

## Italy's Black Prince: Terror War Against the Nation-State

by Allen Douglas

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### **The Black Prince and the Sea Devils: The Story of Valerio Borghese and the Elite Units of the Decima Mas**

by Jack Greene and Alessandro Massignani  
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The career of the Roman “Black Prince,” Junio Valerio Borghese, gruesomely illustrates how virtually all modern “international terrorism” and all assassinations of heads of state and government such as President John F. Kennedy, former Italian Prime Minister Aldo Moro, or the numerous attempts on France’s President Charles de Gaulle, derive from the postwar Nazi International, sponsored by the Anglo-American-led Synarchy and its intelligence services. To trace all the ramifications of that career, is to open a door onto the centuries-old highest level of the financial oligarchy—the Synarchy: the aristocratic families of the “black nobility,” the Sovereign Military Order of the Knights of Malta, and the heirs of what Pope John Paul I called the “ancients” of Venice.

The fascist Borghese founded Mussolini’s elite naval warfare squadron, which he turned into a savage irregular warfare unit in northern Italy by the end of World War II. Picked up by Allen Dulles, James Jesus Angleton, and other anti-Franklin Delano Roosevelt operatives of the U.S. Office of Strategic Services (OSS), Borghese and his men would be involved in every major postwar coup attempt or terrorist outbreak in Italy until 1970, when he fled to Spain after the failed coup attempt most closely associated with his name. From Italy, and then while in Spain, he maintained connections all over Europe and with the bloody Operation Condor

torture-and-murder syndicate in Ibero-America. An examination of Borghese’s career enables one to peer beneath the surface of terrorism and spectacular assassinations, into the netherworld whence these actions are launched: where international high finance; ancient aristocratic families; pro-fascist elements of the Curia of the Catholic Church; leading fascists of the Hitler-Mussolini era; and the Anglo-American intelligence services, in particular those of NATO, are all unified in a war against the modern nation-state.

The British and U.S. intelligence services’ files on Borghese are still classified, as are the Borghese family archives in the Vatican after 1922, when Mussolini seized power. The present book is the first biography of Borghese in English. When correlated with other recent exposés of Gladio, the post-World War II NATO “stay-behind” network in Europe, and when all are situated within the work of Lyndon LaRouche and his associates on the Synarchy, it is a notable contribution to unmasking international terrorism, though the book’s authors are perhaps not always aware of the full implications of what they present.<sup>1</sup>

Borghese belonged to a principal family of Rome’s ostensibly Catholic “black nobility,” many members of which

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1. The material in this review which directly concerns Borghese is almost entirely drawn from Greene and Massignani. Additional material on Gladio can be found in Daniele Ganser’s book, *Nato’s Secret Armies* (London, 2005), Arthur E. Rowse’s “Gladio: The Secret U.S. War to Subvert Italian Democracy,” [italy.indymedia.org](http://italy.indymedia.org), and work by LaRouche and his associates. The latter includes “Strategy of Tension: The Case of Italy,” an indispensable four-part series by Claudio Celani, first published in *EIR*, and “Terror’s Legacy: Schacht, Skorzeny, Allen Dulles” by Michael Liebig. These two articles were republished, together with overviews by LaRouche, and numerous other studies, in the Special Report, *The Synarchist Resurgence Behind the Madrid Train Bombing of March 11, 2004*, issued by the LaRouche in 2004 campaign committee.



*Junio Valerio Borghese, the "Black Prince," wears his Gold Medal, Military Order of Savoy, and Germany's Iron Cross, during the war. He and his men were implicated in every major postwar coup attempt and terrorist incident in Italy, until he fled to Spain in 1970.*

claim descent from the elite of the Roman Empire. Numerous Popes and cardinals came from the Borghese and allied families, such as the Pallavicini, the Colonna, and the Orsini; these families maintained enormous power into the 20th Century, and still today, in the Curia, the administration of the Vatican. Their faction within the Church helped construct the infamous "rat-line"—run, in part, through monasteries and convents—which spirited thousands of Fascists and Nazis out of Europe after the war, into Ibero-America, Asia, and the Middle East.

Whether the Borgheses indeed originated with the Roman Empire, as they claim, or only rose in the early 16th Century, as records suggest, they could boast of one Pope, Paul V (Camillo Borghese, reigned 1605-21), and several cardinals, while a Borghese prince married Napoleon's sister. They lost their fortune in the 19th Century, and thus the 20th Century saw Junio Valerio Borghese going to war.

