<sup>26</sup> ASNa, Ministero delle Finanze, f. 10.199; ASBN, Affari Diversi, b. 240. In the documents of the Bourbon Ministry of Finance, the names are all Italianised.

guests at the Lefèbvre Palace in Isola named by Rosanne Lefèbvre.

The direct link between the Rothschilds and the Kingdom was held, as we know, by Luigi de' Medici for the first ten years coinciding with the settlement and seat at Villa Marulli. During this period, the bankers entertained relations with notables in the square of Naples who had undertaken a predominantly industrial vocation. It is worthwhile, at this point, to say a few words about Luigi de' Medici who had favoured the rise of the new French entrepreneurship represented by families of new immigration. These were families that had entered with Murat and joined others already present in the Kingdom from the time of Charles III or Ferdinand IV, such as the Meuricoffres and the Degas. Not to mention the reigning aristocracy who wanted to free themselves from the dependence of less and less secure agricultural or breeding rents because there was a lack of technological renewal in the field of agriculture and they were becoming increasingly fat. This environment was small and everyone knew each other, collaborated and met on social occasions such as theatre premieres, frequent ball parties on civil or religious holidays, inaugurations or society debuts, at banquets held in grand noble palaces, such as Palazzo Doria D'Angri or the Degas mansion, both in the city centre, but also the Falcon mansion, Palazzo Reale and the Lefèbvre mansion, which had moved from Palazzo Calabritto to Palazzo Partanna.

Luigi de' Medici, born in Naples in 1759 to Michele de' Medici, Prince of Ottajano and Duke of Sarno, and Carmela Filomarino of the Princes della Rocca, belonged to the cadet

branch of the Medici family of the Grand Duchy of Tuscany. He studied at the Jesuit College in Nola and then embarked on a military career, concluding his studies at the Royal Academy of Turin (1776). In Paris, he studied the political and institutional system and delved into the role of the territorial militia («police des campagnes»<sup>27</sup>). He also studied in Turin where he graduated in law. In 1783, he became a judge at the Grand Court of the Vicariate, gaining admiration for the righteous administration of justice. Medici was a perfect match for the figure of the noble intellectual with an “enlightened” culture, the type of man that the Queen of Naples, Maria Carolina of Habsburg-Lorraine (1752-1814), Ferdinand’s wife, liked. In fact, he was introduced to court life and made a fast career: head of the urban police in Naples, he energetically restored public order in the capital, starting a process of renewal of the city’s police institutions. In 1803, he created the Superintendence of Police, which he entrusted to Troiano Marulli. The affixing of place-name signs, the progressive numbering of houses, public oil lighting, the control of the sixteen casali around the city and the introduction of summary judgements in the case of crimes «in flagrante» were some of the innovations he introduced in the wake of the Parisian reforms of Antoine de Sartine and J.C.P. Lenoir.

After the fall of the French monarchy, Medici befriended the pro-jacobins Giordano brothers, who passed on news from France. After his mission to Genoa in 1794 on behalf of Lord Acton, he was suspected of sympathising with the revolutionaries.<sup>28</sup> He was charged, arrested and taken to Gaeta

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<sup>27</sup> Giorgia Alessi, *Giustizia e polizia. Il controllo di una capitale. Napoli 1779-1803*, Jovene, Naples 1992, pp. 55-57.

<sup>28</sup> Fausto Nicolini, *Memorie storiche di strade e edifici di Napoli, dalla Porta Reale al Palazzo degli Studi*, Ricciardi, Naples 1907, p. 53.

prison where he prepared his defence.<sup>29</sup> After a trial lasting three and a half years, he was declared innocent with the pronouncement of «liberetur in forma».<sup>30</sup> But, at the proclamation of the Neapolitan Republic, he was again imprisoned by the revolutionaries (April and October 1799), then finally freed in the spring of 1800. During the first Bourbon restoration following the fall of Giuseppe Zurlo's government, Medici first became president of the Council of Royal Finances (1803) and then director of the Secretariat of State and Company (1804).

With the French occupation in 1806, Medici followed the sovereigns to Sicily, where he lived as a private citizen for most of the time. An opponent of the constitutional tradition forged on the particularistic interests of Sicilian jurisprudence, he soon came into collision with the activities of the Sicilian Parliament and with Lord William Bentinck, who in 1811 succeeded in forcing King Ferdinand into exile in London.

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<sup>29</sup> Fausto Nicolini, *Memorie storiche di strade e edifizii di Napoli, dalla Porta Reale al Palazzo degli Studi*, cit., pp. 367-380.

<sup>30</sup> *Ibid*, p. 218.



This black and white reproduction of a lost painting by an anonymous author appears to be the only extant one of Luigi de' Medici, a descendant of the Medici of Tuscany. A leading figure in the Kingdom, he managed the loans granted by the Rothschilds and called Charles Lefèbvre among his advisers to initiate a modern industrial policy in the Kingdom of the Two Sicilies.

Even in his exile across the Channel, Medici maintained intense contact with the Bourbon court, advising the sovereigns to continue their collaboration with the most enlightened officials and to maintain the difficult alliance with the English government. In those years, Medici initiated the policy of «amalgamation», which would later find wide application in the reconquest of the political and institutional fabric in the liberated Kingdom. In 1814, he was appointed, representing the Bourbon monarchy, plenipotentiary at the Congress of Vienna (1814) contributing to the negotiations for the reconstruction of the Kingdom and it was on this occasion that he met the Rothschild bank.



After the return to Naples of Ferdinand King of the Kingdom of the Two Sicilies (proclaimed in 1816), Medici's activity was oriented towards the preservation of the institutional innovations introduced by the French when he again became Minister of Finance (1815), a post he held until his death. He expressed great appreciation for the institution of the Grand Court of Accounts, the exclusive holder of administrative jurisdiction in place of the Council of State – a body that became consultative – in autonomy from the ordinary courts. Close to the ideas of Carlo Filangieri and Mario Pagano, he was opposed, as we know, to the policy expressed by Antonio Capece Minutolo Prince of Canosa (founder of the secret society of the *Calderari*), whose resignation he asked for and obtained on 30 May 1816, at the same time ordering the suppression of all sects. As mentioned above, his request was probably agreed with Carl M. Rothschild in order to allow a negotiation on loans.

The minister was engaged in a great effort to reorganise the administration of the Kingdom and actively participated in the approval of the law of 12 December 1816 on civil administration, the law of 29 May 1817 on the judicial system and the final promulgation of the Code for the Kingdom of the Two Sicilies in 1819: legislative measures strongly inspired by past French legislation, which confirmed the eversion of feudalism, the elimination of particular orders and a greater centrality of the sovereign royal power in the administration of territories.<sup>31</sup>

With remarkable determination, Medici then succeeded in the enterprise, already attempted unsuccessfully by Joseph Bonaparte and Joachim Murat, of bringing to a conclusion the

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<sup>31</sup> Mario Caravale, *La monarchia meridionale. Istituzioni e dottrina giuridica dai normanni ai Borboni*, Laterza, Bari-Rome 1998, p. 257.

negotiation for the approval of the concordat between the Kingdom of Naples and the Holy See (February 1818). Opposed in equal measure to both liberal and so-called “reactionary” policies and fond of the principles of 18th-century jurisdictionalism, he also studied new balances in the field of economics (the institution of landed property and indirect rates), always under the sign of a cautious conservative reformism, i.e. one that guaranteed the survival of the monarchy and the aristocratic class connected to it.

The coming to power of the Liberals as a consequence of the uprisings of 1820 led to a new departure from Medici’s governmental functions, the abolition of the absolute monarchy and the establishment of the Constitution. Sensing a climate of hostility after the murder of police director Giampietro, he fled to Rome.<sup>32</sup> Only the mediation of Klemens von Metternich and Carl M. Rothschild allowed him to return, in 1822, to Naples at the head of the Ministry of Finance where, having liquidated the constitutional government – in the form of absolute monarchy the Kingdom would last until 1848 – he continued his political activity. Medici, with his advisors, was the real architect, together with Metternich, of the negotiations that led to the granting of loans by the Rothschilds to strengthen the Kingdom after the first ones that had allowed the Austrians to retake power in 1820 and hand it over to the Bourbon. At the same time, he favoured the French and Swiss immigrants who brought a new industrial culture and money to maintain it, in exchange for obtaining favourable conditions, premises, and the possibility of importing machinery and tools, especially in the textile and paper

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<sup>32</sup> Pietro Colletta - Gino Capponi, *Storia del reame di Napoli dal 1754 sino al 1825*, II, Le Monnier, Florence 1846, p. 287.

industry. He therefore maintained a substantial continuity with the institutions of the previous period even during the reign of Francis I, who succeeded his father in 1825, a period in which he also worked to quell the «Cilento revolt» with a harsh repression (1828). Among the people that the Medici constantly kept as his advisors was Charles Lefèbvre, an entrepreneur and former supplier to Murat's armies who, following the family tradition – a branch of the great Lefèvre d'Ormesson family – had entered the financial administration, in his case of the Kingdom of Naples in the district of Terra d'Otranto, before taking on important industrial initiatives in the Terra di Lavoro. As an entrepreneur and innovator, he had a much broader view of the country's opportunities and problems from a non-financial perspective. His continuous contacts with France but also with England, where he bought some of the machinery he used in his factories, allowed him to have a particularly keen eye for the question of innovation and technology transfer by inviting foreign technicians, a path that was also followed by Medici. Medici and Lefèbvre became friends and collaborated throughout the rest of the former's life, often finding themselves discussing matters of taxation and industrial policy in each other's homes, as is testified by the *Journal* written by his wife Rosanne, preserved in the Fond André-Isidore Lefèbvre in the National Library of France and quoted extensively in the book dedicated to the history of the Lefèbvre family.<sup>33</sup> He died in Madrid on 25 January 1830 but was buried in Ottaviano, the land of his lineage.

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<sup>33</sup> Mario A. Iannaccone, *The Lefèbvre D'Ovidio Family. A dynasty between the ages*, IV vols., ed. 2023.



## Chapter 6

### Life among the local elite

The Rothschilds appeared in the society and city chronicles of 1820s Naples until the 1840s. They were secretive, yet the family began to stay more and more often at Villa Marulli. Perhaps it also counted that, being of the Jewish religion, they did not participate in festivities and occasions often related to religious occasions, typical of a country that was still very Catholic.



Portrait of Carl Mayer von Rothschild  
by Daniel Oppenheim, 1850.

When the Rothschilds arrived, there was no Jewish community in Naples and this surprised Moses Montefiore, who visited the city and met some people who professed the Jewish faith without having any kind of organisation. There had not been a public synagogue in the city since at least the 16th century. A Jewish presence was established with a first oratory at Villa Marulli, where the family was looked after by a rabbi, then with a larger oratory at Palazzo Policastro and finally with a small synagogue at Villa Acton in the 1840s. It is known, in fact, that from 1831, Jews passing through Naples or the few residents could attend religious services first at Palazzo Policastro-Caracciolo and then at Villa Acton. For the most important anniversaries, the Rothschilds would return to Frankfurt and, in some cases, to Vienna. A permanent Jewish community would not be established until 1861, when the premises in vico Santa Maria a Cappella Vecchia were rented and Adolphe Carl bore the costs of renovation and rent for the first five years. But all this was to come many years later. In the meantime, Villa Marulli was quite a large place for the family to stay.

The Rothschild bank came to Naples to handle the big business of sovereign loans, but it was not uninterested in other sectors, such as commercial credits and other promising niches. This is why one can speak of “other” businesses. Participating in the establishment of shipping or spinning companies was of secondary importance compared to loans to the kingdoms, however, the fact that they decided to participate is significant: it meant staying up-to-date, understanding how the market and technology were moving and thus participating, in perspective, with larger means in major projects, which in fact would happen later in the century.

At first, as we have seen, they invested in sectors that were still little known, then in the oil and grain trade. Ignazio Balla (Ignác Balla) claimed that the Rothschild of Naples «did not deal in the trade of Naples. He hardly ever did business with private individuals. Instead, he employed the Rothschilds' powerful capital and relations to organise government loans».<sup>34</sup> In general, this assertion can be said to be unfounded today.

That Carl Rothschild did business with private individuals along the same lines as his brothers or relatives is demonstrated, among others, by Niall Ferguson and Marco Rovinello, commenting on this statement: «in the light of the marked heterogeneity of Carl's investments that can be deduced from the house's balance sheets, within which commercial credit, understood as the set of *traites* (bills of exchange in the bank's possession as at 31 December) and *remises faites à dehors*, stands out in particular».<sup>35</sup> But these are still financial activities. In addition, the Neapolitan bank, following the pattern of the other branches, operated in the field of import-export and trade in *commodities* such as copper, silver but above all, because of the quantity of trade, wheat, tobacco and oil.

In this regard, we can quickly summarise the story of the foundation of the *Società per l'Amministrazione della Navigazione a Vapore nel Mediterraneo* (*Society for the*

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<sup>34</sup> Ignazio Balla, *The Rothschilds*, Fratelli Treves, Milan 1935, p. 205.

<sup>35</sup> Marco Rovinello, *Un grande banchiere in una piccola piazza. Carl Mayer Rothschild e il credito commerciale nel Regno delle Due Sicilie*, in «Società e storia», Issue: 110 (2005), pp. 705-739. *Ibid*, p. 708. Not all credits in the balance sheet necessarily correspond to «grants of money on loan to enterprises for the normal needs of their management». *Ibid*, pp. 708-709.f

*Administration of Steam Navigation in the Mediterranean*), which in 1823 took up the pioneering initiative of 1817, reinforcing it and creating a solid shipping company that would remain in business for about 40 years. In January 1823, the Council of Ministers examined various proposals that came mainly from foreign entities. After the first assignees, Maingy, Price & Co, renounced, came Walther Vallin, Routh and Edward Valentine who requested a ten-year “privative” to create a steam navigation company to transport passengers and mail on the route between Naples and Palermo. Their request was supported by the Sicilian Giorgio Wilding, Prince of Radali and Butera (1791-1841) and by the Rothschilds of the Neapolitan *Maison* with whom they were on friendly terms and who had very good guarantees on them.

Others involved in this and other ventures belonged to the class of Neapolitan bankers of foreign origin, such as the Degas, Lefèbvre, Appelt, Sorvillo or Cilento. The Lefèbvre were considered “merchants” or “financiers” or “bankers” as the case may be in the documents, but they belonged to the class of the largest industrialists in the kingdom. On bankers who were granted “overdraft facilities” to trade in *commodities* such as salt and other goods, John A. Davis ascribed as early as 1979.<sup>36</sup>

During the course of the 1820s there had been important changes in the kingdom. Firstly, the Rothschilds with their loans had, by 1825, completely supplanted the local bankers in the intermediation of state credit and these, having become redundant, had had to find other ways of using capital. The

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<sup>36</sup> John A. Davis, *Oligarchia capitalistica e immobilismo economico a Napoli (1815-1860)*, «Studi Storici», Year 16, No. 2 (1975), Fondazione Istituto Gramsci.



king and his council had seen advantages in the operation: no longer depending on many signatures but on one, and single, regulated maturities gave greater peace of mind. This led to an unprecedented situation where liquid capital was available in search of new opportunities. A new commercial market opened up for them, which was a consequence of the strengthening of the Neapolitan fleet and the introduction of various customs facilities for it, facilities that had already been granted to French, Spanish and English ships.

In recent years, in fact, Neapolitan commercial shipping had made considerable progress, especially thanks to the modern steamers of the *Sicard & C.* company (from 1829 *Amministrazione della Navigazione a Vapore*). At that time, only the *Società Napoletana di Assicurazioni* (Neapolitan Insurance Company) was operating in the sector, but in the following years, other seafaring companies such as the *Compagnia di Assicurazioni e Cambi Marittimi di Napoli* (Naples Maritime Insurance and Exchange Company) were established.

Parallel to the expansion of business and his official designation as Court Banker, these were the years of Carl Mayer's social affirmation in Naples even after his death in 1830.<sup>37</sup> Between 1830 and 1848, the palaces became places of official meetings and hospitality for nobles, politicians, artists and businessmen. Sir Moses Montefiore, the Italian-English banker born in Livorno's Sephardic community who was brother-in-law of Carl Mayer Nathan as his brother Mayer Rothschild (1777-1836) had married his sister Henrietta

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<sup>37</sup> Maria Carmela Schisani, *Storia di affari e di famiglia: la "dinastia" dei Rothschild a Napoli*, «Archivio storico per le province napoletane», CXXXII (2014) pp. 99-116.

Montefiore (1783-1850), he began to receive visits from many Englishmen who knew the Rothschilds in London, such as the Duchess of Cambridge, the Crown Grand Duke of Mecklenburg-Strelitz, the future King Leopold of Belgium, King Ferdinand II, his wife, his brother Leopold Count of Syracuse, and the Infant of Spain Sebastian of Bourbon.<sup>38</sup>

They were all regular guests at the balls, dinners and get-togethers promoted by the banker and his wife Adelheid Hertz, which were also attended by members of the local high society such as the Sorvillo, Degas, Medici, Lefèbvre, Cilento and nobility linked to the Crown.<sup>39</sup> An event indicative of the close relations established with the royal house during this period was the banker's gift to the sovereign of two precious hieroglyphic inscriptions from ancient Egypt for the National Archaeological Museum.<sup>40</sup> Collecting was another family tradition and Carl himself became a member of the Institute of Archaeological Correspondence in Rome.<sup>41</sup>

In general, both Carl Mayer and his son Adolphe were popular for their patronage and philanthropy. They gave money to state institutions such as the Albergo dei Poveri and to Catholic charities such as the numerous kindergartens and orphanages, as well as periodic contributions to institutions

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<sup>38</sup> Cesare De Sterlich, *Cronica delle due Sicilie*, Tipografia di Gaetano Nobile, Naples 1841, p. 20; p. 4; pp. 58-59; p. 213; Laura Schor, *The Life and Legacy of Baroness Betty de Rothschild*, Peter Lang, New York 2006, p. 58.

<sup>39</sup> John Reeves, *The Rothschilds: The Financial Rulers of Nations*, A.C. McClurg & Co., Chicago 1887, p. 252.

<sup>40</sup> AA.VV., *Napoli e le sue costumanze. Compilazione sulle storiche e filosofiche narrazioni di Lord Byron, Chateaubriand, Bossi, Lamartine ...*, 2 vols., A spese dell'editore, Venice 1840-44. *Ibid*, I, p. 313; John Reeves, *ibid*.

