

**The 1982 collapse of Banco Ambrosiano:
a critique of professional memoirs for a reliable history of PR**

by Toni Muzi Falconi

Roma, Italy

Mainstream Public Relations history is, in large part, about a history of prominent people based on oral memoirs and statements by the protagonists of narrated programs and actions (mostly public relations professionals). ‘Oral’ history and memoirs have become a significant source of many different variations of historical research: “A recorded oral history is more than just a quote on a page in a book. It is a meaningful story expressed by the person who owns that story” says Doug Boyd, director of the Louie B. Nunn Center for Oral History at the University of Kentucky Libraries (Ashenfelder, 2013). The reinforcement of subjectivity and ambiguity as characteristics of ‘oral history’ is also underlined by Alessandro Portelli in his widely cited *The Death of Luigi Trastulli and other stories* (Sunypress, 1991). Yes, says I, knowing very well that ‘owning the story’ implies a fully subjective version of events.

This paper argues a caveat, specifically addressed to non-professional historians who, in recent years, have enriched the public relations professional body of knowledge with narrations of specific aspects or periods of the field’s history. The caveat deals with authors who do not dedicate sufficient effort and time to check the accuracy of the protagonists’ memoirs of events.

Eric Kandel, a leading Columbia University scholar, argues that a memory appears like a permanent, precious essence of the brain. Yet, it is not. Instead, many scientists believe that a memory changes every time one thinks about a past event, rather like quantum theory. This implies that our memories are not abstract snapshots stored in a bulging file in our mind, but rather, they are a collection of brain cells — neurons that undergo chemical changes every time they are engaged. So, when we think about something from the past, the memory is called up like a computer file, reviewed and revised in subtle ways, and then sent back to the brain's archives, now modified slightly, updated and changed.

I am not an historian, but a professional public relations practitioner. I intend to present some pages from my own (yet unpublished) memoirs to deconstruct the facts in order to explicate the risks of writing the history of events which may be based on often fallacious and sometimes biased memoirs. This self-analysis is, in a way, a tribute to navel-gazing, but also avoids likely controversies that might arise had I chosen any other page of most published histories of PR. Judging by the results of the fact-checking exercise discussed later in the paper, one would conclude that very little of what one remembers, even when in perfectly good faith, bears resemblance with the nitty-gritty facts. In turn, this leads to a serious problem in the ongoing, laudable and precious effort by many non-professional historians, scholars or professional as they may be, in portraying a serious and reliable history of public relations.

The sample text in the paper relates to events in the early 1980s in which I directly participated as a protagonist and contributed, for good or bad, to significant discontinuity in the Italian and the Vatican financial systems.

Accurate oral history

A few general observations, before one delves into the actual episode:

- 1) In researching and writing history I believe it important for the writer to warn potential readers if the focus of the narrative is the history of Public Relations as such, or if it is that of a historically-relevant event viewed through the lens of the role played by Public Relations in that event. This is essential because most planned public relations efforts are adopted, by at least some of the protagonists of major historic events, precisely to modify the very course of those events. Therefore the researcher needs to identify actors, actions, arguments, tools and channels that, directly or indirectly, for whatever reasons and with whatever results, modified or, consciously or not, attempted to modify those very events.
- 2) A further implication is for the author to make an effort to imagine what that course of events might have been, had Public Relations not been consciously employed (counterfactual). This refers to the growing and questionable practice of the ‘history of ifs’ (for example, see Roberts, 2010) that in recent years has become one of the tools adopted by professional historians to investigate and explain events. This exercise helps in focusing not only on the single event as it came about, but also in indicating other likely courses, had the protagonists decided to go without conscious and planned public relations activities.
- 3) The researcher, in my view, would also need to consider that, in normal circumstances, public relations activities are seldom transparent and detectable to the public. Laypeople do not usually perceive the process, the motivations and the represented interests of a public relations programme. This facet is also associated with the innate ‘ambiguity’ of Public Relations, in the sense that most, if not all, of the tools adopted escape the limelight. What is more, in many cases, despite strong wordings in a plurality of professional codes of ethics, even the direct interlocutor of the PR professional (politician, journalist, opinion leader...) is left unaware of our true represented interest, modes of proceedings and ultimate motivations. Thus, the would-be-historian must investigate and fact-check well beyond the professional’s immediate recollection, statements and documents (the latter, in many cases scarcely available or traceable).
- 4) The researcher will also want to investigate even well beyond the, however important, recollection of events by the professional’s direct interlocutors (clients, politicians, journalists, opinion leaders, etc.), because these might have an interest in undermining or overplaying the role of public relations. To evoke a simple analogy: the researcher’s perspective is closer to that of the investigative journalist than of the simple interviewer.