In the first half of the book, naval warfare specialists Greene and Massignani recount the development of Italian naval irregular warfare on the eve of World War II, which involved light craft, frogmen, and sabotage. Borghese was an innovator in this field, beginning with his sabotage efforts for Franco during the Spanish Civil War of the late 1930s. He founded Mussolini's naval special warfare unit, the Decima MAS, commonly known as the X MAS. (MAS was originally an acronym for *Motoscafi Anti Sommergeibili*, anti-submarine motorboats, but soon became the generic term for any light craft.)

The X MAS was a kind of personal squadron of Italy's Venice-centered oligarchy, staffed by officers from leading noble families. One of them was the nephew of Italy's royal House of Savoy, Prince Aimone of Savoy, the Duke of Aosta.

The X MAS thus mirrored the oligarchical coloring of the OSS, where the leadership was so dominated by bluebloods, such as Wall Street's pro-fascist Allen Dulles, that it earned the sobriquet "Oh So Social." The two organizations were destined to collaborate closely.

Its aristocratic pedigree enabled the X MAS to operate as largely independent from Mussolini. As Greene and Massignani note, "Key personnel inside the X MAS were of noble stock, and this enabled them to win the support of top-level officers. It also made it possible for them to be in direct contact with the companies that supplied and developed craft, new weapons, and equipment for the flotilla."

Soon after taking power in mid-1943, the new royalist Italian government signed an armistice with the Allies. The royalists captured Mussolini in July, and held him in a remote prison in the Appenine Mountains. He was freed in a daring raid (so the story goes), led by Hitler's chief commando, Otto Skorzeny, who was later to become, like Borghese, a kingpin of postwar international terrorism. The Nazis disbanded Italy's army and sank most of its navy, so that they could not be used against them, but some diehards, notably Borghese and his X MAS, chose to fight on for fascism. Many other Italians were organized by Italy's political parties, including the Communist Party, into partisan warfare bands, which fought both the Germans and Mussolini's 1943-45 Nazi-run rump Salò Republic in northern Italy. Hitler's henchman for the German occupation of northern Italy, SS Gen. Karl Wolff (formerly Himmler's private secretary), ordered Borghese and his X MAS to move onto land, where they became infamous for anti-partisan warfare, including the systematic use of torture and the summary execution of Italian civilians as a "lesson" to the partisans. Greene and Massignani report that in the 600 days of the Salò Republic, the X MAS raised a force of 50,000 men, and that in the bloody civil war which followed the armistice, probably more Italians died than in the entire war before then.

The X MAS was nominally committed to the Salò Republic; however, it never swore allegiance to Salò, and never flew any flag but its own. Reports flooded back to Mussolini that Borghese was maintaining contact with all sides, so Il Duce had Borghese arrested in early 1944, though he soon released him. Indeed, Borghese had either established contact or worked with: the SS security service (*Sicherheitsdienst*), with which he worked closely; the *Abwehr* (German army counter-intelligence); the Italian royalist government; British Secret Intelligence Service; James Jesus Angleton, chief of the OSS counter-espionage branch in Italy; and Allen Dulles, OSS Berne, Switzerland station chief. He also met several times with SS General Wolff.

Wolff and Dulles plotted the Anglo-American redeployment of fascist operatives after the war, among them Borghese. Indeed, Wolff declared, "Where the person of Borghese and his Decima Mas is concerned, I have spoken several times . . . with a representative of Mr. Dulles." In late 1944,



*Benito Mussolini (left) with SS Gen. Karl Wolff. Under orders from Wolff, Borghese and his X MAS forces waged brutal warfare against the anti-fascist partisans. After the war, Wolff and Allen Dulles secured Borghese's release from Allied custody.*

Rome's black aristocracy asked the Allied military governor in Italy, Vice Adm. Ellery Stone, to intervene in favor of the "terrible boy," Junio Valerio. A friend of the Borghese family and lover of a Roman baroness, Stone needed little convincing. As the partisans closed in on Borghese in May 1945, Stone instructed Angleton to warn him, which the latter did personally. On May 19, the Americans formally arrested Borghese, thus saving him from scheduled execution by a partisan firing squad.

