

EIR Special Report

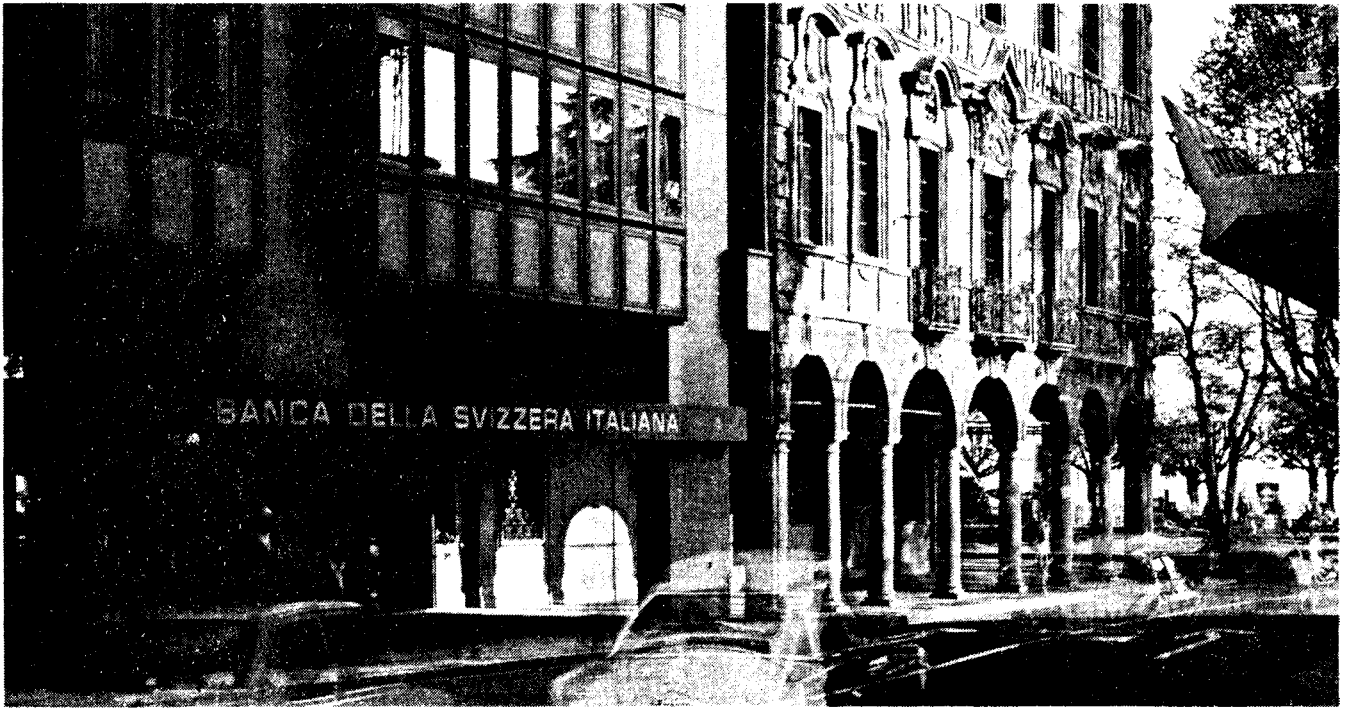
Venetian funds recolonize the U.S. economy

by Criton Zoakos, Editor-in-Chief

America's strategically most important industrial and financial fortresses have been conquered, in the course of the past 10 years, by the ancient, semi-clandestine financial fortunes of the old black European nobility working through British, Swiss, Italian, Benelux, and Far Eastern banking front organizations. As *EIR* Economics Editor David Goldman's accompanying analysis demonstrates, the critical controlling margins (in some instances over 35 percent) of American industrial and financial equity is now in the hands of ancient family *fondi*, i.e., funds whose pedigree goes back to the financing of the Crusades by Genoa, Venice et al.

From 1971 to 1981, the U.S. dollar was devalued by about 50 percent and U.S. stock equity by about 70 percent as a result of combined inflation and stock-market erosion. A similar collapse of the dollar and equity values in the American economy had occurred during the 1929-33 period, which had then also led to European aristocrats' buying into the American economy under the guise of panic gold flights from the potential European war zone to the relatively safer United States. Then, as well as now, American economic assets have been bought "a dime on the dollar."

Economic giants which are considered symbols of American pride and arrogance are thoroughly controlled by the same discreet and faceless oligarch-financiers who have ruined the European economies. Chase Manhattan, bankrupt since 1978, now survives at the mercy of Hongkong and Shanghai Banking Corporation which cut the Rockefeller bank into the lucrative Asian money markets (and dope trade). The merger of Chase Bank with the Warburgs' Bank of Manhattan represented an earlier and only partial form of control over American commercial banking by the ancient *fondi*. California's Bank of America, founded by the old financial cult of Genoa and Venice, represents a more emphatic case of European oligarch-financier control over American economic affairs. Xerox, Bendix, Texas Instruments, Standard Oil of Ohio, and other such giants which the deluded popular mind identifies with American industrial excellence, are further useful examples of what the oligarchical *fondi* control in this country.



