

IV. History's Lessons

Britain's Role in Creating Fascism, Yesterday and Today

by Claudio Celani

Dec. 14—One of the most shocking aspects of the current strategic situation is the unconditional support given by western governments and media to a regime in Ukraine which does not hide its outright Nazi ideology and tactics. For those who know the real history of fascism, however, this is not shocking.

A book published this year in Italy on the occasion of the 100th anniversary of Mussolini's March on Rome, documents how Benito Mussolini and the fascist party were financed by British intelligence up to that March on Rome. In fact, the authors insist that Mussolini would not have seized power without British help. The book, which has become a bestseller and has been reviewed by international media, is titled *Nero di Londra* (The Black of London) and is authored by Giovanni Fasanella and Mario José Cereghino.

It was known that British and French intelligence had financed Mussolini to campaign for Italy's entry into World War I in 1914. With the declassification of the archive of Samuel Hoare, former British minister (Foreign, Home) and a prominent figure in Churchill's circle, it was discovered that subsequently, British intelligence *continued* to finance the fascist party in what Hoare called "The Project" to "manipulate" Italian politics in conformity with British geopolitical interests.

Mussolini's British Intelligence 'Papers'

Samuel Hoare was sent to Italy as head of the Directorate of Military Intelligence (DMI) in 1917, in the aftermath of the Italian military defeat at Caporetto in World War I. London was terrified by the prospect that Italy, like Russia, would withdraw from the war and the pacifist party, led by former Prime Minister Giovanni Giolitti, would conclude a separate peace with Austria



and Germany. Had this occurred, Austro-Germanic forces employed on the Italian front would have joined those on the Western Front, with possibly different outcomes of the war.

The book's authors combed through the archives containing dispatches sent by Hoare from Rome to his bosses in London. The book is full of archive references, providing invaluable material for historians.

What emerges from the newly available papers is an actual enlistment of Benito Mussolini in Her Majesty's military services, with a regular salary and code name: "The Count." Hoare asked and obtained from his London superiors that the money should come from an intelligence slush fund, so as not to leave traces.

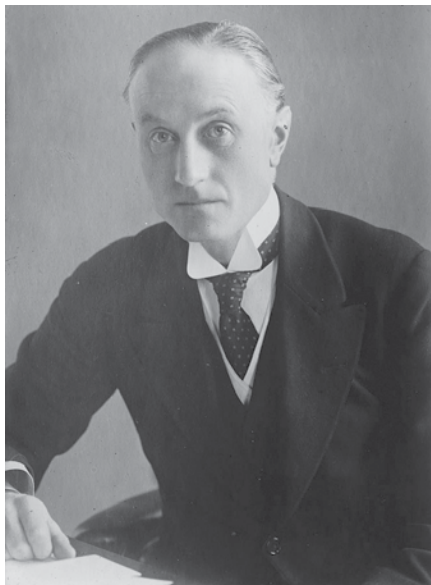
Not only that: Hoare managed to place his man at the head of Freemasonry, a decisive move in the years when Freemasonry controlled all the ganglia of Italian state power. British funding then enabled Mussolini to found the *Fasci di Combattimento* (Combat Forces) in 1919 and rage with squadrist violence against oppo-

nents until the March on Rome in October 1922.

Such was the British grip on the Fascist party, that at the crucial stage of the seizure of power, King Victor Emmanuel III, before appointing Mussolini to form the government, asked the British for assurances that the Crown would not be endangered by the extremist republican wing of Fascism. While the Fascists staged a paramilitary camp at the gates of Rome, ready to “invade” the capital, Mussolini’s lieutenants, the so-called *Quadrumviri*, waited at the Perugia estate of a man in Hoare’s network, the British-Italian aristocrat Romeo Gallego-Stuart, for the outcome of the negotiations. We know how it turned out.

The picture that emerges is shocking. The British bred, aided and put Mussolini in power. While initially the support for Mussolini may be framed in the urgency of preventing a collapse of the southern front of World War I, in reality Hoare explains in reports sent to London that his mission is explicit in getting the so-called “German party” in Italy ousted from power. Hoare is referring to an important, even majority part of the Italian industrial, political and financial elite that, starting in 1882, had managed to disengage the Italian economy from dependence on Anglo-French finance and to ally with German finance (Deutsche Bank), initiating the first real industrialization of Italy’s North through protectionist tariffs and productive investment.