### **A Brief Hiatus**

The Americans and the British showed a keen interest in the X MAS wartime activities, especially its Vega battalion, which had operated behind enemy lines. As one X MAS leader put it, foreshadowing Borghese's later deployment as part of Gladio, "For the Allies we were important because we had infiltrated the Communist bands, we knew their secrets and tactics and therefore developed the first anti-guerrilla procedures. . . . They wanted to know how we carried out the anti-communist war. . . . They wanted to exploit our knowledge." The Germans had also developed "stay-behind" units to function behind Allied lines in Italy, and the X MAS were

almost certainly part of that operation as well. Several members of the X MAS were taken to the United States for debriefing.

Borghese's friends in high places ensured that the Allies would clear him of war crimes. The Italian government, however, demanded that the Allies hand him over for trial in Milan in late 1945. His friends again intervened, and his trial was transferred to Rome, where Dulles, Angleton, et al. had ensured that many of the old Fascist bureaucrats remained in office, and where the courts were much more conservative. After two years in prison, he was finally found guilty in early 1949 of collaborating with the Nazis (though not in war crimes) and sentenced to 12 years in prison. As one frustrated observer put it, "The crimes of Borghese's band were too obvious, and the verdict had to be life imprisonment. But the court, through a scandalous application of extenuating circumstances, pardons, and remissions, reduced the sentence." The judge then decided he had served enough time, and released him, an action that would have been politically impossible before Britain's Winston Churchill announced the beginning of the Cold War with his 1946 "Iron Curtain" speech in Fulton, Missouri.

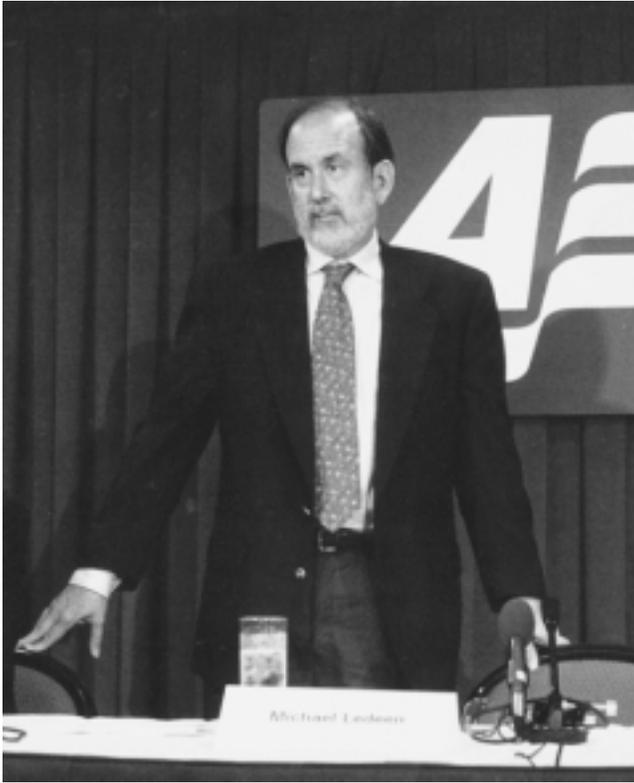
Borghese's new career was about to begin.

### **A Universal Fascist**

Shortly after his release from prison, Borghese became president of the Italian Social Movement (MSI) party, composed largely of former Fascists. The MSI was a mixture of "national" and "international" ("universal") fascists. Borghese was committed to the latter outlook, which today is openly espoused by neo-con Michael Ledeen, himself a protégé of a Mussolini Cabinet minister, the Venetian oligarch Vittorio Cini. Cini, in turn, was a key collaborator of the real architect of Mussolini's regime, its longtime Finance Minister, the Venetian Count Giuseppe Volpi di Misurata.

Greene and Massignani describe Borghese's universal fascism and its plans for a Europe free of nation-states, but "unified" under NATO: "Fascism in the postwar era was different from its pre-war variety. Although it had splintered into many different factions, it had two powerful drives. One was that it was anti-communist. It was this element that made Borghese acceptable to the mainstream parties and national secret services. He was ultimately pro-NATO, as was the rest of this wing of fascism. The other one was the realization that in the postwar environment no single European nation could stand up to the two superpowers, and hence, that *Europe* would be a third force. That is, Europe would be 'opposed to the twin imperialisms of international communism and international finance capitalism, both of which were perceived as being materialistic, exploitative, dehumanizing' " (emphasis in original).