Headquarters of the Banca della Svizzera Italiana.

A preliminary conclusion, drawn from an in-depth study now being conducted by the *EIR* staff, has already indicated that it would be reasonable to assume that virtually everything outside of the assets of regional banks and union pension funds is either directly or indirectly controlled by these oligarchical fondi.

Assimilation of such a shocking fact would require that the student of this matter undertake three intellectual tasks simultaneously: first, do a number of experimental spot-checks to determine the existence of these fondi; second, study the method by which the fondi have operated throughout history and how they operate now in the United States; third, make a serious effort to shed the dangerous "typical American" delusions of America's being "number one," because of "our free-enterprise economy," and so forth. The European oligarchy against which this country was founded is employing "free enterprise" techniques to take apart this country's economy piece by piece.

What are the 'fondi'?

The fondi is a generic name traditionally given to the accumulated, highly diversified property holdings of historical family groupings. They are made up of large portfolios, each composed of real-estate paper, industrial stocks, government bonds of virtually every government and every great municipality, ownership of trading-companies paper, commodity exchanges, etc. To the extent that these massive, diversified holdings are kept together under the direct control of a family or a clan, they are *fondi*, i.e., a deployable instrument of of

their power.

Investment banks and commercial banks properly viewed are mere "front organizations" of the highly secretive family fondi. Any one given oligarchical family may employ more than two, three, or four prestigious investment houses for the purpose of managing the continued survival and increase of the fondi. Management of the fondi is one thing primarily: *capital flight*. By capital flight, we mean generically the international deployment of mammoth sums of capital without the knowledge or supervision of governments. For the purpose of carrying out capital flight, the highly secretive owners of the fondi require investment houses, such as Rothschild, Lazard, Hambro's, et al., which are halfway into the world of financial mist: sufficiently secretive to protect the anonymity of the powerful clients and sufficiently public to engage in capital-flight operations.

The origins of the modern family fondi are to be found in the era of Genoese and Venetian emergence to financial pre-eminence, the period of the Crusades. On the basis of fees earned for the shipping and transport services to crusading armies, the great families of Genoa established private fondi which they later employed to buy up the House of Hapsburg, and with it the economies of Spain, Portugal, Austria, and the Low Countries. In the time of Emperor Charles V and Philip II, the Spanish court was dominated by Genoese creditor aristocrats who refused to trade in anything but "pure paper." From the Spanish and Portuguese colonial ventures the Genoese and the Venetian fondi moved to

establish the Dutch East India Company and then the British East India Company. At a later point, Genoa and Venice jointly founded the Confederatio Helvetica, the modern Switzerland, as a world banking haven for the family fondi. The constitution of modern Switzerland was written by a senior Venetian intelligence gamemaster, Giovanni Capo d'Istria.

Today's giants, British Petroleum and Royal Dutch Shell, are the best examples of Anglo-Dutch fondi established and organized by Genoese-Venetian management. British Petroleum and Shell today call the shots in overall policy for the American oil majors.

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Virtually all of the best-known investment houses in New York City today function as fronts, covering up and clerking for the old European oligarchical fondi. Lehman Brothers, the firm of former Undersecretary of State George Ball, is owned by Banca Commerciale Italiana, which in turn is a subsidiary of Assicurazioni Generali di Venezia. Lazard Brothers is a front office for the fondi of the ancient David-Weil family of France, Portugal, and Benelux. And this family is one of the key stockholders of Assicurazioni Generali di Venezia, the world's largest insurance company.

Assicurazioni di Venezia is an excellent case study of what the fondi are and how they operate. The board of directors of Assicurazioni is made up of officers from Lazard Frères, Rothschilds, Pierson, Fink (of the German Merck und Fink), Hambro's, Lambert, and so forth; among them, these six outfits represent total control and oversight over capital flight involving the major family fondi of France, Belgium, Germany, the United States, Italy, and Latin America; in addition, the board of directors includes the Duke of Alba, heir to the title of the Hapsburgs' field marshal in the Netherlands, the Doria family, the chief Genoese financiers of the Spanish Hapsburgs, and the Giustiniani family of Venice and Genoa, descendants of the sixth-century

A.D. Emperor Justinian who shut down the Platonic Academy, as well as of Gen. Giovanni Giustiniani who betrayed Constantinople to Ottoman conquerors in 1453.

When President John F. Kennedy won the election in 1960, a member of the Assicurazioni di Venezia, André Meyer, also owner of the *Washington Post*, boasted at a private victory celebration that "I own the President of the United States." The Kennedy family of course does its banking at André Meyer's Lazard Frères to this day. The irony, however, was that Meyer, the man who "owned the President," was himself very low on the totem pole of oligarchical-financial power. He had merely been selected as the temporary financial capo-manager for the David-Weil family fondi, at a time when that family had shrewdly observed that none of its then-living members had the brains to keep the family fortune intact for the next generation. So they hired André Meyer; and he tried to buy himself an American President to add to his bosses' holdings.