Hoare obviously did not explain it in these terms, but in denouncing the strategy of expanding German influence in the Balkans and the Mediterranean, which would undermine Britain’s dominance in the region, he meant that Italy must therefore cease to be the crutch of this design. The German party must be ousted and replaced by an authoritarian regime. Mussolini is the candidate of choice to do so.



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Declassification of Sir Samuel Hoare’s archive has revealed that British intelligence bred, aided, and put Mussolini and his fascist party into power after World War I.

Mussolini’s Finance Man

A second book, *Alberto Beneduce: Il Finanziere di Mussolini*, by Mimmo Franzinelli and Marco Magnani, helps us understand how once in power, Mussolini’s regime adopted the economic and financial policy decided in London. The book came out in 2009 and did not enjoy the same prominence as *Nero di Londra*. It is nevertheless a precious source of information, being the only book written on Alberto Beneduce, the architect of Mussolini’s economic policy.

Alberto Beneduce is known as creator and chairman of IRI, the large financial-industrial conglomerate he built in 1933 by nationalizing failed banks and businesses after the Great Depression. But before that, from behind the scenes,

he was the real director of the 1920s transition that brought Italian finances under British control.

Beneduce was a top Freemason and a radical socialist. The former qualification is important if you consider that, as mentioned before, Italian Freemasonry had been taken over by British intelligence after World War I. As to the latter, Beneduce was such a fanatic socialist ideologue that he named his three daughters Vittoria Proletaria, Idea Socialista and Italia Libera.



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Mussolini’s March on Rome. Second from left is Benito Mussolini. Oct. 24, 1922.

A glance ahead to the post-World War II period: Beneduce's legacy was inherited by Enrico Cuccia, who married Idea Socialista Beneduce, and who took over Italy's only investment bank, Mediobanca, and ran it from 1949 almost until his death in the year 2000. Mediobanca, a state-owned financial institution, was the financial lung for large Italian corporations (Fiat, Pirelli, Montedison etc.).

Back to Alberto Beneduce. Before the rise of fascism, Italy had been kept out of the "good salon" of global finances. As the two researchers who authored the book explain, in London and Paris it was believed that the Italian central bank was subservient to political power. An independent central bank system is the cornerstone of the oligarchic power system. A central bank independent of political power, but subservient to private banks that are often its shareholders, is the decision-making center of economic policies in liberal regimes and becomes the command center of a fascist command economy.

It was Beneduce who assured the two European powers that with the new regime, he would personally ensure the full independence of the central bank. Under this condition, Italy was admitted to the Gold Standard agreements and given a seat in the Bank for International Settlements, created in Basel, Switzerland to settle World War I debt and reparations payments.

A [letter](#) by Bank of England governor Montagu Norman to his U.S. colleague Benjamin Strong in 1927 shows that the British authorities were not at all disturbed by the dictatorial nature of the Italian system. Four years after the fascist takeover,

The measure of their [the Bank of Italy] independence is increasing. Italy is not a free country in the usual meaning of the term. Certain things are lacking which in a liberal country such as England are apt to be missed: for instance, freedom of speech, freedom of the Press, freedom of politics and so on. But the fact remains that she has made economic and financial progress and is probably making social progress too....

To this regard, last week mr. Beneducci [sic] visited me—his name is familiar to you—and we had a long conversation.

As chairman of the Istituto Nazionale Cambi, Bene-



Alberto Beneduce. In the 1920s, he raised tens of millions of dollars for Mussolini's fascist regime from central bankers and from private British and American banks.

duce was then, formally, a technocrat under the governor of the Bank of Italy. But in the subsequent negotiations with Norman, it was Beneduce and not Bank of Italy head Bonaldo Stringer, who led the dance. At the end of the negotiations, not only were the conditions to join the Gold Standard fulfilled, but the Italian fascist regime was given a \$75 million loan by the central bank members of the system and \$50 million credit by private British and American banks (Morgan, Hambros, Baring and Rothschild).