As André Aciman, author of the recently-published novel *Harvard Square*, wrote recently in the New York Times:

“... if changing the layout of your problems doesn’t necessarily solve them, it does make living with them easier... memoirists, unable to erase the ugliest moments of their past or unwilling to make new ones up, can shift them around. They don’t distort the truth, they nudge it. Everyone has reasons for altering the past. We may want to embellish or gloss over the past, or we may want to repress it, or to shift it just enough so as to be able to live with it. Some, in an effort to give their lives a narrative, a shape, a logic, end up altering not the facts they’ve known, but their layout... Writing the past is never a neutral act. Writing always asks the past to justify itself; to give its reasons... provided we can live with the reasons. What we want is a narrative, not a log; a tale, not a trial. This is why most people write memoirs using the conventions not of history, but of fiction. It’s their revenge against facts that won’t go away (Aciman, 2013).”

And, as the reputed philosopher Hannah Arendt wrote:

“The traditional political lie used to concern either true secrets – data that had never been made public – or intentions. Modern political lies, on the other hand, deal efficiently with things that are not secrets at all but are known to practically everybody. This is obvious in the case of rewriting contemporary history under the eyes of those who witnessed it..... the difference between the traditional lie and the modern lie will more often than not amount to the difference between hiding and destroying (Arendt, 1977, p. 252-3).”

I candidly add to this: what about that contemporary (vis-à-vis Arendt’s description of the modern one) lie, more often than not inspired by PR professionals?

Memory and mis-remembrance

Here is the sample transcript mentioned in the first page of this paper:

“In the early Eighties we found ourselves directly involved in a memorable series of events which led to a restructuring of Italy’s financial services industry. In 1982 banker Roberto Calvi, CEO of Banco Ambrosiano (whose main shareholder was the Vatican, was found dead hanging from a rope off Blackfriars Bridge in London. We were then working for Orazio Bagnasco, a much-talked about Catholic financier, highly successful in his heavily-advertised real estate investment fund business (Europrogramme) and owner of the then-famous Ciga chain of luxury hotels.

Bagnasco was an attractive and seductive personality, a great marketer and excellent salesperson, as well as being well educated and challenging on many cultural issues. Although the two of us were very different, we got along quite well and, as the news of Calvi’s murder by the Mafia broke out (as it was later proven, his death could never have been suicide), I was persuaded by his reasoning and we worked together on a strategy to avoid the Banco Ambrosiano’s activities be ‘frozen’ by a commissioner named by the Governor of the Bank of Italy, whilst publicly (and privately) supporting Bagnasco, already a member of the board of directors, in his desire to become the new Chairman of the Ambrosiano. It was a very ambitious plan indeed. Going for him was his very close relationship with Giulio Andreotti, the ‘sacred monster’, many times prime minister and leader of the ruling Christian Democracy (Catholic) Party.

Against him was the Rome-based national daily newspaper *La Repubblica* which was publishing vicious attacks from its business editor Giuseppe Turani, who challenged the real estate investment

funds. As a consequence of the attacks, the funds' value began to plunge. I knew there was a close relationship between Eugenio Scalfari, the newspaper's editor and backer of Turani's campaign against Bagnasco's funds, and Carlo Azeglio Ciampi, the Governor of the Bank of Italy and ultimate decision-maker over the immediate future of Banco Ambrosiano. Ciampi, later in the 1990s, became Prime Minister and, in the early years of the new century, President of the Italian Republic.

I very vividly remember discussing matters with my client as we strolled in the small square under the Banco Ambrosiano Headquarters near Piazza della Scala, in Milan, when we saw Calvi's private secretary, who was aware of her boss's relationship with the Mafia, and was to be interrogated by the investigators that same afternoon, commit suicide by jumping out of the window of the fourth floor. The vision was ghastly.

Bagnasco was telling me that his friend Andreotti had agreed to endorse his plan only if we could neutralize *La Repubblica* and get him officially received by the Governor.

In the meantime the media covering the Ambrosiano case and Bagnasco's obvious intentions had many and varied views. However, *La Repubblica* was calling for the bank to be 'frozen' by Governor Ciampi.

I knew the paper's editor Scalfari well. I was confident that if he and Bagnasco were able to meet and chat for some time they would take to each other. I also decided to keep this attempt distanced from my old friend, the business editor Turani. I went to see Scalfari (who knew I was advising Bagnasco) and asked him to receive my client in a private conversation. The appointment was obtained. I also went to visit the Governor's private secretary and asked him to schedule an appointment with my client, possibly the same day and before he would meet Scalfari. I got it. As one may imagine, the day of the two appointments we were both (my client and I) very tense.

He was in Rome in his suite at the Grand Hotel (one of the pearls of his Ciga hotel chain). There were no mobile phones at the time and I had remained in Milan to look after the media assault. The appointment with the Governor Ciampi was at 5 pm and the one with Scalfari at 6.30. We had many times rehearsed both encounters the day before in Milan. I figured that the meeting with Ciampi would be short and formal, so I started to call my client at the Grand Hotel at about a quarter to six. There was no reply and no one knew where he was.

I figured the first meeting might have taken longer and at 6.10pm called Scalfari's secretary to see if the two were together. Confirmed. From 7 pm I began to bombard the Grand Hotel and after several attempts I finally spoke to my client. He was upset by my call and whispered. I asked: "How did it go?" He answered with "very well" and added that he was in a very private meeting with Andreotti. So I exulted and, as we had agreed during rehearsals, leaked to a newswire service that my client had been received by the Governor.

