

Money and the Rise of the Modern Papacy: Financing the Vatican, 1850–1950. By *John E. Pollard*. Cambridge: Cambridge University Press, 2005. xx + 265 pp. Index, notes, bibliography, figures, illustrations, tables. Cloth, \$85.00. ISBN: 0-521-81204-6.

Reviewed by Peter J. Wosh

Pius IX began his papacy in 1846 by inheriting, in the words of John Pollard, “an essentially small, semi-feudal and territorial state with fairly loose spiritual authority over millions of Catholics outside of the Italian peninsula” (p. 1). Approximately a century later, in 1950, Pius XII promulgated the dogma of the Assumption of the Blessed Virgin Mary into Heaven, an event that Catholic historians typically view as the high point for consolidation, centralization, and romanization in the twentieth-century Church. Pollard argues in this intriguing book that money made the modern papacy possible, and that historians need a thorough understanding of the Vatican’s temporal affairs in order to comprehend fully its spiritual transformations.

In one respect, Pollard tells a familiar tale. Many historians have noted the ways in which late-nineteenth and early-twentieth-century popes gradually managed to consolidate their power. The papacy strengthened its teaching authority and cemented ecclesiastical unity through such reforms as the proclamation of infallibility in 1870. The Holy See played a more significant international role by dispatching papal representatives and apostolic nuncios to countries throughout the globe. Popes promulgated a series of liturgical reforms that bound a diverse laity much more closely to the papacy as an institution. Pollard, however, adds a new dimension to the story by tracking Vatican balance sheets and investment policies between 1850 and 1950.

For much of this period, the papacy operated in a relatively unsystematic, haphazard, and informal fashion. Popes relied largely on such unsteady and unreliable sources of income as Peter’s Pence collections from around the globe, pilgrimages to the Holy Land, and ad limina visits by various bishops and archbishops. Gradually, however, and especially after 1929, the Holy See pursued a much more aggressive investment policy that involved participation in international markets, control over Italian utilities and industrial enterprises, and sophisticated banking operations. These new

sources of income allowed the papacy to expand its missionary outreach, increase its international influence, and create the monumental architectural edifices and institutional infrastructure that we today associate with Vatican City. More diversified revenue streams also meant, of course, that the Catholic Church's fortunes became more dependent on global capitalist enterprises. A basic conflict developed between papal social teachings, which often took a profoundly critical stance toward unfettered capitalism, and papal financial policies, which frequently buttressed exploitative businesses and even fueled arms manufacturers in some nations. Popes apparently dealt with these moral ambiguities in a characteristically modern manner, by simply compartmentalizing their social beliefs and their investment strategies.

Careful attention to encyclicals and papal pronouncements exposes some of these tensions, but the uneven documentary record presents other research problems. Historians who seek to untangle papal financial practices face daunting archival dilemmas. The Vatican archives remain closed to researchers following the pontificate of Benedict XV, which ended in 1922. Further, key financial departments within the Roman Curia, such as the Administration of the Assets of the Holy See and the Commission for the Works of Religion, have not placed their records within archival custody. Pollard attempts to resolve these difficulties with sources in several ways. First, he takes a very cautious and circumspect approach throughout the book, steering clear of the controversial and sensational accusations made by journalists like John Cornwell. Pollard never overreaches his evidence, and he carefully integrates information concerning conflicting sources into his narrative. He always qualifies his arguments by explicitly informing the reader when he ventures into speculative terrain, as in his discussion of whether a Vatican pipeline existed in order to help post-World War II smugglers move Nazi gold from Yugoslavia to Argentina. A reliable and transparent, if very measured and conservative, book results from his efforts.

Pollard also moves outside the official Vatican archives and reconstructs his story largely based on evidence in the Rome provincial archives, the Italian Central State Archives, and the national archival repositories of the United States, France, and Great Britain. His most intriguing new source, however, is the diary of Bernardino Nogara, an Italian financier who served as an advisor to Pius XI and Pius XII during the 1930s.

Pollard obtained access to the diary and accompanying documentation, which are still maintained within the Nogara family archives. This newly unearthed evidence leads Pollard to conclude that the 1930s witnessed a revolutionary moment in Vatican financial history. As a result of the Lateran Pacts of 1929, the Holy See received a cash payment of 750 million lire from the Mussolini government, thereby stabilizing papal finances. Nogara used this money to pioneer a new investment strategy that involved building up gold reserves, diversifying into property, experimenting with various forms of arbitrage, cultivating close connections with Swiss banks, and investing heavily in Italian economic enterprises. As a result, by the middle of the 1930s, the Vatican “was placed at the centre of a world-wide network of banking, and other financial institutions” (p. 168), and its traditional financial portfolio had been irrevocably altered.

Since detailed insider information only exists for the Nogara administration, however, it becomes difficult to evaluate Pollard’s overall argument. Earlier pontificates necessarily receive more superficial and less detailed treatment than those of Pius XI and Pius XII, owing primarily to the paucity of sources. The book’s somewhat formulaic organizational scheme exacerbates these problems. Individual chapters focus on particular papal administrations, and Pollard tends to view each one as momentous, transformational, and extraordinary in some sense. He emphasizes the autonomous nature of each papacy and the personalities of particular popes, drawing broad caricatures: Leo XIII functioned as an intellectual but took a direct interest in financial matters. Pius X became the humble peasant pope who practiced stringent economic policies. Benedict XV belied his reputation as a bad financial manager by keeping his private accounts in meticulous order, and “he did not waste anything” (p. 111). Readers receive little sense either of continuity or of the power struggles within the Roman Curia, thus making Nogara’s reforms and Pius XI’s administration appear more revolutionary than they may have been. Until Vatican archival policies change, however, it seems unlikely that additional new information will surface, allowing a more definitive account to emerge. For the present, Pollard has written an informed and thoughtful study that constitutes a significant advance over previous secondary scholarship.

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