Borghese's "united Europe" was the scheme promoted, from the early 1920s on, by his fellow oligarch, the Venetian Count Richard Coudenhove-Kalergi, which became an ex-



*Neo-conservative Michael Ledeen is the counterpart of Borghese's circles in the United States today. The two share the ideology of what Ledeen calls "universal fascism" (in his book of that title). Ledeen himself is a protégé of Mussolini Cabinet minister Vittorio Cini, who worked with Fascist Venetian kingpin Count Giuseppe Volpi di Misurata.*

licit goal of the Synarchist International in the 1920s and 1930s. Today, the seed crystal of that "united Europe" has become the Maastricht Treaty-generated European Union and its European Central Bank. The same vision of a united Europe had also inspired Hjalmar Schacht, the financial architect of Hitler's regime, though Schacht viewed Hitler's conquest of Europe as the pathway to achieve it. It was also the vision for which the Synarchy deployed one of its most notorious agents of the 20th Century, Alexander Helphand Parvus. Parvus first financed the Bolshevik Revolution, and then, after it was victorious, became the most ferocious "anti-Bolshevik," proclaiming that only a "united Europe" could stop the communist menace.

Between the wars, this "united Europe" scheme was momentarily eclipsed by the "national fascisms" of Mussolini, Salazar, Franco, and Hitler, though all were installed by the same Europe-based, London-centered Synarchy. But, after the war, write Greene and Massignani, Borghese's universal fascism was the wave of the future, as well as the incubator of international terrorism. "In Italy, it was the Fascist faction that possessed the many international ties that stretched between Franco's Spain, South America, and South Africa. *It*

*was from this faction, too, that many of the acts of terrorism of the 'Black International' sprung"* (emphasis added).

## **NATO, Gladio, and International Terrorism**

Postwar Italian politics may appear to be a wilderness of mirrors, with its rapid changes of government, multiple coup attempts, and spectacular outbreaks of terrorism. Going back to the Nazi occupation of northern Italy during World War II, however, to examine the various British, American, and Nazi actors and their respective ties to different Italian factions, the reality quickly becomes apparent: that the Anglo-American Synarchists merely replaced—and to a great extent subsumed—the Nazis and Mussolini's Fascists as the would-be fascist occupying power, locked in mortal struggle against those Italian patriots, both "conservatives" of the Christian Democracy and "leftists" of the Italian Communist Party, who wished to establish a sovereign Italy.

The battle for a sovereign Italy centered on economic policy. In 1950, forces around wartime partisan leader, later industrialist Enrico Mattei effected a radical shift within the ruling Christian Democracy, away from free-market policies toward a dirigistic program of rapid industrial growth. With an extraordinary series of state-sponsored corporations, and projects such as the Cassa per il Mezzogiorno (Southern Italy Development Fund) based on the model of U.S. President Franklin Roosevelt's Tennessee Valley Authority, Italy experienced an economic miracle, with annual growth of over 7% for almost a decade. A linchpin of this was the newly founded national oil company, ENI, which Mattei headed in a war for energy independence against the synarchists' Seven Sisters.

Enraged at Italy's developing sovereignty, the Anglo-Americans deployed terrorism and assassinations to stop it. Borghese's activities run like a black dye through all of this history, until he fled to Spain in 1970. Let us now examine the scene in which he was to be so prominent an actor.

Already during World War II, Allen Dulles and other Anglo-American Synarchists, who had sponsored both Mussolini and Hitler in the first place, were trying to negotiate a peace with the Nazis which would leave them in power, *sans* Hitler and a handful of others. This Nazi puppet-regime would then ally with the British and the United States to conquer the Soviet Union, establishing a Synarchist world empire. Dulles's negotiating partner SS General Wolff said that he wanted "to build a bridge to the West," which would entail handing northern Italy over to the Allied military forces, *but with German troops remaining in place*, as "part of the proposed police force of the Western powers against Russia."<sup>2</sup>

U.S. President Franklin Delano Roosevelt, by contrast, wanted to crush the fascist regimes, and foresaw a postwar

2. Charles Higham, *American Swastika* (New York: Doubleday & Company, 1985), p. 198.

world in which the colonial empires of all the European powers, starting with the British, would be abolished, and the United States and the Soviet Union—wartime allies—would cooperate in a grand program of global economic growth, into which the rest of the world would be drawn as well.

