Citibank and other strange things

There is a definite network, tied to Switzerland, which controls flight capital looting from Latin America.

In the early 1960s, an associate of National City Bank chairman Walter Wriston suggested that the bank establish a division for "private international banking" to conduit funds from wealthy individuals resident abroad into U.S. investment markets. Wriston gave approval to the plan.

When the division opened, it had a staff of six, and managed $250 million dollars. Twelve years later, the "Private Banking" division of the renamed Citicorp was responsible for a $12.5 billion investment pool, and was providing over 10 percent of Citicorp's annual profits.

The individual who had suggested setting up the department was a Dutchman named Robert Christopher Portomas Meyjes. In a 10-year period of heading the Citibank private banking section, Meyjes worked with 600 banking trainees. Today, his protégés manage the private banking divisions in most of the largest banks in the United States, from Boston to Los Angeles. Meyjes himself operates out of Citibank's Paris office.

According to one former associate of Meyjes, who gave this account *EIR*, Meyjes' offspring remain in touch with one another. Many have gone into business for themselves, handling private investments passed on to them by their associates in the larger banks. These private investment "advisers" frequently handle business considered "too sensitive" for the large banks which have to be concerned with their "reputation." The need for such an extended "club" of investment specialists is due to the fact that a large portion of such funds come from illegal operations, including drug running.

In sum, what the Meyjes case suggests is that Citibank was a pioneer in establishing the profession of investment of "flight capital": the exportation, often illegal, of private savings and capital of wealthy individuals seeking "financial asylum" from political instability, and economic chaos. In recent years, the worldwide volume of transfer of flight capital has reached extraordinary proportions. According to reports from the Organization of Economic Cooperation and Development (OECD), flight capital transfers to major Western countries in 1982 added up to over $70 billion, a sum more than double the total interest payments of Latin America on its debt that year. Estimates by the U.S. Commerce Department of a $40 billion inflow of flight capital into the United States alone during 1982 corroborate the OECD's global estimate.

"We are the merchants of misery," Meyjes's old associate explained. "If the world could ever straighten out, and solve all its problems, we would be put out of business. Hopefully, someday that will happen—but I strongly doubt it."

Independent of this suggestive information, sources in Latin America recently reported that documentation is circulating on high diplomatic levels there showing that Citibank played a leading role in extricating over $20 billion in flight capital from Venezuela last year.

How could it have come to pass that the U.S. bank which has the largest single Third World debt exposure compared to its assets would be found leading a financial exodus out of the Third World, the effect of which would be then to bring its own loans that much closer to default? If the documentation from these various sources is borne out, it means that at the same time that Citibank has been chosen by U.S. banks as lead negotiator with most of Latin America on the current debt crisis, Citibank is simultaneously the most active in trying to collapse the debt.

It is precisely such behavior which pinpoints the "Swiss" factor which has penetrated Citibank policymaking under Walter Wriston's chairmanship. In 1980, *EIR* acquired an internal Citibank study on a 10-year corporate reorganization plan which bore the same stamp of Swiss influence. The study, whose contents were circulated in an *EIR* Multiclient Report at that time, revealed that Citibank was preparing for a large-scale shakeup of the U.S. banking industry during the 1980s, induced by a collapse of international lending. The study outlined how Citibank was in process of large-scale acquisitions of smaller U.S. domestic banks, so as to offset the losses it expected on its international accounts, by filling its accounting books with relatively solvent U.S. domestic loans. As is generally well known, Citibank has been in the forefront of lobbying for the series of interstate banking laws, which have permitted the New York money center banks to acquire lending rights in other parts of the country.

How the Swiss came to influence Citibank in this way will be told in an upcoming issue of *EIR*.