<sup>41</sup> *Bullettino dell'Istituto di corrispondenza archeologica per l'anno 1831*, Roma, a spese dell'Istituto, 1831.

such as the Monte di pietà dei Poveri Vergognosi, the Monte dei poveri del SS.mo Nome di Dio, the Ospedale degli Incurabili and the Intendenza di Napoli for the care of the poor during the cholera of 1836.<sup>42</sup> These activities were part of a strategy of social affirmation and a desire to be accepted, as it was well known that the Kingdom received considerable funding from bankers and, at times, this still provoked discontent on the part of those who would have gladly taken the place of the Rothschilds, perhaps in financial consortia, as was the case before 1821. The Degas and Lefèbvre also made similar donations as they were part of the social etiquette and behaviour expected of the rich towards the less fortunate.

It should be borne in mind that Rothschild was now part of a parallel diplomacy that was recognised by the two consular appointments that facilitated relations with Germany and the Kingdom of Savoy. In 1841, also supported by his wife, he linked his family name to a stable institution: the Rothschild Asylum in San Carlo alle Mortelle, created by the Society of Kindergartens of Naples thanks to an initial contribution of 44,000 francs and a fixed maintenance fee of 380 ducats per year in annuities entered in the Gran Libro.

Towards the end of the 1820s, the bank's headquarters in Calata Ponti Rossi became inconvenient and a location closer to the city centre, near the sea, was sought. The need for an office to manage the public debt accounts was complemented by other proper banking activities such as issuing commercial drafts or short-term credit documents for production and trade activities. It was necessary to increase the number of

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<sup>42</sup> ASNa, Ministero delle Finanze, Carte a conservarsi, f. 10.250, 10.262; Paris 1838, p. 240.

permanent employees, plus the family decided to move permanently to Naples, not just a few months a year.



Palazzo Caracciolo di Torella, second headquarters of the Rothschild Bank.

Carl Mayer thus looked for a building more centrally located and closer to the Royal Palace and Palazzo Calabritto, home to many offices related to the Kingdom's finances. He found as particularly suitable a palace owned by the Caracciolo family. At the time, it was called Palazzo Carafa di Policastro, today it is called Palazzo Caracciolo di Torella. The monumental three-storey building, with a rectangular central courtyard and access via a large piperno staircase, is located in Largo Ferrandina, not far from Ponti Rossi. An example of Neapolitan Baroque, it was built in the first half of the 18th century by the Carafa dukes of Forlì del Sannio and counts of Policastro Bussentino and later ceded to the Caracciolos of the

line to which Teresa Doria d'Angri (1825-1911) belonged. This, the daughter of Giulia Caracciolo, would a few years later become the wife of Ernesto Lefèbvre (1817-1891). Years later it was given as a dowry to Flavia Lefèbvre (1850-1905) who lived there for a few years with her husband Don Pedro Àlvarez, Marquis of Casafuerte. Often, in the histories written about the Rothschild bank in Naples, there is a gap for the first twenty years because only the Villa Acton premises are mentioned and not the earlier ones, yet the Largo Ferrandina premises were also prestigious.<sup>43</sup>

C. M. de Rothschild & Sons in those years also began to grant loans to the Papal States and to finance the debts of the Duchy of Parma and the Grand Duchy of Tuscany. This meant a flurry of agents and couriers leaving and returning every day, mostly by sea. Not all this business went as it should and profits were lower than expected, but the number of loans and the prudence with which they were disbursed did not endanger the banking dynasty that was on its way to becoming, if it was not already, the richest in the world.

Life in Naples was pleasant and varied. Both Carl and his children, in particular Adolphe and Charlotte, the daughter who married first and went to live in London with her husband Nathan, will remember with nostalgia the life of the theatre, the local mayors with their splendid palaces, the parties they attended and the beauty of the city, which was then very green and full of gardens reaching down to the sea. It was not a poor city, no one died of starvation although the condition of the

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<sup>43</sup> Octavian Blewitt, *Handbook for Travellers in Southern Italy*, John Murray, London 1853, p. 87.

sewers dating back to the Spanish period caused frequent cases of typhoid fever in some areas and made the citizens exposed to the waves of cholera that usually came from the North or the East. During the 1820s, public works were required in the city that had to be paid for with money from the municipality, which, however, did not have any available funds as it was indebted to suppliers. For this reason, the city authorities asked the king for help, which met with opposition, at least initially, from the various finance ministers who considered it unfair to pay off the debts of the municipality as it had its own cash. According to them, the kingdom was already burdened with loans and these should not be further burdened. The debt soon reached 100 million ducats, largely provided by the Rothschilds.<sup>44</sup>

During the French decade, the Municipality of Naples had been deprived of its main income, the Consumption Duty, 260,000 ducats a year, which was never restored.<sup>45</sup> Moreover, it did not have the freedom to act as an independent body and borrow from bankers because the state architecture did not allow it. Therefore, work was carried out as funds became available over the years, which amounted to 134,000 ducats per year in the period 1820-1831.<sup>46</sup> In spite of the difficult financial situation – it would improve in the following decades before deteriorating again – many works were done and the Chiaia and Quartiere San Ferdinando areas were the best laid out.

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<sup>44</sup> On the persistent cost pressure of the Austrian army see Nicola Ostuni, *Finanza ed economia nel Regno delle Due Sicilie*, cit., p. 329; Aurelio Lepre, *La rivoluzione napoletana del 1820-1821*, Editori Riuniti, Rome 1967, pp. 14-38.

<sup>45</sup> Nicola Ostuni, *op. cit.*, pp. 64-67.

<sup>46</sup> Silvana Bartoletto, *La trasformazione urbana della Napoli preunitaria (1815-1860)*, Edizioni Scientifiche Italiane, Naples 2004, p. 60.







## Chapter 7

### The 1830s

#### The seat of Palazzo Caracciolo di Torella (1830-1841)

In the early 19th century, Palazzo Policastro-Caracciolo hosted a salon praised for the variety of guests hosted by Carolina Saliceti (1788-post 1840) that was short-lived. Carolina, who was married to General Lucio Giuseppe Caracciolo di Torella (1787-1857), was the daughter of Giuseppe Cristoforo Saliceti (1757-1809) the man whom Luigi de' Medici saved from revenge by being a Murattian and a liberal.<sup>47</sup>

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<sup>47</sup> «Gazzetta di Milano», 7 January 1819. Carolina Saliceti's name is mentioned in a document drawn up on the occasion of an attack she and her husband suffered in 1808: *Processo compilato nel Tribunale straordinario di Napoli, per l'esplosione di polvere da guerra...*, Simoniana, Naples, 1818. In the 343 pages of the account, it is clear that Carolina Saliceti was the wife of Caracciolo di Torella. The name Caterina reported by Annarosa Poli in her article *Annalisa Bottacin, l'amicizia di Stendhal con i marchesi Potenziani e i principi di Torella*, is therefore incorrect. *Con documenti inediti*, «Studi Francesi», 145 (XLIX), I, 2005, pp. 181-182.



Wedding of Ferdinand II and Maria Christina of Savoy,  
30 November 1830.

The Saliceti salon was frequented by English and French writers, and Stendhal also passed through there. The palace, at the time it was occupied by the Rothschilds, was therefore well-known to the jet-set of the period.<sup>48</sup>

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<sup>48</sup> Annalisa Bottacin, *L'amicizia di Stendhal con i marchesi Potenziani e i principi di Torella*. Con documenti inediti, «Rivista Storica del Lazio», no. 18, a. XI, 2003, p. 139 ff.



Another view of the Palazzo Caracciolo in Largo Ferrandina where the Rothschilds settled during the 1830s.

The Ferdinando district at that time consisted mainly of large aristocratic palaces with vast gardens. The palace had ample space suitable for breathing activity and was also a suitable place to move the whole family permanently. The offices were partly on the mezzanine floor, partly on the first floor where meeting and representation rooms were arranged and the family home was established.<sup>49</sup> This move, decided on during 1829, was completed in 1831.<sup>50</sup>

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<sup>49</sup> ASBN, Patrimoniale del Banco delle Due Sicilie, Affari Diversi, b. 282.

<sup>50</sup> *Per i 150 anni della Comunità ebraica di Napoli. Saggi e ricerche*, University of Naples l'Orientale, p. 14. That this was the location is testified by numerous documents of the time, not least the city guides such as *L'Album scientifico-artistico-letterario di Napoli e le sue*



First floor of Palazzo Policastro Caracciolo,  
headquarters of the Rothschild Bank.

The interiors today are largely the same as at the time when the Rothschilds lived there with their family – and their bank headquarters – the palace was rented rather than purchased. The furniture was probably partly changed over the following decades when the palace was first inhabited by Flavia Lefèvre, Countess of Balsorano and Marchioness of Casafuerte (1850-1905) – hence the nickname Palazzo della Contessa di Balsorano – for twenty years even though the noblewoman mostly lived abroad, in St. Petersburg, Nice and Paris. Then Giuseppe Caracciolo di Torella (1839-1910), who was mayor of Naples from 1888 to 1891, lived there.

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*province*, Borel e Bompard, Naples 1844, p. 529, where the Rothschilds are located in Strada Ferrandina, palazzo Policastro.



The 1830s were characterised at the same time by a stronger rootedness of the banker in the city and by a progressive and continuous expansion of business in terms of both geography and functional diversification also within the new activities linked to technological innovation. With regard to business, between 1831 and 1837, the Rothschild bank in Naples was heavily involved in financing operations for the Papal States and in the negotiation of a loan to the Duchy of Parma (1836) overseen by Carl Mayer's son. This was in fact the first of the repeated financial interventions made in favour of Pope Gregory XVI (5 loans granted by the *Maison* of Naples and the *Maison* of Paris to the value of 12 million scudi) \_ whose finances had been weakened by the fight against the Carbonari uprisings and also by mismanagement. This financing, advocated by Metternich, earned Carl Mayer the honour of the Sacred Order of St. George as well as the banker's opportunity

to support, although without immediate results, the cause of the Jews in Rome.<sup>51</sup>



The piano nobile of Palazzo Caracciolo Torella, which was home to the Rothschild Bank in Naples from 1830 to 1841.

Interestingly, in the Map of the Duke of Noia, Giuseppe Carafa (1715-1768), completed in 1775, the Palace appears in an area surrounded by gardens, smaller in size, in a landscape that had not changed much by 1830.

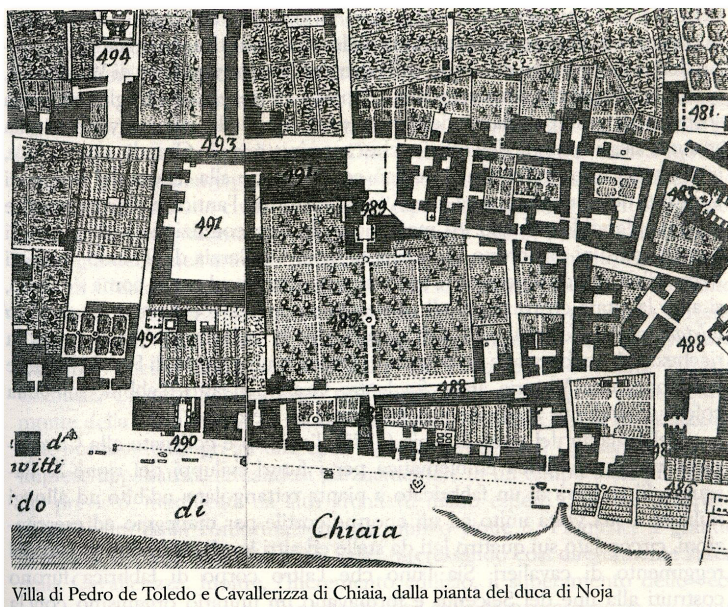
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<sup>51</sup> Giuseppe Conti – Maria Carmela Schisani, *Potere e ricchezza. Una storia economica del mondo*, UTET, Turin 2017 (2011), pp. 148-150.





The interior is characterised by the entrance hall, composed of lowered arches and decorated in stucco; the courtyard is rectangular and houses the staircase composed of piperno steps and two classical statues resting on their respective bases.



Palazzo Carafa then Caracciolo was located at number 489. At the time of the Rothschild bank's settlement, it was still an area full of Italian gardens and very close to the sea.

In 1832, in the aftermath of the transfer of the bank that employed, as far as is known, about fifty people, the Rothschilds with their young children paid a visit to the Lefèbvre family in Isola del Liri.

Year 1832. We began with a visit from Signor Belleli [...] then: Marquis Gioja; the Duke of Terra Nova; young Balzo. The Lushington family spent ten very pleasant days here. We had nice rides here in the surroundings [...] we had music competitions and read aloud. After their stay, Herr de Rothschild sent us a German



family consisting of Mr. and Mrs. Bimpfen and their sons, Emile and Alphonse. They stayed only two days. [...].<sup>52</sup>

The Rothschilds “stayed” at Lefèbvre Palace in Isola, i.e. they stayed several days although it is not specified how many. The Court banker’s visit to Lefèbvre had, in this case, a clear meaning: he supported the many industrial initiatives that Lefèbvre had launched in the paper, shipping, gas and trade sectors.

In 19th-century society, visits and sojourns of this kind had a precise meaning of friendship, as Paolo Macry has well demonstrated in *Ottocento. Famiglia, élites e patrimoni a Napoli*.<sup>53</sup>

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<sup>52</sup> From the journal of Rosanne Lefèbvre, year 1832.

<sup>53</sup> Paolo Macry, *Ottocento. Famiglia, élites e patrimoni a Napoli*, Il Mulino, Bologna 2002.



San Carlo Theatre in Naples in the early 19th century.

In the years following 1830, the personalities in power were Donato Antonio Tommasi, Marquis of Casalicchio (1761-1831), Prime Minister of the Kingdom of the Two Sicilies with the prerogatives of Minister of Finance, a friend of Luigi de' Medici di Ottajano, and Gaetano Filangieri, who continued his predecessor's policy of amalgamation and collaboration and was particularly linked to the German and English world also thanks to his Masonic affiliations.<sup>54</sup> He had collaborated with

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<sup>54</sup> He was affiliated with Freemasonry and the Order of the Illuminati under the Order name of Giano Gioviano Pontano; it was he, together with Friederich Münter, Giuseppe Zurlo, Gaetano Carrascal, Emmanuele Mastelloni, Mario Pagano and Nicola Pacifico, who

King Ferdinand between 1811 and 1820 in various positions and, being a friend and collaborator of Luigi de' Medici after his death, became President of the Council of Ministers until March 1831. His successor, Carlo Avarna di Gualtieri (1757-1836), who would hold the office of Prime Minister and Minister of Finance until 1836, also continued the policy of integrating the legislation of the Kingdom of the Two Sicilies with the codes and reforms implemented in the French decade, amalgamating the bureaucracy of the Bourbon kingdom with that of Murat.

He was succeeded by Girolamo Ruffo (1771-1839) who governed from 1836 to 1839. The guidelines of the government were those laid down by the Medici. The kingdom continued to repay debts to the Rothschilds at the rate of 1 million ducats a year for the decade, who, as state bankers, exerted pressure to secure the appointment of people they liked.

In 1831, when Jews were beginning to be admitted to the Bourbon capital with fewer legal restrictions, Julius Oppenheimer, a wealthy Jew from Frankfurt, could glory in being invited to the sumptuous dinners of the Rothschilds with the best society, like Moses Montefiore before him, but he also complains about a religious life still forced into hiding. In his travel diary, he recalls that Rosh ha-shanah prayers had to be recited with the windows closed, whispering in a low voice,

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organised the Naples enlightened lodge La Philantropia in 1786, of which he was deputy venerable master, as well as the lodge of the English rite called La Verità with Nicola Pacifico, Pasquale Baffi, Francesco Caracciolo and Domenico Cirillo.

«as if we were still living in the time of the Inquisition», he comments indignantly.<sup>55</sup>



View of Palazzo Caracciolo di Torella from the main hall where the Rothschild Bank was established. The Palace opposite is the so-called “Cavallerizza” of the great Toledo Palace of Casafuerte.

To understand how small the class of financiers still was, of those who could therefore make loans or invest in sectors considered profitable, the only document we have is the 1845 census, the first precise one after similar ones of 1816, 1821, 1823 and 1826 that did not clearly distinguish between categories.<sup>56</sup> Although the categories are still vague, they are

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<sup>55</sup> J. Oppenheimer, *Erinnerung an Neapel*, manuscript, Leo Baeck Institute, New York, ME 485, the reference is to 8 September 1831.

<sup>56</sup> John A. Davis, *Società e imprenditori nel Regno Borbonico (1815-1860)*, Laterza, Rome-Bari 1979, p. 2.

much more so than in the past. And they are composed as follows:

Bankers and shopkeepers	248
Owners of cloth factories, silk, colour, linen	34
People working in the same factories	264
Masters and Captains of Ships	313
Merchants	1365
Agents and brokers	24
Customs	74
Commercially commissioned	48
Private employees	1.144 <sup>57</sup>

The numbers refer to the city of Naples alone. People such as Zino, Meuricoffre, Lefèbvre, Degas and others, all fell into the category of “bankers” whereas previously they were also marked as “shopkeepers”, i.e. people who used their money to negotiate and trade goods. Out of a population of around 400,000, for the city alone, and not counting neighbouring provinces, this was a very low number, 0.4 per cent of the population. Especially considering that the real financiers appearing in the most conspicuous investment transactions were no more than 20 or 30 depending on the period, or 0.004%.

In the Board of Directors of the Chamber of Commerce, an advisory body, founded in 1808, between the years 1808 and 1859 the names Forquet, Sorvillo, Buono, Ricciardi,

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<sup>57</sup> ASNa, Archivio Borbone, f.881, Census of the city of Naples 1 January 1845.

Volpicelli, Appelt, Stella, Duchaliot, De Martino and a few others recur, always the same. The Meuricoffre and other mayors recur only once simply because they were not interested in the institution itself or already had people they trusted within it. The same is true of Lefèbvre and Rothschild, the former because he had the centre of gravity of his business outside the city, in the factories and was at the Court of Commerce in Cassino, the latter because he was a state banker. Rothschild, like a few others, then enjoyed “a class of exception”, i.e. a very high customs credit.

## Chapter 8

### Technology investments

In 1830, Carl Mayer was appointed Consul General of the Kingdom of the Two Sicilies in Frankfurt in view of his frequent visits to the German city. In the same year he became Consul General of the King of Sardinia in Naples, which indicated a willingness on the part of the king and his ministers to engage in dialogue with the rising regional power of the Savoy and also in preparation for the engagement and wedding that would unite Ferdinand II to Maria Cristina of Savoy (1812-1836) on 30th November 1832. These two events marked the beginning of the 1830s decade after the era of Luigi de' Medici, a more stable decade of greater prosperity and stability in the world.<sup>58</sup>

In the same years, technological innovations were introduced in the field of navigation that could have important repercussions on the economy of the Kingdom. Unfortunately, the political upheavals that were to follow, especially after 1848, did not allow these developments to take hold. In 1834, while the Rothschilds were managing their affairs at Palazzo Caracciolo and entering the grain, tobacco and oil markets, their advisors recommended that they should not stay out of the new business of navigation, not so much to make huge profits as to observe that sector from the inside.