Dulles and his fellow Synarchists did not achieve their full scheme, but they did establish NATO as an occupation authority for Europe, which prepared for war against the Soviet Union. Lord Bertrand Russell's early 1946 call for pre-emptive nuclear warfare against the Soviet Union is typical. In the name of "fighting communism," Europe would be kept under Anglo-American domination through NATO, and any and all means would be authorized toward that goal. Upon FDR's death in April 1945, the Synarchist puppet President Harry S Truman adopted these "anti-communist" schemes, which led immediately to the Cold War.

When the North Atlantic Treaty Organization (NATO) was established in 1949, a secret clause in its treaty specified that each nation that wished to join must first establish a "national security authority" to fight communism, including through the deployment of clandestine citizen cadres. This demand grew out of a secret committee set up by the British and the U.S. within the Atlantic Pact, the forerunner of NATO. Truman's National Security Council issued directives authorizing the Armed Forces to use military force against Communist Parties, which commanded strong popular support in several European countries as a result of the war, even if those parties gained participation in government through elections. For this purpose, NATO and the Anglo-American intelligence services set up "stay-behind" units in all European countries.

According to Italian Gen. Paolo Inzerilli, who commanded Italy's Gladio unit from 1974-86, the Clandestine Planning Committee (CPC) and its Allied Clandestine Committee (ACC) were the "interface between NATO's Supreme Headquarters Allied Powers Europe (SHAPE) and the Secret Services of the member states as far as the problems of non-orthodox warfare were concerned." The CPC, said Inzerilli, was dominated by an inner executive group of the United States, Britain, and France, while the ACC was essentially a technical committee to coordinate expertise in explosives, "repression," or related problems of clandestine warfare. Italian Gen. Gerardo Serravalle testified that the members of the CPC were the officers responsible for the stay-behind apparatus in the various European countries, and that "At the stay-behind meetings representatives of the CIA were always



Allen Dulles

present," as well as "members of the U.S. Forces Europe Command."

The mid-1970s U.S. Congressional investigative committee under Sen. Frank Church, which examined illicit actions by U.S. intelligence services and the military, found that the Pentagon had requested the CIA's covert branch, the Office of Policy Coordination (OPC), to take the point in establishing stay-behind armies in Europe. The early plans were focussed on the Soviet Union, as the Church report noted: "Until 1950 OPC's paramilitary activities (also referred to as preventive action) were limited to plans and preparations for stay-behind nets in the event of future war. Requested by the Joint Chiefs of Staff, these projected OPC operations focussed on Western Europe and were designed to support NATO forces against Soviet attack." However, the Pentagon soon went much further. A Joint Chiefs of Staff directive of May 14, 1952 set up "Operation Demagnetize," in which the CIA and the military secret services were instructed to reduce the "magnetic attraction" of the large Communist Parties of Italy and France through all means, including "political, paramilitary and psychological operations." The directive stated, "The limitation of the strength of the Communists in Italy and France is a top priority objective. This objective has to be reached by the *employment of all means*. The Italian and French government may know nothing of the plan 'Demagnetize,' *for it is clear that the plan can interfere with their respective national sovereignty*" (emphasis added).

Operationally, the stay-behind units were run by the military secret services of each NATO nation, as directed by the CPC/ACC. Some light was shed on Pentagon and NATO thinking of this time in a Pentagon field manual, found along with the lists of members of the elite Propaganda Due (P2) freemasonic lodge in P2 Grand Master Licio Gelli's villa in Arezzo, Tuscany in 1981. Although issued in 1970, Field Manual 30-31B (FM 30-31B) reflected earlier Pentagon and NATO planning. It emphasized that military and other secret service leaders in each country should be recruited as U.S. (or NATO) *agents*: "The success of internal stabilisation operations, which are promoted in the context of strategies for internal defence by the U.S. military secret service, depends to a large extent on the understanding between the U.S. personnel and the personnel of the host country. The recruitment of senior members of the secret service of the host country as long time agents is thus especially important."