Deflationists and FDR Enemies

Many contemporary historians, especially leftist ones, compare Mussolini's economic policy to U.S. President Franklin Roosevelt's, centered on the active role of the state in the economy. Nothing is further from the truth. Beneduce's speech at the 1933 London Economic Conference is illuminating: Mussolini's man railed against Roosevelt, who decided to exit the Gold Standard system in order to allow financing for the New Deal, thus feeding inflation. This dispels any myths about alleged similarities between Roosevelt's New Deal and Mussolini's "statist" programs. Beneduce accused FDR and the Democratic Party of implementing a spending policy for electoral purposes, "testing monetary policy as a tool for liquidating the economic crisis," and for "dictating policy to the world":

Today, President Roosevelt, in the face of the

economic and social woes of the world, invites Europe to believe in other truths, which have a “panacea” power.... They campaign abroad for *increasing prices through the expansion of credit*.... This policy cannot but create panic among currencies with a run on commodities; it not only will not increase by an inch the real and permanent consumers’ power, but it will reduce it, because it disorganizes the working basis of productive companies and affects the formation of new savings, whose prudent use allows a fair liquidation of the past and a re-adjustment of prices and costs in the various sectors of production.

In other words, Beneduce said: FDR’s policy will create inflation (“increasing prices”) and prompt capitals to seek safe havens in commodities instead of investing in the stock market (“formation of new savings”). He goes on:

With the policy pushed by President Roosevelt, the illusion to overcome the crisis without efforts and real losses is fed. With it, they certainly prepare, in the short term, a new formidable crisis that maybe will hit the world before the U.S. Democratic presidency concludes its four-year mandate.

Against the American policy, Beneduce praised the decision of a group of countries to stick to the British Gold Standard.

Latin civilization, with its century-long experience, has instead inspired the statement just made in London by those countries who pegged their currency to gold and want to maintain it in the interest of the economic and financial reconstruction of the world on current bases.

Italy was especially in favor of the Gold Standard because Mussolini and his Finance minister, Giuseppe Volpi, had launched the famous “Quota 90” in 1926, aiming at strengthening the lira from about 150 to 90 for one British Pound. This implied a *deflationary* policy, a line that the Mussolini government pursued from the beginning.

Beneduce was also the architect of the nationalization of the banking sector and of large

industrial companies owned by the banks, through the creation of *Istituto per la Ricostruzione Industriale* (IRI). The idea was that this should be transitory: once made viable, they should be privatized again. IRI survived the fall of fascism and was inherited by the new democratic regimes after the end of World War II, which used the huge state-owned sector as a tool of economic policy, inspired by that very New Deal that Beneduce hated so much. Thus, while Mussolini left Italy a rural economy after a 20-year dictatorship, the Christian Democratic governments that followed transformed the country into an industrial nation in ten years.

Schacht and Beneduce Today

When President Richard Nixon dissolved the Bretton Woods system on Aug. 15, 1971, the late economist and political leader Lyndon LaRouche forecast that the trajectory of “financialization” of the economy, if not stopped, would inevitably lead to the collapse of the system, ultimately posing the choice between “socialism or fascism.” LaRouche was prophetic. Just as in the aftermath of World War I, the settlement of war accounts imposed dictatorial regimes in Italy and Germany, so today, authoritarian systems are being imposed to ensure the refinancing of the global debt bubble.

Hjalmar Schacht today would adopt the “financial regime change,” launched at the August 2019 central bank meeting in Jackson Hole, Wyoming. There, the idea of a “global synthetic reserve currency controlled by central banks” was launched and a global synthetic demand for “climate transition” was invented—a subterfuge to prolong, under the pretext of a “climate emergency,” the life of the agonized global speculative financial system. Today’s war in Ukraine has offered the pretext to add a security emergency to the climate emergency, also reviving the arms spending which was Schacht’s specialty for the Nazi regime.

The “climate dictatorship” was born in London and is the child of radical environmentalism, among whose founders stands out an authentic Nazi party member, Prince Bernhard of The Netherlands. The scepter then passed to Philip of Edinburgh and later to his son, the current King Charles III. The geopolitical aggression against Russia was also born in London. In the current Great Reset and Geopolitical War scenario, the United States has adopted, as often in its history, policies made in Britain.