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<sup>58</sup> ASNa, Ministero degli Affari Esteri, Pandette Regi Consolati, years 1830-33, no. 7,723.

There was no shortage of opportunities to discuss investment in new sectors. The Rothschilds' banks in Paris and London were already heavily involved, and in prospect increasingly so, in shipping and the construction of railway networks, which explains Carl's entry into a pioneering and promising field. The Neapolitan navy had thousands and thousands of small sailing ships and was therefore dispersed, but as a general tonnage it was slightly inferior to the English. These are the reasons that explain the initiatives of the year in which the Sicard "privative" expired and the sovereign renewed it.

Since the first boat had been launched 17 years earlier, technology had made great strides forward. The king decided to set up a royal postal steamer service that would run for about two years. Sicard applied in vain for the possibility of forming a joint-stock company without privilege because he had found shareholders, including those who had participated in the first company with Andriel and Lefèbvre, but this request was not granted at the time.<sup>34</sup> In 1834 his son Leopold went to Glasgow to buy a third steamer, the *Maria Cristina*, which was launched the following year (28 April 1835) and purchased thanks to the increase in share capital to 110,000 ducats. She had a tonnage of 293 tons, was 42.60 metres long and 8.50 metres wide with elegant interior furnishings in maple and mahogany. The two wheels were powered by a 130 horsepower engine. It entered service on 30 November 1835 under the command of Raffaele Cafiero.

In 1836, the king established the *Real Compagnia de' Battelli a Vapore* by decree on 17 May (it would last until 1859). The public company operated four steamers: the *Ferdinando II*, the *Nettuno*, the *Veloce* and the *Santa*



*Wenefrede*.<sup>59</sup> *Sicard* was momentarily in crisis due to the loss of its privatisation; increased foreign competition and the exorbitant fees demanded in the port of Marseilles, which had organised the first steamship companies in those years, made its balance sheet more fragile for a few years.



Giorgio Sicard attempted to transform the company from a partnership into a joint stock company, with the privilege of using sailors from the royal fleet to be kept at his own expense with the obligation to instruct them in the new type of steam navigation and to keep them at the disposal of the government should they be required. Unfortunately, he died in August

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<sup>59</sup> But that service did not pay off and the accumulated deficit made the king back out of the project just as quickly. Competition from fierce French, Austrian, English and even royal companies convinced the king to liberalise cabotage traffic in the Royal Dominions by decree on 15 May 1839, finally abolishing the Royal Delegation's postal service. Alessandro Arseni, *Storia della Navigazione a Vapore e dei Servizi Postali sul Mediterraneo*, vol. I, «The Postal Gazette», 2013, p. 58.

1835 and the *Sicard, Benucci & Pizzardi* company was dissolved on 31 December of the same year. The intention, however, was to open a new one immediately afterwards with a larger number of shareholders, again asking the king for permission to transform the limited partnership into a joint-stock company.

The joint stock company was still a very rare, if not unheard of type of company in that form in the Kingdom. At the beginning of 1836, the company was reconstituted as a limited partnership under the name of *Leopoldo Sicard and partners*, owning the steamers *Real Ferdinando I* (disarmed in 1838), *Maria Cristina* and the small cabotage vessel *Furia*. The general partnership was converted into a limited partnership for shares with a duration of 8 years from 1 January 1836.<sup>60</sup> It had a capital of 250,000 ducats in the first subscription of 500 shares of 500 ducats each. The subscribers were Leopold Sicard, Giuseppe de' Medici (son of Luigi), Luigi Caracciolo, Emmanuele de la Tour, and Pietro Alvarez di Toledo. The subscribers of the first company also came to the fore: Charles Lefèbvre and Carl Mayer Rothschild, who acquired important shares.<sup>61</sup>

Four years later, in 1839, 28-year-old Leopold Sicard, who had led the company brilliantly for about three years, died.<sup>37</sup> In the same year, in May 1839, the Navy of the Kingdom granted a premium of grana 2 (a fraction of a ducat) per tonne for all goods transported from port to port in the Kingdom. The incentive was granted to all ships purchased or operated by

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<sup>60</sup> Public Deed, notar Bonucci, 31 December 1835.

<sup>61</sup> An obituary outlining the life of the young Leopold Sicard can be found in the periodical *Poliorama Pittoresco*, 28 September 1839, pp. 53-54.

royalty. Discussions arose during the period on the granting of privatisations, which the government considered a valid economic incentive as long as it did not become a monopoly. Therefore the sovereign, in response to the request to allow the development of the new navigation system, granted a premium in 1839 for those who built steamships in the kingdom and granted freedom of cabotage to every steamship.<sup>62</sup> In fact, apart from liberalisation, this act had the main purpose of favouring the importation of technology from abroad also by foreigners who had settled in the Kingdom, lived there, and had transferred their business, as had been the case for the Sicards, the Meuricoffres, the Lefèbvre, the Violliers and others, the dynamic community of French and Swiss origin that constituted the cutting edge of Neapolitan entrepreneurship at that time.

After the premature death of Leopold Sicard, the company became a joint-stock company undergoing a further transformation, which, however, showed substantial continuity: the group of people interested in the business was still the same. The subscription was launched on 28 September 1840 at the office of notary Giovan Battista Bonucci, and the company was named *Amministrazione della Navigazione a Vapore nel Regno delle Due Sicilie*.<sup>63</sup> This made it possible to broaden the audience of subscribers. *Négociants*, merchants,

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<sup>62</sup> Royal Decree, 15 May 1839.

<sup>63</sup> Luigi de Matteo, “Noi della meridionale Italia”. *Imprese e imprenditori del Mezzogiorno nella crisi dell’unificazione*, Edizioni Scientifiche Italiane, Naples 2002, p. 163 ff. Giuseppe Galasso, *Storia del Regno di Napoli*, V, *Il Mezzogiorno borbonico e risorgimentale (1815-1860)*, UTET, Turin 2007, pp. 492-493; Carlo Perfetto, *Vicende della Marina Mercantile a vapore nel Reame delle Sicilie dal 1818 al 1860*, Barca, Naples 1923, p. 48.

financiers and notables of the Kingdom were invited, increasing the share capital by a further 200,000 ducats. The total capital of 450,000 ducats was divided into 900 shares of 500 ducats each and offered on the Naples market. A duration of 15 years was envisaged. It is considered by historians to be the first steamship company in the Mediterranean and the company structure remained the same as the previous one. The proceeds from the shares sold would be used to reinforce the company's fleet of ships, which at that time only numbered the *Francesco I* and the *Maria Cristina*.<sup>64</sup> Another small ship, the *Veloce*, was meanwhile sold and replaced by the *Furia*, which was only used in the Gulf of Naples. But this small boat did not live up to its name, and so it was sold in 1841 because it was considered too slow.<sup>65</sup>

Stendhal, a traveller and diplomat, expressed his admiration for the state of steam navigation in the Bourbon kingdom in those years. He was also well acquainted with the *Amministrazione's* steamers, on which he travelled extensively, the *Francesco I* and the *Maria Cristina*, journeys of which he left traces in his extensive correspondence.<sup>66</sup>

The well-informed French traveller wrote that the *Amministrazione's* vessels guaranteed an excellent annual yield which, when the combined net revenue of the two was calculated, gave 18% in those years, despite the fact that the *Francesco I* was out of action for several months for repairs.<sup>67</sup>

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<sup>64</sup> *Ibid*, p. 49.

<sup>65</sup> Lamberto Radogna, *Storia della Marina Mercantile delle Due Sicilie (1734-1860)*, Mursia, Milan 1982, p. 66.

<sup>66</sup> Stendhal, *Correspondances*, ed. H. Martinau, III, Gallimard, Paris 1968. In particular, pp. 441-444 (2 February 1840 - 25 May 1841).

<sup>67</sup> *Ibid*, p. 443, 25 May 1941.

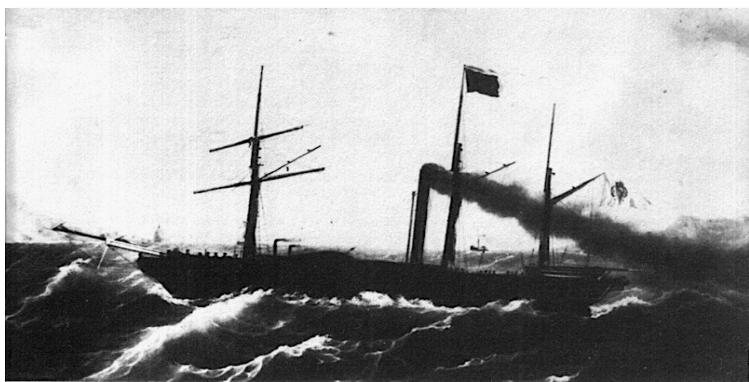


Leopold Sicard, portrait that appeared on the occasion of his obituary in the magazine «Poliorama pittoresco» in Naples, 1839.

Among those who subscribed substantial sums were various members of the Pignatelli Ruffo family and Francesco Pignatelli Strongoli (1774-1853), then the Lefèbvre, the Rothschilds both under their own names and with agents, the Degas, Filangieri, De' Medici and Laviano. It is more or less the same group of wealthy individuals that we find in two other important enterprises of the period, the *Società Lionese per l'illuminazione pubblica a gas* and the *Società Industriale Partenopea*, the first holding company in southern Italy, which were founded in the same years.

The latter was promoted by Domenico Laviano, a high-ranking member of the financial bureaucracy, Auditor General

of the State and later Auditor General of the Post Office.<sup>68</sup> As for Carl Mayer and later Adolphe Rothschild, both were very frequent at the Company's meetings as the minutes later published testify. We often find the latter among the signatories of appeals and motions at the Society's meetings along with Charles and Ernesto Lefèbvre. The Reports presented at the company's general meetings are preserved in the Naples State Archives and make this activity one of the best known of the time.<sup>69</sup>



The *Francesco I* in the sea.

In addition to the French, there were also Germans, British and Russians at the first meetings. The company gave itself a solid organisation with a director endowed with broad powers, paid with 10% of the profits at the end of the year and therefore strongly incentivised to run the company well. It was governed in a modern manner by a board of directors consisting of 5

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<sup>68</sup> *Almanacco del Regno delle Due Sicilie*, Naples 1840, p. 331.

ordinary directors and 2 alternates in office for 5 months who had to meet every Friday. A mandatory rotation of 2 members per year was also established. From the very beginning, a fairly extensive calendar of general and meeting meetings was planned. The seat of the society was at Vico (street) Pilieri No. 1, in the harbour area, where a workshop for ship repairs was also set up. It was probably a large – up to 70 people could be accommodated – and elegant society seat, suitable for hosting such illustrious personalities.

The company had its own dock, offices, repair workshops for sails, wooden parts and even boilers. At that time it boasted a capital of 250,000 ducats and was described as “very prosperous”.

The company adopted a logo featuring a steamship and the words in English *Nothing venture, nothing have* which, loosely, can be translated: *if you don't venture, you don't get*. Still in 1856 (the ship-owners' company would last until 1865) at a time when it was active, the historian of the Rothschild house, Bertrand Gille, quoted the words of the French ambassador in Naples who said that foreign investors in Naples were only interested in a certain type of speculation: «Chemins de fer, de navigations, de routes in Sicilie, travaux destiné a preparer sur una échelle raisonnable l'exploitation des richesses naturelles que referment ces Etats».<sup>70</sup> Steam navigation, like the railway, had a significance that went far beyond the usefulness it could have for the Neapolitan state, it could open it up to international trade, bringing, for example, certain of its products by fast ship and rail to the north.

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<sup>70</sup> Quoted in Bertrand Gille, *Histoire de la Mason Rothschild*, t. II, Droz, Geneva 1967, p. 246.

As for the gas industry, the French industrialist De Boissieu completed the construction of the factory at Cupa di Chiaia and it was inaugurated on 28 May 1840. The plant had three gasometers of French technology and construction and pipes, fittings and tools manufactured in the Neapolitan foundry *Zino, Henry & Co.* The factory in Vico Cupa covered an area of 550 square metres in a 12.5 metre high building, which housed 14 retorts for gas production, and a 34 metre high flue gas exhaust chimney. Adjacent to the plant were two large pavilions containing offices and warehouses, each measuring 500 square metres. The gasometric capacity of the first plant was approximately 200 cubic metres per hour. The production process was based on *cracking* the oil using a patented British process. This technique was less efficient than others, but it was chosen to favour the consumption of olive oil.

During the second half of the 1840s and early 1850s, business showed no growth and profits were marginal.

From a political point of view, we may recall that in 1836 Maria Cristina of Savoy, consort of Ferdinand II, died, giving birth to Francis, her only son. This death would distance the Kingdom of the Two Sicilies from the increasingly aggressive Kingdom of Sardinia with important results in the years to come.



## Chapter 9

### Villa Acton

One of the best known buildings of the new post-Restoration Naples was Villa Acton, built by Lord Acton where there had previously been a large garden that reached up the hill. The garden was owned by Lord Guglielmo (William) Drummond, who sold it in 1826 to Baronet Sir Ferdinand Richard Acton (1801-1837), son of John Francis Edward Acton (1736-1811), Prime Minister of Ferdinand I, a powerful figure in 18th-century Naples and reorganiser of the royal fleet who had been forced to leave Naples in 1806. The villa was built by architect Pietro Valente and continued in 1830 by Guglielmo Bechi. To build it, it was necessary to demolish a pre-existing dwelling belonging to the Carafa family.<sup>71</sup>

Richard Acton lived for some years in the villa with his wife Marie Louise Peline until she died in 1837 following pneumonia contracted in Paris in January of that year. When she remarried in 1840, the property was put up for sale.<sup>72</sup> However, Marie Louise Peline did not have citizenship in the Kingdom and this could prevent certain transactions. This seems evident when she expressed her desire to sell Villa

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<sup>71</sup> Donatella Mazzoleni, *I palazzi di Napoli*, Arsenale Editrice, Venice 2007, pp. 261 ff.

<sup>72</sup> Margot Hleunig, *La decorazione neopompeiana di Guglielmo Bechi e la Villa Pignatelli a Napoli* in «Napoli Nobilissima», vol. 30 (1991), pp. 97-121.

Acton but did not want to break an old law that prevented the sale of a property in Naples to persons who were Jews, a remnant, this, of laws imposed in the first half of the 16th century that had not yet been abolished. This explains what happened in 1841: Charles Lefèbvre together with a certain Francesco Veruhet bought half of the property with the surrounding land, while the other half was bought at the same time by Carl Mayer von Rothschild.

François Veruhet (probably “François” Veruhet) was certainly a “frontman” because he is not mentioned elsewhere in the archives of the kingdom and is nowhere to be found today at least in that spelling.<sup>73</sup> That he was a “frontman” of the Lefèbvre is told by the fact that he was French and not German: the Rothschilds in Naples used their network of agents from Frankfurt and Vienna and secondarily from England. The French, on the other hand, were often used, for example in the *Amministrazione della Navigazione a Vapore*, by the Lefèbvre. Charles Lefèbvre also purchased a piece of land behind the garden in Cupa di Chiaia where the first factory for the production of gas for lighting had been built the previous year, later expanded with new land purchased by Lefèbvre in 1841.

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<sup>73</sup> No matter how hard we have tried, it has not been possible to trace any news of this François Veruhet or François Veruhet, who, according to the newspapers of the time and printed accounts, bought the Villa Acton and adjoining land together with Lefèbvre. This suggests that he was not an independent party but probably an employee of Lefèbvre who acted on his behalf as a frontman for part of the purchase.



Villa Acton, home and headquarters of the C.M. Rothschild & Sons Bank, inhabited first by Carl Mayer and from 1852 by Adolphe.

In the same year 1841, thus a few months if not weeks later, the Lefèbvre-Veruhet hamlet was resold to Rothschild without conditions, while Lefèbvre retained ownership of part of the land. We do not know the details because the documents are not found in the Neapolitan archives and are not mentioned in those of the Rothschilds. They were probably lost with the dispersal of Carl Mayer's bank archives in the 50 years following the bank's closure. After that sale, and a quick readjustment, the Rothschild Bank moved its entire business and family there in 1842. Lefèbvre also sold to the Rothschild a portion of the land that was used for the extension of the

garden on the south side. As mentioned, Lefèbvre in the area behind, then almost free of buildings, carried out other land purchase and resale transactions. The *Catasto provvisorio* of the City of Naples records the purchase of numerous properties in that area by Carlo Lefèbvre in the Vicaria and Chiaia localities and the ownership of 30 houses and estates (land) under the typology “Houses-Urban estates” and building land. These consist of some thirty properties including flats, shops and warehouses with land, part of which was demolished for the enlargement of the garden and the construction of service buildings such as the Palazzina Rothschild and the Swiss Chalet. Documents relating to these operations have not been preserved. The cadastral load, which recorded the relative value, shows values ranging from 3.60 to 25 ducats per year.<sup>74</sup> All in all, the 1841 transaction appears to be a concerted purchase of a large lot and a valuable property for the mutual benefit of Rothschild and Lefèbvre.

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<sup>74</sup> ASNa, *Catasto provvisorio* of the City of Naples.



Gardens of Villa Acton.

Villa Acton, from its original layout, had two symmetrical entrances. The left entrance gave access to the Rothschilds' buildings, while the other was used by the Lefèbvre family as an easement of passage to a palace they owned where house number 200 stands today. In this palace, Lucia Saluzzo (1846-1923), daughter of Maria Luisa Lefèbvre and Gioacchino di Saluzzo, was born in 1846. In the 1850s, that flat or palace was no longer named and another building appeared, a little to the south, erected by Ernesto Lefèbvre in 1853 and still standing at number 251. It too was probably sold to the Rothschilds.

As for the land behind the complex, Lefèbvre was a shareholder in the *Compagnia di illuminazione a gas per la città di Napoli* (established in Lyons, 20 January 1839) and when Alphonse de Boissieu (1807-1886) was commissioned to choose the site for the gasworks, the land behind Villa Acton

was chosen and sold to the company.<sup>75</sup> The location in 1840 was called Cupa di Chiaia.