The next morning I was at my desk in Milan very early (no internet then, only wire service). All the dailies had prominent news of the meeting at the Bank of Italy and suggested that the Ambrosiano story would quickly be solved, as we had eagerly worked for. *La Repubblica* had a fantastic editorial

signed by Scalfari in which he praised my client as the best possible candidate from the Catholic camp to sort out the Calvi mess.

As I was reading with triumphant joy (no later than 7.30 am), I heard the tick of my wire service and saw the take as it was being typed by Ansa (the National Press Agency): it said that the news of the meeting was false and that the Governor had never received my client! Shocked, I woke my client (he never woke up before 9 am...) and asked him "but what the hell has been going on?" and told him of the Governor's statement. He yawned and said "oh yes, I did not tell you his secretary had called me at 4.30 pm to cancel the appointment!"

"But you said everything went well!" I panicked. He replied, "I could not elaborate as I was speaking with Andreotti but was actually referring to the Scalfari meeting." I immediately typed and released by fax a statement signed by me, as spokesperson of the client, confirming the Governor's statement and saying that it had been my personal mistake, in the hope of easing the gaffe. Clearly it did not work.

Scalfari was absolutely furious and the next morning wrote a second editorial under the title "a carpet merchant". And that was the end of my client's ambitions: The Bank was frozen, the real estate funds collapsed and my client never became Chairman of the Ambrosiano.

What can I say? Of course it had been my mistake. I was so full of adrenaline that I never doubted the extension of Bagnasco's "very well" whisper on the phone to both appointments. Ah, the power of PR."

This episode and the way it is narrated is one highly personal perspective of events, as I recollected such events 30 years after they took place. Events that, in an Italian context, dramatically changed the dynamics of the Vatican's and Italy's financial system, along with other collateral discontinuities in banking, politics, communication, real estate and luxury hotel investments and, importantly, the ties between criminal organisations, the Vatican and the banking system.

What had happened

However, a fact-checking effort thirty years later found that the story does not reflect events as they actually happened:

Firstly, I checked on the mentioned articles published by *La Repubblica* in those days and was not able to find the two successive editorials by Eugenio Scalfari I so vividly remember. Did I invent them? And if I did, why? Perhaps I had hoped that the first one had indeed been published and that my ego then added the second one to consolidate my idea of Scalfari being so temperamental. On the other hand, *La Repubblica's features of the time* (June 14/20 1982) is full of articles concerning the protagonists of the event, many of them written by Scalfari. An appropriate content analysis does not substantially alter the role that those articles had on the decision, by the Bank of Italy and the Treasury, to appoint a liquidator rather than accept my Client as the new Chairman.

In probing for a rational answer to such a distorted memory I phoned Scalfari directly (he is still active) and asked if he remembered the episode and could help me understand why my recollection of it all is so different from the facts. He, of course, remembered (sic) the events very well and added two comments: 1) you should tell your readers that you had a deal with me going back to 1975 when you helped me, for a nominal amount of money, to launch *La Repubblica*; the deal was that I gave you 'three trump cards' to play with me, and the assurance that I would, at least, listen to you. When you called me to ask me to meet Bagnasco you were using your last trump card; 2) it is true that I am (was) highly temperamental and prone to sudden likes and dislikes; and it is true that I took to Bagnasco when I met him, so your scheme was sound. However, when you called me to apologise for having led me to believe that he had been received by the Bank's Governor (following the Governor's public statement), I immediately reacted saying, "he is a carpet merchant; that is what he is". Had you also told me that when you spoke to him right after our meeting he said that "all went well" and that he was then in a private meeting with Andreotti, I would have published that scoop and given you another couple of trump cards."

I also wrote that Calvi's private secretary committed suicide following the discovery of her boss's body under the Blackfriars Bridge in London. I checked this memory as I wrote this paper and found out that the secretary's suicide happened three days *before* the discovery of Calvi's body. This is, however, excusable as Calvi had disappeared a few days before and a succession battle was already taking place at Banco Ambrosiano.

To conclude I will certainly, thanks to the effort in writing this paper, very carefully review my professional memories and certainly hope that other dilettante historians of our field will want to absorb the indicated caveats and add more.

By the way, three days after my phone conversation with the ninety-year old Eugenio Scalfari, in his typical and topical Sunday editorial in *La Repubblica* of June 3 2013, he wrote these words:

"The so-called narrative serves to seek into the past and tell it as an experience, useful for the present and the future. Narrating the past is therefore an essential element to give life 'sense'. Those who do not narrate live in the present and the sense, significance and nobility of one's existence flees. In these obscure times, there are many who have given up narration, or have transformed it into a fable with no resemblance to reality. Narrations are obviously subjective as we all look at the past with our own eyes, but checking facts is always necessary, followed by a comparison with the emerging differences. Fables, instead, are the preferred tools of demagogues who use them to attract the sillier ones."

The context of the rest of this article had nothing to do with our story, but I am left wondering (another self-construction?) about this striking coincidence.

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