How the 'fondi' operate

André Meyer may have discovered that buying an American President was not a simple proposition. It is reasonable to assume that that discovery probably cost President Kennedy his life. However, apart from the office of the chief executive, virtually everything else was being auctioned off. Especially the secretaries of Treasury and chairmen of the Federal Reserve Board.

In the less visible world of intelligence services and agents-of-influence, the managers of the family fondi had developed a highly effective "clearinghouse" of policy and operations, generally identified with the "Propaganda 2" Masonic lodge in Italy. Most of the leaders of that lodge, as identified by the public prosecutor in Italy, belong to circles associated with Assicurazioni Generali di Venezia, Banca Commerciale Italiana, the versatile Banco Ambrosiano, circles influencing the Bank for International Settlements, the world's most powerful "central bank of central banks"; the Propaganda 2 lodge personnel were assembled during the period after the Second World War by Allen Dulles (then operating out of Switzerland) and Bruno Luzzato, the Venetian financier who ran the Marshall Plan administration, father-in-law of Carter's ambassador to Italy, Richard Gardner, of Billygate fame. Henry Kissinger and Alexander Haig were promoted into public life as instruments of this P-2 operation.

In the middle of the 1960s, the European financial oligarchy had pretty much settled on the outlines of the strategy to finally take over the U.S. economy. The strategy is now known as "Global 2000."

The general weakening of potential American resistance was carried out by first establishing the so-called

Eurodollar market, a pool for foreign-held United States dollar obligations of over \$1.5 trillion in a "supranational" financial market that is beyond the regulatory reach of the U.S. government, and second, the delinking of the U.S. dollar from gold. Once the Eurodollar market was established at the beginning of the 1970s, the second tier of operations began, that of gradual long-term corporate takeovers. The commercial operations of the *fondi* are buttressed by certain types of unique sources of gigantic cash flow: the *fondi* control the cash flow of the world narcotics trade, estimated to be between \$200 and \$400 billion per year; they control the petrodollar cash flow, which slips through the fingers of OPEC countries to end up in the hands of *fondi*-associated commercial banks. Similar controls are exercised over certain key high cash-flow commodity markets such as sugar and coffee. The general parameters for the deployment of such cash are set for the purpose of maximizing the influence of the *fondi*.

Political perspectives of the *fondi*

The essential characteristic of the people who run the largest part of the West's financial institutions at this time is that they are fanatically dedicated to some

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of the weirdest forms of cultist world outlook. For instance, Robert S. McNamara, former head of the World Bank, is notorious for his habit of "moon-bathing" under the shine of a full moon, in order to improve his biorhythm, as he believes; Johannes Witteveen, former head of the IMF, is a high ranking Sufi mystic; A. W. Clausen of the Bank of America is the highest ranking Mason in the Grand Lodge founded by Giacomo Mazzini, a thoroughgoing Lucifer worshipper. Similarly with the leaders of the notorious P-2 lodge, which is closely associated with Rockefeller's Trilateral Commission.

The emphatic ideological preference of these cultist

notables is to place a permanent end to the era of scientific and technological progress, and endorse, worldwide, a neo-romantic era, variously dubbed the "postindustrial society," the "New Dark Age," the "Age of Aquarius," and so forth. The significance of the *fondi*'s takeover of key parts of the American economy is situated in this weird ideological commitment of the "new management."

The question for the United States as a state power is: what will happen if the Soviet leadership refuses to play along with the "New Dark Ages" game? Can the "new management" afford to happily dismantle the industrial and logistical infrastructure of the United States while the Soviet Union embarks on a desperate, determined effort to build up their military-industrial logistical base to the greatest extent possible?

The *fondi* have a very disturbing history of accommodating to this type of question. In the past, when they had to make a choice between maintaining their ideological preference—i.e., their opposition to the dissemination of the scientific outlook in their societies—and the maintenance and salvation of the nation-states upon whose existence they depended, the old oligarchs have preferred the destruction of nations for the sake of their cult-ideological commitments.

In succession they destroyed Genoa and Venice—their very bases of operations—then Spain and Portugal, then Belgium and the Low Countries, then England; Switzerland, the Caribbean, Hong Kong are retained as stabilized bases of operations and playgrounds; now they have come to the United States. The dilemma of the new management is: in order for the United States to recover industrially and strategically, it must pursue a Hamiltonian financial policy of redeeming our \$1.5 trillion Eurodollar debt (and thus placing it under government, not private, control), by means of return to the gold standard, and further pursue a scientific and technological mobilization on a scale comparable to the earlier space programs. This kind of perspective would get the United States out of its present course toward the Dark Ages, and thus 180 degrees away from the ideological preferences of the "new management."

The alternative will be a resounding financial crash, probably toward year's-end, and a drastic industrial and technological decline of the United States in world affairs. The prospect of the "Soviets' Rule in the 1980s," as *EIR* founder Lyndon H. LaRouche has warned, will soon be on the table.

A large part of the decisions in these matters will be decided at the upcoming Ottawa summit. Past history indicates that the old *fondi* don't think twice before they double-cross and ruin the empires they have subverted and parasitized.