At the Villa Acton, Carl Mayer organised a reading room on the ground floor which could be accessed with permission and where it was possible to read, in addition to books on science and literature, foreign newspapers, some of which were banned in the Kingdom; and here, over the years, a well-stocked library was accumulated, divided into sectors: the religious one, limited to private and oratory use; the one of historiographical, scientific and literary works and the one consisting of technical, economic and administrative works. The latter, about five hundred volumes mainly in German and French, would later be donated by Adolphe de Rothschild almost at the same time as the liturgical books were sent to the Israelite Community, to the Municipal Library of Naples, then housed in the Red Room of the Gesù Nuovo complex and later in the funds of the Neapolitan Society of Local History, where they can still be found.<sup>76</sup>

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<sup>75</sup> Born in Lyon on 11 December 1807 into a noble family, De Boissieu studied law and was known as a legitimist politician and a man of great culture, with interests as an epigrapher and archaeologist. He was a director of *Le Magasin des soies de Lyon* (1859), a shareholder in *Crédit Lyonnais* (1863), before that of the *Compagnie des fonderies et forges de la Loire et de l'Ardèche* (1836), a director of the *Compagnie des Mines de la Loire*, an auditor and administrative director of two oil factories, and also sat on the board of a steel company.

<sup>76</sup> Fausto Nicolini, *Memorie storiche di strade e edifizii di Napoli, dalla Porta Reale al Palazzo degli Studi*, Ricciardi, Naples 1907, p. 132; Vincenzo Trombetta, *Storia e cultura delle biblioteche napoletane: librerie private, istituzioni francesi e borboniche, strutture postunitarie*, Vivarium, Naples 2002, pp. 551-552, p. 644. On the donation, see the Acts of the Naples City Council in the Archives of the Neapolitan Society of Local History, b. 1879/6 (Miscellaneous). I owe the most up-to-date information on the current holdings of the

The important real estate transaction of 1841 requires further elucidation even if some of the details have already been revealed. Why would Charles Lefèbvre buy a portion of the vast estate and house and then immediately sell it to Rothschild? Certainly not to make a profit, he would never have made such a speculation given the friendship and business relations that existed: clearly the transaction was agreed. The only hypothesis that can be made, considering the laws and customs of the Kingdom, is that Marie Louise Peline could not have sold directly to Rothschild because she would have contravened a law according to which people of Jewish origin and faith could not own permanent property and in particular houses, but only rent them. We have proof of this when Carl Mayer fifteen years earlier had invited the painter Oppenheim to paint his children. He had invited him in defiance of the laws of the Kingdom which since 1746, after a brief interlude of tolerance, had forbidden Jews to live in the capital «and only for a few had the prohibition been disregarded»: wealthy businessmen or well-recommended foreigners, but certainly not for a painter lacking in fame and means as Oppenheim was.<sup>77</sup>

At this point it is safe to assume that Lefèbvre acted as a facilitator to circumvent those laws that made real estate transactions difficult at that time. The first expulsion of the Jews from the Kingdom had been ordered by Pedro de Aicuna

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Rothschild fund to the librarians of the Società Napoletana di Storia Patria.

<sup>77</sup> Giuseppe Cammeo, *La Comunione Israelitica di Napoli dal 1830 al 1890. Cenni storici*, A. Bellisario & C. - R. Tipografia De Angelis, Naples 1890, p. 8; see Vincenzo Giura, *La Comunità Israelitica di Napoli (1863-1945)*, Edizioni Scientifiche Italiane, Naples 2002, p. 11: «There is no news of Jews settled in the Kingdom until 1830».

de Toledo, Viceroy, who in May 1541 had also wanted to hit the Kingdom's aristocracy indebted to Jewish lenders in this way. The members of the aristocracy, affected by these measures, were in many cases forced to leave Naples and return to Spain.<sup>78</sup> Equally affected were, of course, the Jews who had settled in the capital of the Kingdom and their presence dwindled until it disappeared altogether. The measure was part of the «institutional, political and cultural revolution» that took place in the Neapolitan State between 1524 and 1542 and that also led to the expulsion of the nobility from the Kingdom's government.<sup>79</sup>

The laws had been gradually softened over time and in the 19th century, in fact, Jews from the kingdom (there were only a few left in the city of Naples) or from abroad, could engage in commerce and even loans, own foundations and real estate but not houses, especially in the capital. Lefèbvre's intervention lies in this groove: with the purchase from Peline, it is easy to guess that Rothschild bought the part that was then actually used for banking and business, while Lefèbvre bought the part reserved for housing, which he sold immediately.

Thus the operation could take place without anyone having to say or ask to apply directives that were now considered outdated but would only be effectively superseded after 1861 with the Kingdom of Italy. The necessity of this complex operation can only be explained by the wishes of Peline who was probably advised by her lawyers not to go against an

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<sup>78</sup> *Prammatica II, De expulsiōe Hebraeorum sive Iudeorum*, in Lorenzo Giustiniani, *Dizionario geografico-ragionato del Regno di Napoli*, v. I, Stampatore Manfredi, Naples 1804, p. 99.

<sup>79</sup> Ileana Del Bagno, *Il duello «certamen licitum»? Problemi giuridici e reviviscenza settecentesca nel Regno di Napoli*, in «Frontiera D'Europa», vol VI, Naples 2000, p. 2.



existing law of the Kingdom. While her first husband, Acton's son, had been an influential figure, the second had neither citizenship nor interests in Naples and could not intervene. As for the woman, she was a Frenchwoman who had been living in Naples after her marriage but for a short time. To overcome the existing law, Lefèbvre intervened, allowing the operation to take place certainly in agreement with the king.

Rothschild had a bank and supported the economy of the kingdom to a considerable extent and was therefore able to impose a financial policy on the Bourbons «in keeping with their commitments».<sup>80</sup> Yet, in fact, until that 1841, he had no right to own his own house. The operation circumvented existing laws but, considering the weight of the two figures – Lefèbvre, the kingdom's largest industrialist and advisor to the king and Rothschild, the kingdom's banker – Ferdinand turned a blind eye as did his ministers.

After all, Carl Mayer, who was very cautious and attentive to legal matters, did not want to break the laws and this also explains the presence of the Lefèbvre family in the house: it appears that the French industrialist *formally* had access not only to neighbouring buildings but also to some rooms in the Villa Acton itself, at least for a few years; thus the actual residence could be postponed for a few years and accepted as a *fait accompli* when the whole villa was vacated for the exclusive use of the Rothschilds.

The 1840s were just as decisive with regard to the family policy of the «Neapolitan branch» and the background was the Villa Acton. In 1842, Carl Mayer Rothschild's second son, Mayer Carl, moved to the parent company in Frankfurt to work

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<sup>80</sup> Vincenzo Giura, *La Comunità Israelitica di Napoli (1863-1945)*, Edizioni Scientifiche Italiane, Naples 2002, p. 11.

with his uncle Amschel Mayer.<sup>81</sup> In the same year he married his London cousin Louise, daughter of his uncle Nathan, following what had become a family tradition since 1824: «the Rothschilds tended to marry Rothschilds».<sup>82</sup> In line with this strategy, already in 1836, the first daughter Charlotte, barely seventeen years old, had married her London cousin Lionel Nathan (son of Nathan Mayer) and, in the late 1840s, in 1849 and 1850 respectively, the other two sons, Wilhelm Carl and Adolphe Carl married the two nieces of the Viennese branch, Hannah Mathilde and Caroline Julie Anselm.<sup>83</sup> In particular, the latter two marriages were the result of family decisions following the impact of the uprisings of 1848. The fall of Metternich had been a severe blow for the Rothschilds and therefore Carl Mayer and his siblings had decided at the same time to postpone any decision on changing the partnership agreements between the different houses until the following year, 1849, subject to further developments in the general political situation.<sup>84</sup>

An eventual success of the Forty-Eight revolts could have jeopardise the repayment of debts by some kingdoms, not so much by the Kingdom of Naples, which by that time had repaid almost the entire amount owed.

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<sup>81</sup> Friedrich Edlen von Scherb, *Geschichte des Hauses Rothschild*, G. A. Dewald, Berlino 1892.

<sup>82</sup> Niall Ferguson, *op. cit.*, p. 165.

<sup>83</sup> Hannah Mathilde (1832-1924) and Caroline Julie Anselme (1830-1907) were sisters and daughters of Anselm Salomon Rothschild, son of Salomon Mayer Rothschild, brother of Carl Mayer.

<sup>84</sup> Laura S. Schor, *The Life and Legacy of Baroness Betty de Rothschild*, Peter Lang, New York 2006, p. 72.

## Chapter 10

### The local market

The history of the Rothschild bank in Naples highlights the dynamics through which it was able to acquire a considerable amount of public business, i.e. financing, but also the commercial route market, gaining a position of total control in the financial market and considerable, though not absolute, control of the commercial market. In the absence of an issuing bank in the strict sense of the term, as the Banque de France had become, and in the presence of a small and inefficient Stock Exchange, the role of Court Banker was fundamental in sustaining the finances of the structurally weak Bourbon kingdom. In its relationship with the Court Banker, the State granted its creditor control or influence over its policies by inducing it to exercise actions that would bring their respective interests into harmony. In fact, in order to guarantee the financial risk it had taken on, Rothschild steered its financial choices towards consolidation objectives.

In this light should be read the protectionist turn of 1823-1824, aimed at increasing the state's tax revenues, such as the increase of indirect duties from 1823 onwards and the adoption in 1826 – coinciding with the launch of the consolidated debt amortisation plan – of the very burdensome “state mill”.<sup>85</sup>

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<sup>85</sup> Maria Carmela Schisani, *Evitare l'insolvenza e conferire credibilità. Il debito pubblico napoletano e la credibilità politico-finanziaria di Karl Rothschild (1821-1826)*, «Rivista di storia economica», 26 (2), 2010, pp. 233-278.

Other measures were adopted by the Bourbon government in the aftermath of the early repayment of loans. The Rothschild loan of 1824 (known as the Anglo-Napoleon loan) was repaid at 20-year maturity in 1844 and the debt of 6 million francs contracted in 1826-1827 was repaid earlier, by 1830: hence the return to moderate protectionism from 1846 and the abolition of duties on salt and milling in 1847.<sup>86</sup>

In essence, once the debt was paid off, the kingdom was able to return to developing a more autonomous policy that was less influenced by the need to repay the bank. The relationship between State and Court banker led to the expansion of the bank's business, carried out under the protection of the State, but taking away primary financial space from local capitalists. Over the course of a few years, the Rothschild bank's stay in Naples downgraded the local bankers, especially those who were bankers in the technical sense, such as Meuricoffre, Appelt, Degas, Sorvillo, Forquet, and Auverny. Not all of these declined but they were forced to revise their policies. Some sought out spaces in the more established industries, such as the textile, iron and steel and mechanical construction industries or, even more importantly, the paper industry. The latter was dominated by the activity of the former state financier who had become a predominantly industrialist from 1818, Charles Lefèbvre. What he operated in – paper production, book printing – was one of the few sectors that the Rothschilds did not enter. Consequently, there was never the rivalry between the two as there was with other operators in the Naples marketplace. On the contrary, the fact

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<sup>86</sup> Archivio di Stato di Napoli, Ministero delle finanze, Appendice, Carte Medici, 12 July 1826. See Nicola Ostuni, *Finanza ed economia nel Regno delle Due Sicilie*, cit., p. 228.

that the Lefèbvre's circle of friends and family were directly involved in the search for the bank's premises, such as Villino Marulli, found by the Medici, Palazzo Caracciolo in the hereditary estate of Ernesto Lefèbvre's fiancée and later wife, Villa Acton, bought and resold to the Rothschilds by Charles Lefèbvre, as we have seen, is significant and indicates alliance and collaboration.

It is clear that at a time when the Lefèbvre paper mills were experiencing rapid growth, the Rothschilds' entry into the sector might have been late and unprofitable unless they were to compete directly, which was possible but not advisable because of the relationship between Charles Lefèbvre and the banker and also, perhaps, because of the lack of suitable sites for setting up new mills in the Kingdom. The sites in Sora, in fact, were all occupied at the time and a former banker, Zino, had secured the second best site in the area, at Carnello, to set up his yarn factory and withdraw from the trade routes market, which was about to be, if not monopolised, heavily negotiated by Rothschild. On the contrary, some bankers, who had been "downgraded", such as Sorvillo, invested in the activity of a large paper mill, the future Cartiere Meridionali in Sora, and others were heavily involved in the construction of a steam-powered navy, as Forquet and Appelt did.

The financial power of the Rothschild bank, Carl's function as Court banker, and the international network of which he was a member, led, as John A. Davis had already noted in 1979, to changes in the financial hierarchies of the Neapolitan marketplace where certain sectors – the state debt market – remained firmly and inevitably in the hands of the Rothschilds, while alternative market and investment niches were revealed. While industrialists such as Zino, Sorvillo and Lefèbvre

continued to play an important role in the domestic market, local bankers withdrew, occupied residual spaces left vacant and tried not to compete with the Rothschilds, considering that the struggle would be unequal. Studies of Naples' place in the international network of trade reveal that these played a role in linking the Neapolitan financial community to the wider network of credit and information. A well-functioning of these networks brought profits from foreign exchange arbitrages, which were profitable at the time. These relations, regulated by flows of goods or by the speculative dynamics of the exchange rate, can partly explain the enduring equilibrium of the Neapolitan exchange rate system despite a persistent trade deficit.<sup>87</sup>

Certainly, as Maria Carmela Schisani, a scholar of the Naples Stock Exchange and its financial centre, points out, the permanence of the Rothschild bank in the Neapolitan city played an important role in the Neapolitan stock exchange system. Regardless of business, at first flourishing and then less so, as Naples declined even before Unification, the Kingdom's strategic position in the Mediterranean area was important and allowed it to maintain a central role in the political and warlike events of the period, such as the conflict between Greece and the Ottoman Empire between 1821 and 1830, and French colonialism that took control of Algeria by 1830. This involved flows of commercial traffic but also of information, diplomatic relations. Although little of this is known and must be deduced from many sources, it is certain that the Rothschild bank in Naples was a hub of information

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<sup>87</sup> The process is well explained by Maria Carmela Schisani, *La borsa di Napoli (1778-1860). Istituzione, regolazione e attività*, Edizioni Scientifiche Italiane, Naples 2002.

that fed trade and monetary circuits between the Mediterranean and northern Europe, London and Paris above all, but also Lyons or Prussia. Thanks to its location, which allowed it to reach the Adriatic in a relatively short time, and its network of agents and couriers covering much of the Mediterranean area, the Rothschilds in Naples ensured that news from the East reached the most important European stock exchanges more quickly than by other means. Connections were continuous and any international news relating to family or more general affairs was communicated to the family's other banking houses via the alternative communication system of the courier network.

From Naples came fresh and up-to-date news on the situation of wars in the East, Turkey, the Ottoman Empire, Greece, Malta and the foundries. Moreover, with regard to long-distance trade, the Kingdom of Naples was linked to the concept of transit trade, as Schisani recalls. In some parts of Europe, transit trade was by river or, increasingly, by rail. In the port of Naples, the tonnage of transit trade to and from the East was considerable and allowed ships from Bristol, London, Antwerp, Genoa or Marseilles to stop over during long sea voyages to the southern Mediterranean and North Africa. Having established a banking office in Naples allowed the Rothschilds to supervise the cargoes of goods and coins that the brothers sent from London and Marseilles to Greece or North African ports, mainly Cairo and Algiers, respectively. In fact, the Mediterranean was also considered a strategic area for the Rothschilds' monetary affairs and their business as financiers. The Kingdom of the Two Sicilies «caught in the family's financial network became a strategic location for controlling a much larger area. The fifth banking house of the

Rothschilds can be considered an essential location for the management and control of the money traffic (bullion and/or coins [...]) between the main European financial centres and the southern Mediterranean and the countries of the Middle and Far East».<sup>88</sup>

Around 1837, there was greater collaboration between the Rothschild bank in Paris and the one in Naples. In addition to contingent economic reasons (advantageous exchange rates, greater availability of bills from French traders, etc.), the consolidation of business relations between the two brothers, which in part were to the detriment of those of the British house, became close from the first half of the 1840s.

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<sup>88</sup> Maria Carmela Schisani, *La Banca "C. M. Rothschild e figli" di Napoli per i 150 anni della Comunità ebraica di Napoli. Saggi e ricerche*, edited by Giancarlo Lacerenza, UniorPress, Naples 2015, pp. 9-32. *Ibid*, p. 23. Again: «These types of transactions allowed the adjustment mechanisms to operate at a higher level to ensure stability between the different monetary areas (gold standard, silver base monometallism and bimetallism) and to maintain a constant and geographically flexible balance in the profitability conditions for different and broad family businesses». *Ibid*.





Revenue certificates of the Kingdom of the Two Sicilies.  
Coupon of 25 ducats.

This rapprochement is contextual to the relations between the Kingdom and the French monarchy and the simultaneous estrangement from London, which was increasingly irritated by the Neapolitans' desire to no longer grant the exploitation of sulphur resources in Sicily. The rapprochement between the two brothers can be partially explained both from a human point of view – Nathan's death had deprived Carl Mayer of an important point of reference since 1836 – and from a professional one, prompting him to intensify relations with James, the family's other financial genius. Moreover, there was a progressive intensification of the French bank's interest

in the Italian market from the mid 1830s onwards (the four loans to the Papal States between 1832 and 1837 are a clear demonstration of this) and at the same time the business connected with the government loan of 1824 was coming to an end.<sup>89</sup>

Discounting of trade routes in Naples has been a constant among the activities of the *Maison* since its establishment in the Kingdom; from the 479,356.69 ducats invested on average in the discounting of trade routes in the 1920s (with a peak of 1,653,209.95 ducats in December 1824)<sup>90</sup>, it rose to 521,411.86 ducats in the period 1850-1857. In no phase of its Neapolitan history did the bank shy away from seizing the opportunities offered by this market sector, even though it also experienced moments of disinterest, particularly in the 1840s, perhaps following the constitutional uprisings of '48, when an average of just 299,231.62 ducats were immobilised in discount. What emerges from the balance sheets of the Neapolitan *Maison* is a picture of a company that was always attentive to the gains of short-term commercial credit and willing to invest even large sums in it. However, «the absence of a *trend* highlights the essentially speculative attitude held by Carl Rothschild towards this branch of his banking business». <sup>91</sup>

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<sup>89</sup> On Carl's affection for Nathan see among others, RAL, *Correspondence from C.M. von Rothschild & Sons*, XI/84/1A (letter of 25/05/1821).

<sup>90</sup> CAMT, *Maison de Naples, Livre des bilans*, 132 AQ 13 (1).

<sup>91</sup> Marco Rovinello, *Un grande banchiere in una piccola piazza. Carl Mayer Rothschild e il credito commerciale nel Regno delle Due Sicilie*, in «Società e storia», Issue: 110 (2005), pp. 705-739. *Ibid*, p. 709.

For traders and even bankers, writes Rovinello:

The diversification of investments between finance, public contracts and the trade in material goods, therefore, did not only concern the shopkeepers, who had been in the city the longest, like that Forquet who in 1821 enriched his merchant's portfolio with speculation on the government bonds of the first Rothschild loan to the Bourbons. It also programmatically connotes the actions of almost all the traders who arrived after the Revolution, without, however, producing any hierarchisation between those who are bankers and those who are merchants. While managing supplies to the army and the public administration, the big public contractors such as Desnarnaud, Dupont and Bellon do not at all fail to speculate on the stock exchange, nor do they similarly disdain to profit from large-scale international trafficking in commodities and manufactured goods. And so do the major bankers, intent on discounting the modest drafts circulating in the market place, feeding the asphyxiated credit market and profiting in the convenient business of State Monopolies, very often ending up identifying the company's purpose in a vague yet significant "whatever branch of trade they thought they were undertaking" as happened in 1836 to the Degas, father and partners.<sup>92</sup>

If the Rothschilds, although they varied and diversified in the way described above, were an exception, since their main field remained state lending, among the few other exceptions, two in particular stand out: the Lefèbvre and the Meuricoffre. The Lefèbvre had a predominant activity and investments in cutting-edge sectors but little or nothing "diversified" in the way Rovinello described above, rather they preferred to intervene in other industrial activities, from gas, to shipping,

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<sup>92</sup> Marco Rovinello, *Cittadini senza nazione. Migranti francesi a Napoli (1793-1860)*, Le Monnier, Florence 2009, p. 153.

to various craft sectors. Another exception was the Swiss Meuricoffre bankers who had settled in Naples in 1760 and only with Tell Meuricoffre (1826-1900) did they gain enough breathing space to become the only private bank to survive after the unification of Italy, although not to the crisis at the end of the century when they sold their business, credits, current accounts and branches to Credito Italiano. But then it would have been 1905.

The Rothschilds' surviving balance sheets provide less information on the discounting of bills of exchange drawn on markets other than those in the south and then remitted to the other agencies of the house. Draws drawn from a square other than Naples have to be deduced by rather complex procedures but, in general, it is clear that the Rothschilds invested mainly in Naples.<sup>93</sup>

The importance of centres such as Paris and London and the liveliness of trade between the Kingdom of Naples, France and England make it possible to assume that a large proportion of the routes purchased by Carl were then remitted to branches in London and Paris rather than to Vienna or Frankfurt.<sup>94</sup> Paris

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<sup>93</sup> In other words, to reconstruct the work of the Rothschild bank's general business outside Naples today requires some reconstruction work as the specific documents of each individual transaction have been lost.

<sup>94</sup> See Augusto Graziani, *Il commercio estero del Regno delle Due Sicilie dal 1832 al 1858*, in *Archivio economico dell'Unificazione italiana*, Ilte, Turin 1960; Anna Dell'Orefice, *La propulsione allo sviluppo commerciale e industriale del Regno delle Due Sicilie: 1806-1860*, Librairie Droz, Geneva 1973; John Macgregor, *Report on the commercial statistics of the Kingdom of the Two Sicilies*, T.R. Harrison, London 1840; Biagio Salvemini - Annastella Carrino, *Il territorio flessibile. Flussi mercantili e spazi meridionali nel Settecento e nel*

is the ultimate destination of many routes for *merchant-bankers* and companies operating across the continent (Marseille, Lyon, Trieste, Amsterdam, Livorno and even London itself).<sup>95</sup> The investments that the Baron authorises annually in this sector, a figure that cannot be immediately compared with the figures concerning the routes to Naples, are between one million and two and a half million ducats per year, a significant amount,<sup>96</sup> divided from year to year in different proportions between the remittances to Paris and London, further confirming the substantially speculative nature of this type of investment, which nevertheless represents a constant interest of the Neapolitan bank.<sup>97</sup>

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*primo Ottocento*, in G. Giarrizzo - E. Iachello (ed.), *Le mappe della storia*, Franco Angeli, Milan 2002.

<sup>95</sup> See CAMT, *Correspondance reçue des Maisons Rothschild, Maison de Naples*, 132 AQ 5878-5897. On the importance of the Parisian market place see Jean Bouvier, *Un siècle de banque française*, Hachette, Paris 1973; B. Gille, *La banque et le crédit en France, de 1815 à 1848*, Presses Universitaires de France, Paris 1959; Id., *La banque en France au XIXe siècle*, Droz, Geneva 1970; Louis Bergeron, *Les Rothschild et les autres: la gloire des banquiers*, Perrin, Paris 1991; Id., *Les capitalistes en France: 1780-1914*, Gallimard, Paris 1978.

<sup>96</sup> In the same period, the joint-stock company called Compagnia Matese, which presented itself as one of the leading firms in the fields of insurance, maritime exchange and discounting of effects, had a share capital of 47,000 ducats, later increased to 70,000. Archivio di Stato di Napoli, *Tribunale di Commercio, Atti di Società*, v. 358, f. 283R-284R.

<sup>97</sup> Remittances made to the Paris agency were more numerous than those to London while their total value changed from year to year, indicating an overall preference for routes to the English marketplace in the first twenty years and, conversely, a more marked tendency to exchange with Paris from 1840 onwards. See CAMT, *Correspondance reçue des Maisons Rothschild, Maison de Naples*, 132 AQ 5878-5897; RAL, *Correspondence from C.M. von Rothschild & sons*, XI/84/1A-7A. See Gille B., *Histoire de la Maison Rothschild*, cit., p. 470.

What, however, was the specific weight of commercial credit in the multifaceted activity of the *Maison*? Gille argues that commercial credit proper is little.<sup>98</sup>

He states this by calculating the percentage of available capital invested in the discounting of trade routes in a fairly wide *range* between 4.5% in 1825 and 31.2% in 1830, with an average for the period considered here of around 17%.<sup>99</sup> The data confirm Gille's estimates. If, on the whole, it is clear that the structure of the portfolio responds to the prudent logic of speculation on government bonds described in the literature, it seems equally clear that its remaining part, which is a minority but never entirely absent, is extremely variable in its composition and that, within it, the discounting of commercial bills played a leading role.<sup>100</sup> In the long run, trade credit proved «to represent something more than a residual segment in such a composite investment landscape, but, in years particularly favourable to credit speculation, even to be able to undermine the supremacy of investments such as current

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<sup>98</sup> *Ibid*, p. 428.

<sup>99</sup> *Ibid*, p. 428.

<sup>100</sup> On several occasions, for example, the bank's investments did not include trade in tangible goods (in particular oil, foodstuffs such as fruit and grain, and those metals whose market, according to Gille, «seems to have attracted the Maison Rothschild fairly quickly.... Les correspondances d'après 1838 montrent en tout cas que ce commerce, à cette époque, était déjà ancien et constituait une part importante de l'activité commerciale des Rothschild»). Prior to the mid-1830s, moreover, references to purely entrepreneurial activities or even just small shareholdings such as those recorded in 1834 (19 shares in the Company of the Sebeto) and those, much better known and relevant, in the French railway business (both in the Northern one and the one between Paris and Lyon) present in the 1855 balance sheet, appear to be completely absent. Gille B., *Histoire de la Maison Rothschild*, t. I, cit., p. 411; CAMT, *Maison de Naples, Livre des bilans*, 132 AQ 13 (1 and 4).

accounts and advances in the name of family members, foreign exchange transactions and even public credit business». <sup>101</sup> This «economic scope and political value», <sup>102</sup> contributed to the myth of the banker of kings.

This was particularly the case in the first fifteen years of the Rothschilds' presence in the Kingdom, when *lettres à encaisser* constituted a truly important part of the bank's commitments, sometimes becoming the main item among the assets reported when the balance sheet was drawn up. In December 1827, for example, they accounted for 55% of the bank's commitments compared to 9.38% for current accounts and just 2.3% for the *Compte de Change* (the item corresponding to speculations on monetary exchange); similarly, in June 1834, bills (21.7%) were the second largest item by capital employed after advances to other family agencies and the first item for both the *Compte de rente* (investments in public revenue, 6.7%) and exchange transactions (7.7%). <sup>103</sup> In a framework shaped more by the economic situation and the possibilities of speculation than by a precise policy, it is not surprising that commercial credit also marks poor years, as in 1825 (only 1.87%). <sup>104</sup>

One episode that may demonstrate – even though definitive proof is lacking – that there was a certain amount of competition between the various houses, even if disagreements were then settled and the various houses served as clearing

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<sup>101</sup> Marco Rovinello, *Un grande banchiere in una piccola piazza*, cit., p. 712.

<sup>102</sup> *Ibid.*

<sup>103</sup> CAMT, *Maison de Naples, Livre des bilans*, 132 AQ 13 (1). Cited in Rovinello, p. 714.

<sup>104</sup> *Ibid.*

houses, was the case of the *Polluce* that sank on 17 June 1841. In August and September 1841, in an action unprecedented in the history of deep-sea shipping, an attempt was made to salvage the ship, which had sunk because it had been rammed by the *Mongibello*, a ship that belonged to the *Amministrazione delle Navigazione a Vapore* in which Rothschild had an interest, together with Lefèbvre, Degas, Laviano and other majorities of the Kingdom.

The operation involved 10 ships, authorities and technicians. The sinking point was marked by a cork float. Technically it was an almost impossible operation considering the state of the *Polluce*'s hull, which had been ripped open and was at a depth of over 100 metres. After 40 days of work, the wreck had been lifted a few metres off the bottom; but due to the unpredictability of the weather and the breaking of a chain, the undertaking had to be abandoned. Raffaele Rubattino – a Genoese ship-owner linked to the Savoy – was in a hurry to recover the wreck with its “huge” contents and the attempt cost him about 50% of the cost of the ship itself.<sup>105</sup> This reason, and others – such as the fact that the ship contained gold that the English Rothschilds were having transported to Livorno – makes the sinking of the *Polluce* a fascinating historical enigma that has never been solved. Perhaps the ship was carrying gold that was meant to finance early insurrectional and unitary attempts? Was the *Mongibello* really given the task of sinking that cargo that Rubattino was desperately trying to salvage? It must be said that these hypotheses have been taken into consideration and that some evidence exists to support them. Perhaps this interpretation, better substantiated, could

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<sup>105</sup> Enrico Cappelletti - Gianluca Mirto, *L'oro dell'Elba. Operazione Polluce*, Magenes, Milan 2004, pp. 172-191.

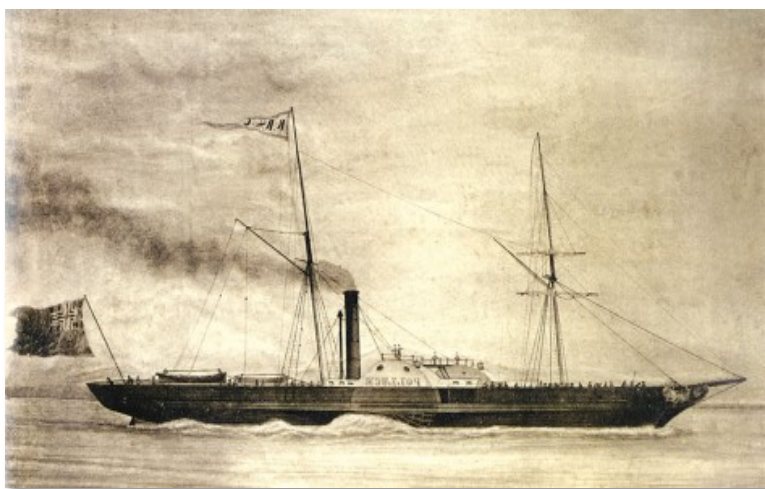


explain the undoubted hostility that the *Amministrazione della Navigazione a Vapore* suffered from the Genoese and the Savoyards after Unification.<sup>106</sup>

Today, the trail leading to the English Rothschilds financing the movements in favour of national unification policy is considered credible. The *Polluce's* cargo documents show that it was carrying valuables; not only that, a lawyer for the Queen of England took an interest in the case and this is significant. That money, those ingots, were probably destined for political operations that had their head in the liberal or Carbonara community of the Grand Duchy of Tuscany. Again a serious attempt was made to recover that cargo in 1859, and more in the following decades. While the English Rothschilds, in perfect agreement with the British government, financed the liberal movements, the Rothschilds in Naples worked to shore up the still solid Restoration in 1841. This shows how the different *Maison* Rothschilds, although acting in superior concord, could sometimes be found in different places in the political axis and alliances of the time. Those who financed the Tuscan liberals and subversive movements at that time were probably not seeking an overthrow of the Restoration kingdoms, but rather their conversion to a constitutional policy, as then occurred, albeit moderately, after the 1848 uprisings.

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<sup>106</sup> The most accredited hypothesis concerns the alleged existence of money from operations that Rubattino did not want to make known. Other historical hypotheses hypothesise the existence of a cargo of about 170,000 coins loaded in Naples and intercepted by Bourbon spies, which would have concerned hypothetical financing to the Russian consulate in Leghorn for operations against the Kingdom: a hypothesis that is not very credible considering the good relations between the Kingdom of the Two Sicilies and the Russian Empire.



The Mongibello, the ship that sank the Pollux.

## **Chapter 11**

### **The turning point of the 1840s**

When Ferdinand II inherited the Kingdom in 1830, the State coffers were burdened with a considerable deficit caused by the debts of the local administrations, Naples in primis, by that of the loans granted and by other items. He therefore decided to reorganise by following the policy dictated by the late de' Medici and the group of "councillors" he had surrounded himself with and who, for the merits they had earned, were for the most part admitted first to the Chamber of Peers, then to the Royal Baciamani and ennobled, which benefited Charles Lefèbvre in particular. Ferdinand implemented prudent measures and managed to balance the budget in 1845. This was achieved by deductions from pensions and administrative and ministerial salaries, as well as by cutting the costs of ministries. Having achieved this, he decreased existing taxes instead of instituting new ones and protected the weaker sections of the population. Not only that, he avoided adhering to pure Anglo-Saxon liberalism and continued to protect the enterprises that had been formed in the previous 20 years, doing everything to avoid stifling business activity. With great caution, he started a slow and controlled infrastructural development, aimed at containing public expenditure and generating the money supply that was, at the time of Unification, twice that of other Italian states, especially the Kingdom of Savoy. In little more than twenty years, the Kingdom went from the risk of bankruptcy to a solid economy

even if lagging behind the industrial standards that were being imposed in Europe and Northern Italy. Having a small public debt, this could not be negotiated. The British, advocates of the most extreme liberalism, pressed for this system to be embraced by the Kingdom's economic decision-makers, but this did not happen on the terms they had hoped. The deficit was wiped out in about twenty years and the debts repaid to the Rothschilds and other minor players.

But during the revolutionary uprisings of 1848 something significant happened: international investors, under strong English pressure, set up a financial "cartel" against the Naples Stock Exchange and the public debt securities of the Kingdom of the Two Sicilies.

Ferdinand II, not yet fully aware of how profound a challenge he was thereby posing to the hated English, did not want to join the inordinate liberal competition of the European countries but carried out a controlled infrastructural programme that, if on the one hand penalised the speed of modernisation of the Two Sicilies compared to the rest of Europe, on the other hand ensured a verified expenditure necessary to ward off the onset of a new debt crisis. The powers of Europe, on the other hand, spent far more than they had in their coffers, adhering to the capitalist economic system in affirmation at the time, getting into debt with private banks and feeding the business of the great bankers and the rich powers from whom the financing rained down. This is what the Kingdom of Sardinia did, engaged in costly wars and the realisation of public works, such as the railway network, not being able to count on those sea routes that were well developed in Bourbon territory and allowed the movement of goods. The other countries began to create chasms in their public accounts, leading Europe to the social problems of

today, amidst harnessed monetary policies and weakened traditional powers.

As mentioned above, the 1848 uprisings also politically closed the almost 30-year season of financing the kingdoms ruled by absolute monarchies that arose from the particular climate of the Restoration. They also closed the season of open collaboration with Metternich. On the one hand the Kingdom of Naples no longer needed as large loans as in the past, on the other it did not have the conditions to develop a stock exchange that could compete with European ones and these were conditions that began to make their presence in Naples less lucrative for the Rothschilds.

Metternich, after a short-lived exile in England and then Belgium, returned to Vienna as advisor to the young Emperor Franz Joseph. Engaged by then mainly on honorary duties, he lived for another decade and died in 1859 at the age of 86. The Rothschilds had increased their already considerable wealth in the decade 1820-1830 by lending money to the kingdoms of the Restoration. However, new revolutions, in 1830 and especially in 1848, showed that this type of set-up and policy was on the ropes. Hence came the aid to the Kingdom of Sardinia from the London bank, which, however, damaged the Neapolitan bank.

At the end of this phase, after the necessary settlements, new prospects opened up for the Rothschild bank in Naples, which looked to new business and granted public loans of various kinds, a conspicuous one in particular to the Lieutenancy of Sicily, a sort of provisional government, but compared to previous loans these were much smaller.<sup>107</sup> At the

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<sup>107</sup> Romualdo Giuffrida, *I Rothschild e la finanza pubblica in Sicilia. 1849-1855*, Sciascia, Rome-Caltanissetta, 1968.

same time, the new phase marked the beginning of a rethinking and transformation of the organisation of the financial system of the various family banks, both for economic and personal reasons. In 1849, in fact, Carl Mayer Rothschild and his sons moved to Frankfurt, leaving Naples to people they trusted because Adhela, his wife, had fallen ill. The illness lasted a few years and in 1853 she died. After the funeral, the banker returned to Naples with the intention of reorganising the business.<sup>108</sup> But the family fortunes suffered another blow when the youngest of the sons, Anselm Alexander Carl, died probably of pneumonia at the age of 18 in February of that year.<sup>109</sup> The family again made the journey to bury the boy's coffin at the Alter Jüdischer Friedhof in the family vault at Frankfurt where his mother had already been buried.



Anselm Alexander Carl Rothschild.

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<sup>108</sup> Giuseppe Cammeo, *La Comunione Israelitica di Napoli dal 1830 al 1890. Cenni storici*, A. Bellisario & C. - R. Tipografia De Angelis, Naples 1890, p. 15.

<sup>109</sup> «L'educatore israelita», 1854, p. 136.

In 1855, it was the turn of Carl, who died about 13 months after his son, and another trip followed the previous ones. In practice, after 1848, which had brought about many changes in Neapolitan society as well, Carl Mayer had had very little presence in Naples and his relations with the local notables, such as the Degas and Lefèbvre, had thinned out. Contacts, but of a purely amicable nature, would be resumed by the next generation, namely Ernesto's daughter.

The death of Carl Mayer Rothschild in March 1855, followed shortly afterwards by that of his brothers Salomon Mayer (28 July 1855) and Amschel Mayer (6 December 1855), opened by necessity a phase of profound reorganisation of the banking organisation in accordance with the succession arrangements that had already been planned in Frankfurt in 1852, during the illness of his wife, at a family meeting attended by all the branches established in Italy, France, England and Austria. It was a large meeting with several dozen people.



Adolphe Carl, put in charge of the Neapolitan branch first with his father and then alone after his father's death in 1855. Portrait of Daniel Oppenheim.

Another novelty of that year was that two more of Carl Mayer's sons, Mayer Carl and Wilhelm Carl, were appointed to jointly run the parent company in Frankfurt and Vienna, while the bank in Naples passed to Adolphe, who had already run it with his father. In terms of business acumen and ability, Adolphe was considered less gifted than his brothers.<sup>110</sup>

Moreover, Adolphe was characteristically different from his father, who was very attached to Naples and well-connected in Neapolitan high society. He attended the

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<sup>110</sup> Stanley Weintraub, *Charlotte and Lionel: A Rothschild Love Story*, Free Press, New York 2003, p. 136.



meetings of the *Amministrazione della Navigazione a Vapore* with Ernesto Lefèbvre and the scions of the Degas family. He was a refined, cultured man, an expert art collector and much more attached to local friendships than his father. He inherited the position of banker at the Court of the Bourbons as well as those of Consul General of the Kingdom of the Two Sicilies in Frankfurt and Consul General of the King of Sardinia and the Duchy of Parma in Naples. All these assignments led him to travel extensively, especially to Paris, where he was at home in the local Rothschild bank.

Paris in those years attracted many scions of important families from Naples, including Ernesto Lefèbvre who began to stay there for a few months each year.



Right, the headquarters of the *Amministrazione della Navigazione a Vapore*, the first company to equip steam ships, whose meetings were attended by Degas, Forquet, Lefèbvre di Balsorano and even Adolphe de Rothschild. In the early 1850s there was still hope for a revival of Naples.

Adolphe conducted the affairs of the Neapolitan bank in contact with his uncle James in Paris also in order to cope with the rivalry with the Pereire brothers who, from Second Empire France, were rapidly moving up in Europe to undermine the power of the Rothschild bank and what they called la *vieille banque*.<sup>111</sup> With the coup d'état of 1851 and the advent of the Second Empire (1852) new credit institutions had appeared on the French market, including the Crédit Mobilier (a *banque nouvelle*) founded in 1852 by the brothers Isaac (1806-1880) and Jacob Émile Pereire (1800-1875) at the behest of Louis Napoleon Bonaparte, later Napoleon III. The latter wanted to consolidate himself by stimulating the national economy through the foundation of a new model of credit institution in the form of a joint-stock company that would finance the construction of railway, industrial, water, sewer, gas and irrigation infrastructure and networks. This was the new big business involving builders, engineers, contractors and financiers. The Crédit Mobilier was used to diminish the power of the Bank of France and the financiers of the traditional *haute banque* also known as *vieille banque*, whose main exponents were the Rothschilds.

In general, also for these reasons, the Rothschilds in London, Paris and Naples were hostile to Napoleon III. James de Rothschild clashed with the Pereires, with whom he had previously collaborated, until they parted company to pander to the Emperor. In 1856 the Pereires attempted to create a network of securities credits throughout Europe, on the other hand, James Rothschild, as a response created in Paris the Réunion Financière, a syndicate of private bankers, all

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<sup>111</sup> David S. Landes, *Bankers and Pashas*, Heinemann, London 1956.

enemies of the Pereires (Talabot, Bartholoni, Blount, Vernes, Marcuard, Davillier and Schneider).<sup>112</sup> On the epoch-making significance of this year, Rondo Cameron writes that *Crédit Mobilier* attempted to establish affiliates in Naples, Germany and many other parts of Europe, including Eastern Europe, but the time was not yet ripe. It only succeeded in establishing one, in Spain, but not elsewhere.<sup>113</sup>

The attempt to bring *Crédit Mobilier* to Naples took concrete form in February 1856 with secret negotiations initiated for the presentation of a project for a «new industrial credit bank» conducted at the same time as the acquisition of the local *Banca Fruttuaria* by a group of bankers already affiliated with the *Crédit Mobilier* of Paris.<sup>114</sup> The *Banca Fruttuaria* (1831-1857) and the *Banca del Tavoliere* (1834-1839), both of which were aimed at fostering the Kingdom's economy, were short-lived as they operated in a hostile environment that discouraged the birth of similar initiatives. The attempt by the Pereires and those who supported them was quickly counterbalanced when the Minister of Finance, urged by Adolphe, spoke out against the project and proposed to the Court banker to present a similar project but with other members of the local financial community to prevent further

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<sup>112</sup> Jean Bouvier, *Les Rothschild*, Fayard, Paris 1967, pp. 144-183; Jérôme Greenfield, *Le Crédit mobilier avant la suprématie des Pereire*, "Histoire, Économie & Société" 2020/2 (39e année), pp. 46-63.

<sup>113</sup> Rondo E. Cameron, *France and the Economic Development of Europe, 1800-1914: Conquests of Peace and Seeds of War*, Princeton University Press, Princeton NJ 1961, pp. 170-171.

<sup>114</sup> As of 1857, the *Fruttuaria* Bank was fully French-owned and the names of the major shareholders were Pereire, *Crédit Mobilier*, Mallet, Fould, d'Eichthal (ASNa, Ministero delle Finanze, f. 13,570).

attempts at competition in the market place.<sup>115</sup> The Rothschilds were very well protected in Naples and it was therefore impossible for competitive manoeuvres against them to succeed.

The 1850s saw a more pronounced involvement of C.M. Rothschild & Sons in the complex affairs of the Kingdom's railway projects, in an attempt to bring even there the development that railway construction was bringing to England and continental Europe, especially Prussia, the Austro-Hungarian Empire, Belgium, Holland and France.



The brothers Isaac and Jacob Émile Pereire. For a few years with their Credit Mobilier they tried to undermine the Neapolitan market at the expense of the Rothschilds.

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<sup>115</sup> Bertrand Gille, *Histoire de la Maison Rothschild. 1840-1870*, t. II, cit., p. 128.

For the most part, these projects were not realised: in 1852, Rothschild provided support for the project of Benedetto Albano, a subject of the Kingdom, who had settled in London, for the Naples-Brindisi railway; in 1855, he appeared as «exclusive banker» in the project of the joint-stock company for the Abruzzi-Roman railway formed on the model of the French ones (*Compagnie anonyme du chemin de fer de Rome a Frascati avec prolongement facultatif jusqu'à la Frontière de Naples*), for which, in 1856, Adolphe Carl Rothschild provided financial backing for the construction of 80 miles of the Naples-Ceprano line; a section of this railway was agreed with the Lefèvre family so that it would not pass through family land, as it would depreciate the land they owned in the area and near Isola del Liri.

Those were difficult years: the monetary crisis of 1853, the spread of cholera in 1854-1855, the European economic crisis of 1857 generated by railway speculation, the explosion of financial bubbles linked to the construction and financing of large infrastructures, as well as the diplomatic isolation in which the Kingdom was placed due to its refusal to participate in the Crimean War alongside France and Great Britain – a refusal also due to the strong diplomatic and commercial ties that bound the Kingdom of the Two Sicilies to the Russian Empire – all these facts began to undermine its own military security and political autonomy.

From 1859, the house in Paris took an interest in Melisurgo's Concession for the Puglie railway and the following year it contributed to the project to set up a Neapolitan Railways Limited Company. The project, however, did not come to fruition and in any case did not involve any of the Neapolitan notables. Consider that some of those who could, such as the Lefèvre, stayed away from

Naples for years during the most convulsive phases of the crisis, especially after 1857.

The business of C. M. & Sons in Naples, from 1855-1856, also in view of the increasingly black clouds gathering over the Kingdom, was essentially carried out by legal representatives, delegated to work on behalf of Adolphe Carl, who lived almost continuously away from Italy, mainly in Paris, with stays in Geneva. Here, in 1858, he commissioned the English architect and painter Joseph Paxton to build the Château de Pregny on the shores of Lake Geneva, for the furnishing of which he commissioned the French architect Eugène Viollet-le-Duc. Much of the year, however, he spent in Paris.

The decade ended with the unification of Italy which led to a sudden and dramatic change in the political and financial organisation of the Kingdom, effectively colonised by the new Piedmontese state. Adolphe did not swear an oath to the new king and even followed Francis II to Civitavecchia, before abandoning his role as banker of a Kingdom that no longer existed. During the most convulsive phases of the change of regime, the Lefèbvre family also settled in Paris, in the Boulevard des Capucines, with their family and some twenty people in tow. Acquaintances between the two friends – such they were – continued for many years.

A short time after the Unification, it was clear that Naples was destined to degrade as a city of inferior rank on the international scene and that Turin, the capital of the new Kingdom, would be the new decision-making centre of business, with a shift of the political and financial axis towards France, and so a decision was made: in 1863, C. M. Rothschild & Sons was dissolved definitively and the archives, as already mentioned, were taken to Frankfurt. M. Rothschild & Sons

was definitively dissolved and the archives, as already mentioned, taken to Frankfurt. Adolphe Carl had all the family's personal belongings taken away and entrusted the liquidation of the remaining assets to the local banker Antonio Auverny. The Neapolitan business was finally closed in 1866 and the following year the prestigious family home on the Riviera di Chiaia was sold to Prince Diego Aragona Pignatelli Cortes.



Villa Acton-Rothschild then Pignatelli. Reception hall.

It still retains the decorations commissioned by Carl Mayer von Rothschild in the 1850s first to the Parisian architect Claret and then to the Neapolitan architect Gaetano Genovese (1795-1875). The white and gold stuccoes and grisailles with gold inserts in the ceiling, in the centre of which is a canvas depicting the Allegory of Architecture, dating from the 1840s-50s, can be traced back to Genovese.





Detail of the ceiling of the reception hall with the canvas depicting the Allegory of Architecture, 1840-50.



## Chapter 12

### Carlo Filangieri

Carlo Filangieri, often present at the social occasions of Neapolitan high society, had an important military and political career and was, on the one hand, very close to Charles Lefèbvre, his personal friend, and on the other, his initiatives had the trust of the Rothschilds, Carl and Adolphe, as he was considered a shrewd and prudent man. After the events that saw him hold senior officer positions in Murat's army and in the French Decade, he was recalled to Court in January 1831 and reinstated in the rank of general, receiving further high honours from the Kingdom as a token of Ferdinand II's appreciation.<sup>116</sup>

He was called to the Diet of Generals for the reorganisation of the army with the tasks of commanding the artillery, the Engineer Corps, the military schools and the topographical office. With these mandates, Filangieri strengthened the defences, built barracks, hospitals and expanded the military arsenal. At that point, the king trusted two advisers, Carl Mayer Rothschild who advised on investments, together with the Minister of Finance, and Charles Lefèbvre who had great experience in organising the army's subsistence and provided some of the typical instruments of bureaucratisation and

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<sup>116</sup> He received the collar of the Order of San Gennaro, the highest honour of the Kingdom. In the same year, he was also awarded the knighthood of Grand Cross of the Order of St. George of Reunion.

reorganisation of the army itself: the forms printed in his factories.

Filangieri freed the military fleet from British engineers by establishing the theoretical-practical school of machinists at Pietrarsa, which served to boost steam navigation and locomotive construction. He also provided training for the most talented officers. In 1843, as another sign of royal benevolence, Filangieri entered the Court as “Gentleman of His Majesty’s Chamber with Exercise”.

In the spring of 1848, he was at Lefèbvre’s house in Isola when he was urgently called to Naples to organise the reconquest of Sicily. He was also considered the right man because he was married to Maria Agata Moncada di Paternò. On 11 February 1848 Ferdinand promulgated the Constitution to stem the protests, but on 13 April the newly elected Sicilian Parliament decreed him deprived of the throne of Sicily. On 26 August, the sovereign entrusted him with the command of the expedition to reconquer the island, an operation he completed by September 1848. As plenipotentiary of the king, he made certain concessions, such as an autonomous government to Sicily, which the king promised.



Carlo Filangieri.

To reduce its powers, Ferdinand II established the Ministry of Sicilian Affairs on 26 July 1849, which was to govern the island from Naples, and two months later appointed Filangieri lieutenant in Palermo, who often had to clash with the Minister of Sicilian Affairs Giovanni Cassisi (1788-1865). The Lieutenant reinstated the Church by returning the alienated goods to some religious orders. He then re-established the Sicilian Juridical-Administrative Council and repaid the island's public debt without the introduction of new taxes by resorting to a loan from Carl Mayer Rothschild & Sons with the king's agreement.<sup>117</sup> Filangieri's relations with Cassisi

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<sup>117</sup> «Nuovi quaderni del Meridione», volume 14, 1970 p. 261;

worsened when the lieutenant presented a plan to build 25 new roads totalling 625 miles and eight suspension bridges within six months. This major project could have revitalised the island's economy, which was severely lacking in roads and bridges. But Ferdinand II did not want to authorise the contract because it was in the name of a French contractor, and Cassisi insinuated the use of Sicilian frontman behind whom the Frenchman was hiding.

The contract was not signed and Filangieri considered that failure to finance infrastructure as a lost opportunity for Sicily and its economy. It is no coincidence that after that failure, Ernesto Lefèbvre, who saw the Kingdom's international situation plummeting, left Naples and went with his family to Paris for a few years, as mentioned above, returning from time to time to settle his affairs. It is likely that Filangieri, his friend, had made him aware of the difficulty of the situation and the imminence of war.

A few days after his accession to the throne, on 22 May 1859, Francis II decided to write to a number of personalities, including Carlo Filangieri, to ask them to rejoin the government. Filangieri became President of the Council. He undertook to revive the country by launching public works that had already been planned and approved, such as the railway lines to Puglia and Abruzzo and the roads in the capital by resuming, among others, the plan to build the current Corso Vittorio Emanuele. After the Congress of Paris in 1856, during which Lord Clarendon ordered Ferdinand II to choose a more

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«International Review of the History of Banking», v. 3, Droz, Geneva 1976 p. 404; Romualdo Giuffrida, *Aspetti dell'economia siciliana nell'Ottocento*, Telestar, Palermo 1973, p. 116.

liberal policy, Great Britain and France had broken relations with the Kingdom of the Two Sicilies. Filangieri, linked to France and intent on loosening ties with Austria, made openings and so Great Britain and France reopened relations with the Kingdom of the Two Sicilies by appointing their representatives.<sup>118</sup>

Later, the Piedmontese Ruggiero di Salmour arrived in Naples on behalf of Cavour to sound out the Neapolitan government on the possibility of an alliance with Piedmont. Salmour proposed to Filangieri a conflict against Austria, which he considered, displeasing both the pro-Austrian minister Ferdinando Troya and Francis II. On the other hand, Filangieri, although favourable to Salmour's proposals of an alliance with Turin and an eventual enlargement of the Kingdom to the detriment of Pope Pius IX, was opposed to granting the Neapolitan Constitution of 1848 as Piedmont and Britain wanted. Indeed, Filangieri feared an army defection and the separation of Sicily and wanted a less liberal constitution, the drafting of which he entrusted to the jurist Giovanni Manna.

Once the work was finished, Filangieri and Manna discussed the drafts, correcting them in some points concerning Sicily, after which the President of the Council informed Napoleon III through Ambassador Brénier. On 4 September 1859, Filangieri presented the constitutional draft to Francis II, pointing out that Napoleon III had approved the statute and thus hinting that the Kingdom of the Two Sicilies would move closer to the French political sphere by abandoning the Austrian one. According to Filangieri, in fact,

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<sup>118</sup> French Baron Anatole Brénier de Renaudière (1807-1885) and Englishman Henry George Elliot (1817-1907).

only under the protection of France, a friend of Piedmont, could the Kingdom of the Two Sicilies avert the imminent catastrophe. But due to serious difficulties and misunderstandings, in September 1859, Filangieri asked to be relieved of his duties as President of the Council and Francis II granted him a leave of absence of forty days.

At the end of September, General Christophe Michel Roguet (1800-1877), sent to Naples by Napoleon III, had a long talk with Filangieri who made one last attempt with Francis II: in a letter dated 2 October, he urged him to side with France which, in exchange for a rapprochement to its political system, would protect the Kingdom of the Two Sicilies and ensure it a leading role in Italy. Shortly afterwards, Francis II replied that the ruin of his country was precisely the influence of foreigners. On 16 March 1860, Filangieri's resignation was finally accepted and he was replaced at the Presidency of the Council by the Prince of Cassaro and at the Ministry of War by Francesco Antonio Winspeare.

He retired to private life in Sorrento, but on 14 May 1860, just days after Garibaldi's landing at Marsala, Filangieri was recalled to Naples. Francis II asked him to return to service to try to save Sicily, but Filangieri refused. However, on 30 May, the day of Garibaldi's occupation of Palermo, Filangieri asked Francis II to appeal to Napoleon III to intervene to guarantee the autonomy of the Kingdom of the Two Sicilies. The king agreed but it was now too late. Further attempts by Francis II to make Filangieri take back the reins of state in those convulsive months failed.

With the approval of Prime Minister Liborio Romano, who considered him dangerous to the Kingdom's internal stability, Filangieri asked and was granted permission to leave his country. On 11 August 1860, he embarked for Marseilles with

his infirm wife. The latter then returned to Naples and died there on 3 December 1862, six hours before Filangieri returned.





## Chapter 13

### After the closure. Naples and Paris

After the sale of the Villa Acton and the closure of the bank, there are still active business deals or lawsuits for the Rothschilds' recovery of money related to routes, transport of cocoons and grain from the Crimea. In the following years business of this kind was no longer handled by the Naples office but by the French office.<sup>119</sup> Unification inevitably led to the decline of Naples, cut off from the trade that had previously made it, if not rich, at least prosperous. Niall Ferguson argues that the various Rothschild banks concerted certain outlines but kept themselves free to do relatively independent business, even if they could sometimes conflict as seems to have been the lucrative policy of supporting the English Crown, or financing forces that increased political unrest in the southern kingdom. That policy went against the interests of Carl Mayer & Sons in Naples. Despite this, the former's business was considered more important and strategic than the latter's. Nevertheless, the ties with Naples in particular of Adolphe and his sister Charlotte, who had moved to London after their

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<sup>119</sup> Commercial Court of Naples. Acts deposited. Inventory. ASNa, 54 - Vol. 926, 3 January 1859, *Calcolo d'avaria sofferta dal legno Geronima del capitano Ferrari Giovambono proveniente da Odessa e Malta per Napoli con un carico di grani appartenenti a Rothschild* (sic), 23 January 1859; 57 - Vol. 951, 9 January-12 December 1864, 0057.009 - *Valutazione di un quantitativo di bozzoli trasportati da Paola a Napoli con legno a vapore. Parti in causa: de Rothschild and son and Chimenti Francesco Saverio*, 1 March 1864.

marriage, remained very strong, to the point that, in addition to contributing to the rebirth of the Jewish Community more than three centuries after its expulsion by the Spanish with the donation of the premises where it is still based today together with the city's only synagogue, Adolphe left a donation for the construction of a Jewish hospital at his death.

In 1877, the «Vessillo Israelitico» – one of Italy's leading Jewish newspapers – speaking of the growing Jewish presence in pre-unification southern Italy, announced that an Israelite Community was being established in Naples with gifts from the Rothschilds and the libraries they still owned in the city. These were books of various kinds, prayer books and books on Jewish education.<sup>120</sup>

The book donation was linked to the donation to the Community of all movable property in use at the disused oratory of the Villa Rothschild on the Riviera di Chiaia. When the donation took place, the synagogue had already been in operation for years. The Rothschild bequest was not the first book nucleus of the Community, but it was an important part of it which, the author argues, was certainly distinguishable in terms of bindings and quality of editions. Having distinguished himself in the Bourbon capital for important works of philanthropy, Carl Mayer was not an art collector like his son Adolphe, although he liked antique pieces that he collected. He donated some Egyptian artefacts to the Royal Bourbon

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<sup>120</sup> Il Vessillo 1877, p. 361. I draw this information mainly from Giancarlo Lacerenza, *I libri e i manoscritti ebraici della Comunità*, in *Per i 150 anni della Comunità ebraica di Napoli*, ed. G. Lacerenza, UniorPress, Università l'Orientale, Naples 2015, pp. 59-78. *Ibid*, pp. 61-64.

Museum, namely two «rich hieroglyphic inscriptions».<sup>121</sup> There is no certain information about the banker's interest in ancient books and manuscripts, Hebrew or otherwise, to whose collection his heirs devoted considerable care and investment. Carl Mayer has, however, been reported to be in possession of some valuable books of hours, mostly Iberian and French, dating back to the 15th century and present in the Paris collection of his nephew James Nathan de Rothschild (1844-1881) – Charlotte's son – and from there in the Bibliothèque Nationale de France.<sup>122</sup>

Needless to say, in the refined and cosmopolitan environment of the Rothschild household, people read everything and, if we can cautiously use as a yardstick the «Notamento di libri» – part of a customs dossier on various art objects, statuettes and paintings – brought to Naples in 1851 by Adolphe, not only the classics circulated in the family, but also abundant modern and contemporary literature, especially in French, as well as in English and obviously in German. There we find much theatre: Molière, Racine, Corneille;

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<sup>121</sup> Archivio di Stato di Napoli (ASNa), Ministry of Internal Affairs, Second Inventory, Third Department, Antiquities, b. 2028, fasc. 240 (year 1824): *Domanda del Barone di Rothschild per la estraregnazione di alcuni vasi*. This donation, of which no record has yet been found in the archives of the former Bourbon Royal Museum, is mentioned in various works on the Kingdom of Naples in the first half of the 19th century and perhaps for the first time in Louis-Eustache Audot, *L'Italie, la Sicile, les Iles Eoliennes, l'île d'Elbe, la Sardaigne, Malte, l'île de Calypso etc...*, Royaume de Naples, Audot fils, Paris 1835, p. 249.

<sup>122</sup> The link to Carl Mayer is in Christopher De Hamel, *The Rothschilds and their Illuminated Manuscripts*, Oxford University Press, Oxford 2005, pp. 5, 60, 64-65, and is based on an indication in Picot's catalogue of the volumes in question (1893, pp. 326-334, nos. 2529-2536): «De la collection de feu M. le baron Charles de Rothschild, de Francfort-sur-Mein».

among the German Romantics, Goethe, Schiller, Hoffmann; among thinkers, La Bruyère, Pascal, Montaigne, Proudhon; among men of letters, Rabelais; among historians, Thierry; among contemporary writers, de Musset, Lamartine, Hugo, de Vigny, Sainte-Beuve, Janin, Gautier. There is no shortage of Shakespeare and Sterne; the only Italian, Dante.<sup>123</sup> Adolphe was soon to become a keen collector of ancient manuscripts, especially medieval ones, and it is not surprising to find works on Christianity among the books: Carl Mayer's sons had, at least for some time, the elderly priest Don Paolo Latti as tutor and teacher of Hebrew. Latti was a former rabbi convert, and in 1820 he was already scribe of Hebrew and Syriac in the Vatican Library, from which he was soon dismissed on charges of theft (apparently well-founded).<sup>124</sup> Various memoirs remain from Latti's Neapolitan period and, among other things, a holographic booklet of readings in Hebrew and German dedicated to the young Rothschilds in October 1834.<sup>125</sup> A few years later, another tutor or preceptor, signed Panzera, made a gift to Wilhelm de Rothschild in 1841, on the occasion of his bar-miṣwah and thirteenth birthday, of a Bible in English according to the King James Version, complete with the New Testament, printed in Oxford in 1812.<sup>126</sup>

Ernesto Lefèvre's daughter, Flavia, became Marchioness

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<sup>123</sup> ASNa, Ministero della Pubblica Istruzione, b. 510, I/12, 1851: Customs, books and other art objects of Baron de Rothschild.

<sup>124</sup> Isidoro Carini, *Di alcuni lavori ed acquisti della Biblioteca Vaticana nel pontificato di Leone XIII*, Tipografia Vaticana, Rome 1892, pp. 158-159.

<sup>125</sup> Gianfranco Moscati - Gustavo Ottolenghi, *Appunti di vita ebraica: collezione Gianfranco Moscati. Documenti su temi ebraici in Italia dal 1544 al 1938*, s.e., s.l. Tipografia Or.gra.me., Naples 2010, p. 188 n. 120.

<sup>126</sup> *Ibid.*, p. 189 n. 121.

of Casafuerte after marrying Pedro Alvarez de Toledo, a member of an old family of the Grandees of Spain, in 1872. He was appointed Ambassador in St. Petersburg before attending to other affairs in France. Flavia had a dowry of the Palazzo Policastro, which had passed to the Caracciolo estate, where the Rothschild bank had been established in 1821.



Pierre-George Jeannot in this 1891 painting, *Une chanson de Gibert dans le salon de madame Madeleine Lemaire*, shows us the interior and activities of a typical Parisian salon of the kind immortalised by Marcel Proust in *In Search of Lost Time*.

In Paris, Flavia animated a well-frequented literary salon, and she herself frequented others. Personalities from the culture of the time passed through her, such as Montesquiou, Marcel Proust, the musicians Reynaldo Hahn and Jacques Bizet, various members of the Halevy family, the writer Lucien Daudet, the diplomat and archaeologist Eugène-Melchior de Vogüé, the poet Louis Gualdo and Louis Ganderax – editor of the influential «Revue de Paris» – one of the most important literary figures and critics of his time.



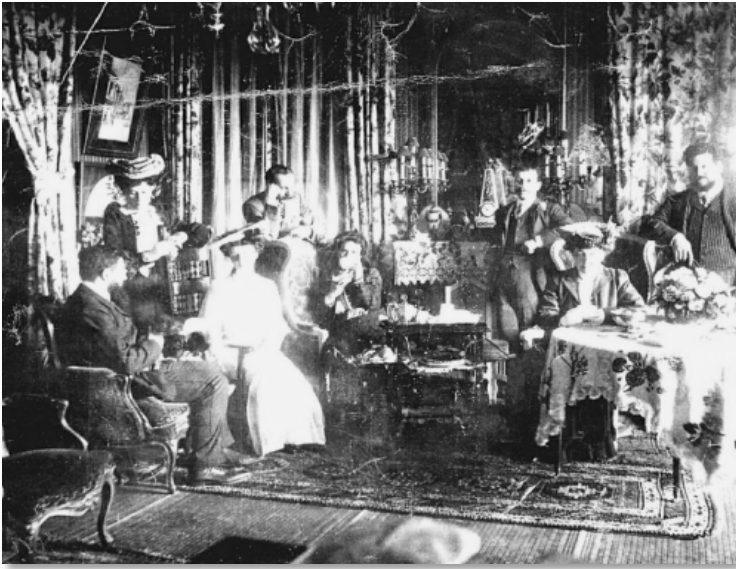
Tuileries Gardens, Rue de Rivoli and, on the right, entrance to Rue Cambon where Flavia Lefèbvre's salon was located.

During the meetings, poems were read, art was discussed and above all music was played, as there were many musicians, such as Reynaldo Hahn (1874-1947), Éric Satie (1866-1925) and Gabriel Fauré (1845-1924). The people who frequented Lefèbvre's *salon* were the same as those who were to be found in other famous salons of the time, such as the literary salon of her friend Madame Ninette Ganderax, wife of Louis, the salon Rothschild in Rue Monceau, the salon of Madame Madeleine Lemaire.



Adolphe de Rothschild's museum-like *salon*. The salon, held by his wife Caroline, was frequented by Flavia Lefèvre. Precious porcelain from Capodimonte was displayed in the main room. Painting by Eugène Louis Lami, 1876.

During the warmer months, everyone moved to Dueville and Honfleur, where the same people would meet in lively salons or, later, to the Côte d'Azur.



People who knew Flavia Lefèbvre. The salon of Mme Straus in Trouville. Recognised from the left, the musician Jacques Bizet, Mme de la Salle, Duchess De Noaille et Louis de la Salle, Mme Straus, Robert Dreyfus, Mme de Pierrebouurg, Henri de Rothschild.

Henri de Rothschild, Carl Mayer's nephew, was born in Paris after his father, Mayer Carl, was sent here. It was a milieu of artists, wealthy philanthropists, financiers, bankers and patrons of the arts, with many painters and musicians such as, in addition to those already mentioned, Jacques Bizet, who appears in the picture above.

Adolphe de Rothschild, for his part, now elderly in the 1890s, had become an art collector and favored porcelain and paintings. His house at 45-49 Rue de Monceau that he had bought in 1868 from the Pereire bankers, where he lived with his wife Caroline Julie Rothschild (1830-1907), who was particularly fond of the memories of mid-century Naples that she had often seen while visiting her parent, had become almost a museum.





45, 47 et 49 rue de Monceau, Paris, France.

A showcase of rare pieces at the home of Adolphe del Rothschild, the last director of C.M. Rothschild and Sons.

Many years later, therefore, Ernesto's daughter who had frequented the Villa Acton, Adolphe von Rothschild and Henri de Rothschild (a decade younger than her) was also to be found with them in the Rue Cambon at the salon of the Marquise de Casafuerte. Flavia did not move like a foreigner in that city, although she did not have permanent residence there before 1891, she already belonged to that international elite who could move between states and live wherever they wanted. This is how Serao presented her in a piece published in *Il Mattino*:

Flavie Alvarez de Toledo, Marchioness of Casafuerte, born of the Counts Lefèbvre of Balsorano, born of a French nobleman, of a noble Neapolitan lady, married to a noble Spanish gentleman is, not therefore, a Parisian figure. [...] her home, for a long time now, has been Paris, but the home of her grace, her spirit, her culture is Paris!<sup>127</sup>

In the article *Figure parigine: la marchesa di Casafuerte*, Matilde Serao remembers Flavia:

Do you remember her? Always dressed in white, in black, in grey, in black and white mixed together, of an inimitable elegance and yet correct in its whimsy, do you remember her? Who can forget her? One of the dearest, one of the most precious figures of the great Neapolitan society has disappeared, in her abode in Paris: one of the greatest joys of the eye and the spirit was for me to find her, there, with her beautiful son Ilian (sic), the son she adores. In Paris, she is sought after everywhere, but she chooses, with a perfect election, where to appear, desired, invoked, and I found her at a literary agape, at Madame Louis Ganderax's, where all the most illustrious men of letters of France were gathered and where the most elect women of Paris were gathered: I found her at that most intellectual woman, with a great heart full of goodness, from the great house that is a museum of art, who is Baroness Adolf de Rothschild, and she came from a melancholic and affectionate visit to Maria Sofia, Queen of the Two Sicilies, the Marquise de Casafuerte!<sup>128</sup>

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<sup>127</sup> Matilde Serao, «Il Mattino» of Naples, 29 July 1899, cit. in Pierre de Montera - Guy Tosi, *D'Annunzio, Montesquiou, Matilde Serao: documents inédits*, Edizioni di Storia e Letteratura, Rome 1972, pp. 169-170.

<sup>128</sup> Quoted in Pierre de Montera - Guy Tosi, *op. cit.*, p. 183.

## Chapter 14

### The Rothschilds and infrastructure networks in Naples

On 12 May 1862, Augustin Cochin – the son-in-law of Denys Benoist d’Azy, a great protagonist of the French metallurgical industry – wrote about a return trip from Naples on which he had met Basil Parent (1807-1866), whom he described as a great entrepreneur who had come to the Neapolitan city to sign a contract *pour l’éclairage au gaz de Naples*.<sup>129</sup> On that very 12th May, in fact, Monsieur Basile Parent had signed the contract with the Naples City Hall to extend the gas lighting service to the entire city. The old partners remained. Ernesto Lefèbvre kept his shares, even though he had invested in other companies of his own during those years, such as a new wallpaper factory in Isola di Sora, the construction of a chemical plant in Bagnoli and a stake in *Zino & Macry*. The Rothschilds acted in this sphere indirectly, through agents.

Parent undertook to build a new factory within 18 months of the municipality’s handover of the land and to construct a pipeline for the daily supply of 4,500 cubic metres of gas. The contract was full of indications, clauses and obligations as to how the service was to be provided and supervised by 12 inspectors, one for each district of Naples, who were to be accompanied on their patrols by an igniter.

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<sup>129</sup> Lambert-Dansette Jean, *Histoire de l’entreprise et des chefs d’entreprise en France*, I, Harmattan, Paris 2000, p. 388.

Basil Parent, a former soldier and recipient of many honours, had signed the contract as the managing partner of the *Parent, Schaken et C.ie* company in Paris, one of «the most conspicuous in France», which was also to take over loans to the Bourbons and loans to the Papal States in later years. In November 1861, this company was awarded the new lighting contract. It, claimed Roberto Savarese in the City Council, «has large capital and has done immense work in France, Belgium, Holland and Spain. It has a large share in the railways of Naples. In short, there is no need to mince words to show that she is right for us, and that the illumination of Naples entrusted to her would be equal to that of Paris and London».<sup>130</sup>

The first ten years were occupied with the construction of the new factory and the laying of gas pipes in an increased network. Once the initial, very costly investments were completed, the company ran its day-to-day business. Unsuccessful in gaining a large private clientele, it also devoted itself to public lighting. In February 1862, it took over the *Lionese's* concessions, which were to last until 7 January 1871, and was also granted extension rights, with the stipulated privileges, and ownership of the workshop with all its installations. After ratification of the agreement by the shareholders of the *Lyonnais* and after successful negotiations with the City of Naples, *Parent, Schaken et C.ie* obtained the concession for lighting and gas heating for 60 years from 1 June (1862- 1922).

A «cahier des charges» attached to the deed of concession stipulated that *Parent, Schaken et C.ie* was to act on behalf of

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<sup>130</sup> Roberto Savarese, *Dell'illuminazione della città di Napoli. Memoria al Consiglio Comunale di Napoli*, Naples 1861.

a *Compagnie* to be established with a capital of 2.5 million lire, so Basil Parent and Pierre Schaken founded, together with Auguste Dassier (1790-1862) from Geneva, Vincent Dubochet (1796-1877) and other well-known businessmen and financiers, the *Compagnie Napolitaine d'éclairage et de chauffage par le gaz*, whose statutes were approved by royal decree on 14 December 1862. Parent and partners signed the contract for the company to be established with a capital of no less than 2,500,000 lire. On 18 October 1862, the *Compagnie Napolitaine d'Eclairage e de Chaugffage par le Gaz* was established and Mr. Emilio Hemery (Emery), as we know, appointed director of the company. He had been a partner in the *Amministrazione per la Navigazione a Vapore* and for many years was also a director of the *Società delle Cartiere Meridionali*, which had taken over the Lefèbvre enterprises.<sup>131</sup>

The new factory was designed by the engineer Jean Daniel Colladon (1802-1893) and the work entrusted to the French company M. Lacarriere. The area on the banks of the Sebeto, called Arenaccia, was chosen for the construction. It covered an area of 55,000 square metres, 1,600 of which were destined for coal storage. The inauguration took place on 21 November 1863 in the presence of Crown Prince Umberto of Savoy, who would later become Umberto I. The production plant consisted of 36 retorts. The production capacity of illuminating gas was 25,000 cubic metres per day with a calorific value of 500 kilocalories per cubic metre.

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<sup>131</sup> Mario A. Iannaccone, *The pioneers of light. The beginnings of gas and lighting companies in Naples 1817-1862*, 2019.

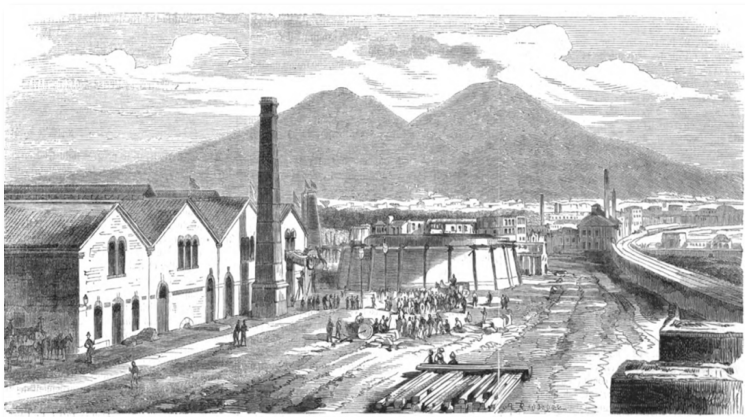


Image of the new gasometer in an area called the Arenaccia, on the old course of the Sebeto. The image of this plant, judged to be very modern, was published in the French magazine «L'Illustration Universelle», no. 42 (pp. 421) in December 1863.

The plant area will grow to 100,000 square metres. The first section of the network of no less than 135 kilometres of pipes was ready within a few years. The old factory of the *Compagnia lionese* was valued at 1,615,524.47 francs, of which 227,500 were paid in exchange for the 455 shares of the new company and 1,343,840.06 for 2,590 shares redeemed in September and October 1862 and March 1863, between capital and interest. Other (small) sums concerned the balance of the dividend on 910 shares not redeemed, the indemnity to the managers of the old company who were granted 455 shares out of 5,000 in the new one, and the 3,108 francs paid to Lyons on liquidation account. The old shareholders were thus granted just under 10 per cent of the company compared to 34 per cent for the old company in the 1840s. At this point, they exited the company gradually by selling their shares, but not immediately. However, some names on the board of directors

are known: the Neapolitan-Swiss banker Meuricoffre, Parent, Dassier, Dubochet and De Martino of Naples. The company's official Italian name was *Compagnia Napolitana di Illuminazione e Scaldamento col Gas*.

The cost of the new facilities was 600,000 francs for the workshop, sewerage, measuring equipment and buildings. Part of the money was used to make transitional use of the old factory in Vico Cupa, of which the gasometer was repaired and the purification apparatus replaced. Between August and September 1863, the first tank of the new gasometer was ready. Everything was done to get the new plant up and running by October-November, as the demand for subscriptions increased considerably. In the second year a further 2.5 million was spent and in the third year 780,000 francs. By 30 June 1864, the value of the first plant had doubled and in 1865 it increased again. Following the completion of the second factory, the one at Cupa di Chiaia was closed. Demolition took place after 1871.

At the beginning of the 1860s, when it was awarded the Naples gas lighting contract, *Parent, Schaken et C.ie* was in fact at the height of the expansive phase of its business, which had developed over the previous 20 years in the railway sector. Evidence of the partnership between Basil Parent and Pierre Schaken dates back to around 1845 when the two entrepreneurs, who had come from Belgium, had entered the French railway construction market, which was taking shape in those years around the construction of the great lines of the national railway network. From the execution of individual sections, their activity had soon expanded to the construction

of entire lines and then to other industrial sectors. But that was not all: over time, their activities had acquired an increasingly distinct financial character. In fact, *Parent, Schaken et C.ie* showed at the beginning of the 1860s a complex structure, close to that of a holding company, with holdings in companies differentiated by sector of activity (metallurgy, mechanical engineering, mining, urban public works) and by geographical location.



Pierre (Petrus) Schaken.

It had followed the investment model that historiography defines as characteristic of financial groups linked to railway companies, which, from the outset, «tended to become giant industrial edifices» around which «the groups of large industrial and banking capitalism» took shape, which also invested in other network sectors such as the Rothschilds of the French and English branches.<sup>132</sup>

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<sup>132</sup> Jean Bouvier, *I Rothschild*, translated in Italian by Editori Riuniti, Rome 1984, p. 130.



Basile Parent was born in Couillet (Belgium) to an old local family, while Pierre (Petrus) Schaken (1793-1870) was born in Ostend (Belgium). We can at this point define how they fit into the financial network that revolved around the Parisian marketplace, the one in which the *Napolitaine* business matured: Basile Parent and Pierre Schaken were in fact juxtaposed with the Pereire brothers. Another of the shareholders was Paulin Talabot (1799-1855), linked to the Rothschilds and their representative in the financing and execution of many works in France and Italy.<sup>133</sup> Thus, in the 1960s, the rivalry between the Pereires and the Rothschilds of both France and Naples was being reestablished after the *Crédit Mobilier* affair. The liquidated C. M. Rothschild & Sons continued to operate through agents who also reached the Naples marketplace and the gas industries in which the Lefèbvre and part of the more conspicuous Neapolitan business and finance were shareholders.

Among the founders of the *Compagnie Napolitaine* was Emmanuel-Vincent Dubochet (1796-1877), known to be a partner of the Pereires in railway and gas enterprises including the *Società Italiana per il Gaz* (Turin 1863), both financed by *Crédit Mobilier*. The rise of Parent and Schaken took place in France between 1840 and 1860, in the most significant two decades for the development of the modernisation process of that country's economic structures and the instruments to support it. Their entrepreneurial journey intertwined the needs

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<sup>133</sup> Beaujouan G., Lebée E., *La fondation du Crédit Industriel et Commercial*, in «Histoire des Entreprises», no. 6, 1960, p. 23 and Bonin H., *Histoire de la Société générale*, cit., p. 53; Jacquemyins G., *Langrand-Dumonceau, promoteur d'une puissance financière catholique*, t. II, Éditions Université libre de Bruxelles, Brussels 1960, p. 115 and Dumoulin M., *Les relations économique italo-belges*, cit., p. 163.

of productive enterprises and the development of a modern banking system. They were able to finance their activities in a system that was still not formalised in specific banking institutions, in which the medium- and long-term credit function was performed by actors inside and outside the production system. Therefore, networks of interpersonal relations were still the main channel through which access to credit travelled. The path they took in the financial networks that took shape around railway construction and gas is linked to the opportunities offered by the context, without it being possible to attribute their membership to one or another of the interest groups. The mobility of actors is produced on the basis of personal ties, the kind of business being planned and according to their location.



Portrait of Basile Parent,  
multifaceted Belgian industrialist and financier.

In order to reconstruct the entrepreneurial path of Parent and Schaken and their connections to the Pereires and Rothschilds, who were thus indirectly acting in the Neapolitan world through agents, it is necessary to trace the development of railway networks on the European continent, an industry to which almost every conspicuous industrial and financial group in Europe formed during the 19th century is linked.<sup>134</sup> It is significant to note that the *Statutes of the Compagnie Napolitaine d'éclairage et de chauffage par le Gas* were printed in Paris by a printing works called *Imprimerie centrale des chemin de fer*, i.e. Stamperia centrale delle Ferrovie, which was based in Rue Bergère, not far from Montmartre. The joint-stock company had been incorporated in Turin at the notary Turvano's but was domiciled in Naples. Thus, it was born with a multinational profile, since most of the financing came from France, Switzerland and Belgium, but the anchorage with investors residing in Naples was less than in the past, exactly as would happen with the large pole of the Isola del Liri paper mills absorbed almost entirely by the De Benedetti family who came from the Turin area. After the unification of Italy, French capital, specifically from the Pereires, the Rothschilds as well as Belgian industrialists, became involved in the network construction business in Naples.

The deed of agreement signed in Naples in May 1862 with the notary Martinez was then approved in Turin on 14 December 1862 with a French and Italian text, and signed by

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<sup>134</sup> A lot of information on this topic can also be found in Francesca Caiazzo, *Reti di capitali e reti di servizi: la compagnia napolitaine d'éclairage et de chauffage par le gaz (1862-1919)*, PhD thesis in Economic History, University of Naples Federico II y.y. 2012-2013.

Vittorio Emanuele II, Minister Manna and the Director of the Ministry of Trade and Industry Gaetano Serra, a member of the Serra family so often mentioned in Rosanne Lefèbvre's *Journal*. The deed was signed in the presence of Francesco Zanetti and Giuseppe Bertolotti, notaries residing in Turin, a senior bureaucrat of the French genius, Jean-Edouard Lannoy who acted as *Parent and Schaken*'s attorney, Auguste Dassier and Vincent Dubochet. The company proper was therefore born in Turin and the "desistance" (dissolution) of the old *Società lionese* was declared there.

The principal partners, having started their business in the previous two decades, participated in the expansion of railways to the European periphery. The years between the two revolutions of 1830 and 1848 were those in which railway construction spread from England to the heart of continental Europe. The constitutional government of Belgium focused on improving communication routes and promoting its mining and metallurgical industry to achieve self-sufficiency using funding from the French *Maison Rothschild*.<sup>135</sup> The construction of a railway network to speed up overland transport was intended to strengthen ties with neighbouring German and French regions. Through the creation of a north-south axis, a new sea outlet for German territories as an alternative to that of Amsterdam, and an east-west axis providing a fast link between the French and German borders, the national railways enabled Belgium to become the crossroads of northern European trade and the gateway to the heart of the continent for English trade from the English

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<sup>135</sup> Bertrand Gille, *Histoire de la Maison Rothschild*, t. I, Droz, Geneva 1965, pp. 269-279.

Channel. Through two laws (1834 and 1837), the Belgian parliament planned the construction of the network; the railways of the main network were built by 1843 by the state, which retained their operation, while for the tributary branches the instrument of concession to private companies was used.

In France, discussions on how to finance railway construction delayed the work compared to Belgium. A choice had to be made between public and private. The iron road and steam, symbols of speed and unity, seemed to be powerful instruments for stimulating the production and circulation of goods and spreading wealth to the new social category of industrial workers, on whose conditions the debate became intense around the 1840s. But recourse to the «industrie privée» could nullify the potential of this instrument of modernity, the opening up of markets and the diffusion of wealth, and it was feared that it could give rise to the constitution of a «new feudality» of a financial type which, operating on behalf of the state, could exploit its position of privilege by subordinating the interests of all to those of the few.<sup>136</sup>

The founding act of that «féodalité nouvelle», a new form of privilege in the age of the bourgeoisie, was identified in the formation of the *Compagnie du Nord*, «the great operation of

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<sup>136</sup> Jean Lobet, *Des chemins de fer en France*, Nabu Press, Paris 2010, pp. 327-376. This was, in fact, what happened in France, as a result of the 1842 law: with this law, the liberal parliament of the July Monarchy drew up a regulatory framework that left more room for private capital, establishing a mixed system of public-private co-partnership for construction and the concession to private individuals for management. Parliament reserved the right to use private capital entirely for construction as well, when deemed appropriate.

the house of Rothschild», for the award of the first concession for the lines from Paris to the Belgian border (1845).<sup>137</sup> After the passing of the 1842 law, the *haute banque* entered the railway business in an accomplished manner. Previously, short railway lines had been granted to private individuals who applied for them.<sup>138</sup> The great protagonists of the railway construction season, from France to Germany to Belgium and then, via the Belgians, to Italy and Naples itself, were Paulin Talabot (linked to the Rothschilds), the Pereire brothers, Oppenheim, the Englishman Edward Blount and Charles Laffitte. Finally, the Rothschilds and the Pereires came to an agreement, making a pact of desistance. The interests of local industrialists and banking houses, such as François Bartholony but also James de Rothschild, were concentrated in Alsace.<sup>139</sup> The progress of railway construction continued according to an organic plan with a system that would radiate from Paris throughout the country. The Pereires were at this stage the channel through which high finance approached the railway construction sector. There were also discussions in the mid-1840s about the creation of a «European» railway network, which would cross the borders of individual states and open up fast routes to the access points for intercontinental trade: from ports on the Atlantic, the North Seas and the Mediterranean, to

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<sup>137</sup> Jean Bouvier, *I Rothschild*, cit., p. 125.

<sup>138</sup> The first railways to be built were the service lines in the mining area of Saint-Étienne, in the Lyon area, granted in the years 1823-28; in the 1830s, concessions were then approved for the first nuclei of important lines, around which both territorial interests and the first interventions of the capital's financial milieu had begun to move.

<sup>139</sup> Alfred Picard, *Les chemins de fer français*, 2 vols., Jacob Rothschild Editeur, Paris 1884, pp. 23-24.

the passages to the Orient via the Russian territories and the Ottoman Empire.<sup>140</sup>

From 1842 onwards, the history of the French railways was intertwined with that of *Parent, Schaken et C.ie*. Between 1843 and 1846, companies developed that fought to win the great lines. After an initial halt in 1847, work resumed during the Second Empire. We have seen how C. M. Rothschild & Sons had attempted to enter this business and this great international dynamic before the Unification, but the situation that arose made this impossible at the time. The matter was taken up again after Unification.

As for the Lefèvre family, they had greatly diversified their investment portfolio since the 1950s, both with direct investments (construction of factories in the fields of wallpaper, chemicals, still paper, steam navigation and services) and indirect investments, but the focus of their activity remained not so much finance as industry proper.

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<sup>140</sup> Rondo E. Cameron, *France and the Economic Development of Europe, 1800-1914*, cit., p. 212; Nicola Ostuni, *Iniziativa privata e ferrovie nel Regno delle Due Sicilie*, Giannini, Naples 1980, pp. 129-134.



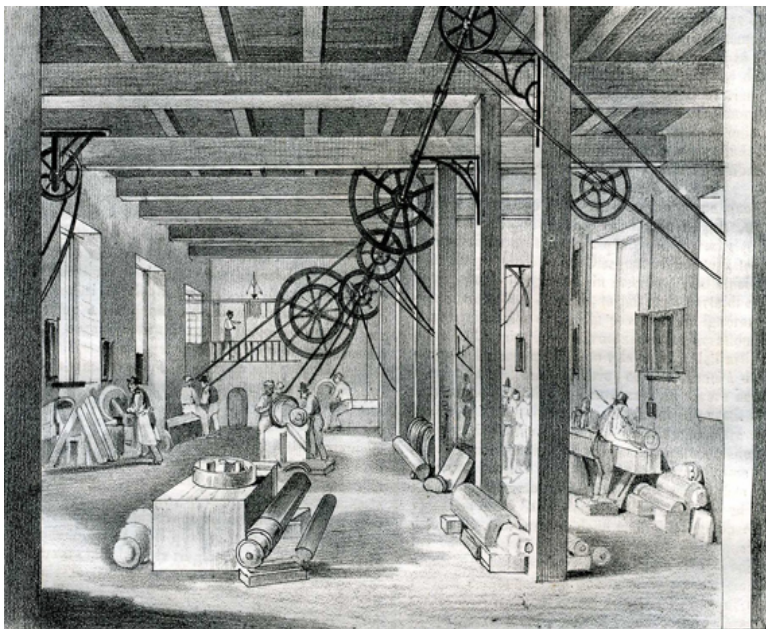
In 1863, with the transformation of the Opificio Zino & Henry, later Macry & Henry (1855), which was also the brainchild of Gioacchino di Saluzzo and Charles Lefèbvre, the Officine di Pietrarsa, the first large railway construction factory, was born.

The big business at the turn of the century in Naples was, apart from building, the construction of carriages and tracks, and here the protagonist was the firm Zino & Henry (1839) then Macry & Henry (1855), whose main shareholders were, in addition to Macry and Zino, Ernesto Lefèbvre, Gioacchino di Saluzzo, Messrs Amato, De Riso, Ronca and Furiosi. This company, in 1863, rented to the State, and then sold, all the equipment and the building to the newly founded Officine ai Granili.<sup>141</sup>

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<sup>141</sup> *Società Nazionale di Industrie Meccaniche in Napoli. Istrumento ed altri atti relativi alla Costituzione di detta società*, Tipografia Luigi





Opificio Zino & Henry at Ponte della Maddalena, lathe workshop. From “*Poliorama Pittoresco*” of 27 July 1839 - Coll. A. Gamberoni.

Since the 1840s, the French state had intervened to give a strong impetus to the construction of the national railway network, as the Italian unitary state had done since the 1860s. This was done through the concentration of the companies and the use of bonds, which gave them an important source of external financing and the guarantee of interest on fixed assets. In France, this gave rise to that «nouveau crédit» of the state: «la création des effets publics de la paix». These were

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Gargiulo, Strada Speranzella 95, 1863, pp. 36-37.

instruments that, as far as the *haute banque* was concerned, did little to change the substance of its relationship with the state and without which, as Isaac Pereire would recall many years later, it would not have committed itself as it did to a field of action so fraught with risk due to the long immobilisation of capital, on the liquidity of which it had built its fortune.

Apart from this, and apart from business and investment, the Rothschilds' presence in Naples returns through what was considered to be one of their emissaries, Matteo Schilizzi, who had the neo-Egyptian style Schilizzi Mausoleum built at Posillipo, originally intended to be a synagogue and then, after the project fell through, a war memorial at the instigation of Carlo Lefèbvre, Ernesto's son, in 1920. Schilizzi tried to initiate massive redevelopment works in Naples and in particular the construction of a new sewer network, financed by international bankers, including the Rothschilds, but the project, started in 1884, failed due to issues related to local politics and the new power structures of post-unification Italy influenced by England.<sup>9</sup>

The enterprise was entrusted to others who, from 1885, employed around 4,000 workers in the central and peripheral parts of Naples.

## Epilogue

The Naples *Compagnia del Gas* was consolidated between 1860 and 1870. In 1881 it established its new headquarters in the building at 138 Via Chiaia. After the cholera epidemic of 1884, which caused 7,150 deaths in Naples and was a dramatic setback, expansion resumed, until gas lighting was replaced by electricity, a change that began in Naples in about 1885. The transition process took a few years, considering the past, and lasted from 1887 to 1894. The large Neapolitan families at this stage seem to have lost much of their power as was the case in many other parts of Italy. In addition to the state lending activities, which increased mainly in England and France but also in Prussia, the Rothschilds' other financial and credit activities were channelled into the major financing operations for the European infrastructure networks of those years, particularly, but not only, the railways. The Lefèvre fortunes suffered a momentary setback at the end of the century with the structural crisis of the Neapolitan industrial system which, after having touched the paper sector, affected the entire economy with some serious cyclical crises. Large concentrations of capital had been formed, even in Italy, with the railways even though the companies that managed or built them were largely linked to French capital.

In short, the contacts and collaborations between the Lefèvre and the Rothschilds during the first half of the 19th century are linked, rather than to joint investments, which there were but within separate joint stock company operations,

to the support and direction of economic policies in the Bourbon Kingdom. The Lefèbvre contributed, together with the Marulli and the Doria d'Angri, to the circumvention of ancient and by now anachronistic laws still in force in the Kingdom in order to provide the Rothschilds with a suitable institutional seat and dwelling in 1841 with the purchase of a building that was not only large and prestigious but also symbolically central to the city's new elegant area, the Quartiere di Chiaia, which had been redeveloped with the filling in of the sea-front green area. We have seen how this purchase and sale was able to take place, an operation that remained unexplained for a long time.

In this text we have described a cross-section of Neapolitan life in the first half of the 19th century, with its contradictions. The Lefèbvre and the Rothschilds belonged to different worlds and invested their money differently. The latter, albeit in a non-institutional form, was in fact the king's banker; the former, on the other hand, an industrialist with interests in various industrial companies. But their relationship was more than cordial, it was one of friendship and respect.

After the closure of the banking office in Naples, the relationship between the two families continued with Flavia, who had settled in Paris; a very different relationship to the one that had characterised Carl Mayer's relationship with first Charles and then Ernesto Lefèbvre.

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