This process began already in 1944-45, when the Anglo-American synarchists re-constructed Italy's military secret service and its military police, the Carabinieri. Some of the key individuals whom they installed or sponsored later turned up as members of P2, from where they oversaw the terrorism and assassinations of the late 1960s and 1970s, as well as the cover-ups. Like Borghese, some of these leaders had been recruited by Angleton himself. One of them was Federico Umberto D'Amato, chief of the UAR, a secret section of the Interior Ministry which coordinated the terrorist actions

under NATO direction, in conjunction with the military secret services.<sup>3</sup>

Furthermore, stated the FM 30-31B, “There may be times when Host Country Governments show passivity or indecision in the face of communist subversion and according to the interpretation of the U.S. secret services do not react with sufficient effectiveness. Most often such situations come about when the revolutionaries temporarily renounce the use of force and thus hope to gain an advantage, as the leaders of the host country wrongly consider the situation to be secure. U.S. army intelligence must have the means of launching special operations which will convince Host Country Governments and public opinion of the reality of the insurgent danger.” FM 30-31B was issued in 1970; coup attempts against the Italian government under precisely the circumstances it describes, were launched using Gladio personnel (including Borghese) that year, and three more times through 1974. The manual stressed, “These special operations must remain strictly secret. Only those persons who are acting against the revolutionary uprising shall know of the involvement of the U.S. Army in the internal affairs of an allied country. The fact, that the involvement of forces of the U.S. military goes deeper shall not become known under any circumstances.”<sup>4</sup>

## The British Role

As in virtually everything to do with imperial strategies, the relevant U.S. circles were being carefully guided by their senior partners, the British, under the old rubric, “British brains and American brawn.” Gladio was modelled on the actions of the Special Operations Executive (SOE) behind enemy lines during World War II, which had been created by the British Ministry of Defence (MOD) in 1940 under orders from Churchill to “set Europe ablaze.” In charge of the SOE was Minister of Economic Warfare Hugh Dalton, who said, “We have to organize movements in enemy-occupied territory comparable to the Sinn Fein movement in Ireland, to the Chinese Guerrillas now operating against Japan, to the

Spanish Irregulars who played a notable part in Wellington’s campaign or—one might as well admit it—to the organizations which the Nazis themselves have developed so remarkably in almost every country in the world” (emphasis added).

The SOE was closed down at war’s end and replaced by the Special Air Services (SAS), which helped Britain’s foreign secret service, MI6, to train the stay-behind armies of Europe. Gladio specialist Daniele Ganser of the Center for Security Studies at Zurich Technical University observed, “Many within the stay-behind community regarded the British to be the best in the field of secret warfare, more experienced than the military officers of the U.S.”

The British set up a base for training stay-behind units at Ft. Monckton outside Portsmouth, England, and another in Sardinia. One of the stay-behind operatives trained at Ft. Monckton recalled, “We were made to do exercises, going out in the dead of night and pretending to blow up trains in the railway stations without the stationmaster or the porters seeing you. We crept about and pretended to lay charges on the right part of the railway engine with a view to blowing it up.” In the Gladio-coordinated blind terror which ravaged Italy from 1969 through 1980, trains and railway stations were to be a favorite target, notably the 1974 bombing of the Rome-Munich Italicus Express, which killed 12 and injured 48, and the explosion in the Bologna rail station in August 1980, which killed 85 and seriously injured or maimed 200. Lyndon LaRouche first emphasized within hours of the Madrid train bombings of March 11, 2001 which killed 200 and wounded thousands more, that they were not the work of “Islamic terrorists,” but followed the pattern of the 1980 Bologna bombing.

Vincenzo Vinciguerra, an Italian neo-fascist terrorist who was jailed for life and who had been bitter about the secret service’s “manipulation” of neo-fascist groups ever since 1945, explained how Gladio (and any sister organizations) worked: “You had to attack civilians, the people, women, children, innocent people, unknown people far removed from any political game. The reason was quite simple. They were supposed to force these people, the Italian public, to turn to the State to ask for greater security. This is the political logic that lies behind all the massacres and the bombings which remain unpunished, because the State cannot convict itself or declare itself responsible for what happened.”

After Prime Minister Giulio Andreotti exposed the existence of Gladio in 1990, the BBC’s “Newsedition” undertook its own examination of Gladio. It reported in April 1991, “Britain’s role in setting up stay-behinds throughout Europe was absolutely fundamental.”

More crucial than the stay-behinds, were the secretive bodies which coordinated them, such as P2. Here, too, the British led the way. Already in 1944-45, the British set up a proto-P2 masonic lodge composed of House of Savoy monarchists, aristocrats, and Mussolini loyalists. A Jan. 2, 1945 OSS report noted: “The lodge is under British authority and

3. Sen. Giovanni Pellegrino, who chaired the 1994-2001 Italian parliamentary committee investigating both the Gladio-orchestrated terrorism, and how Italy’s secret services covered them up, said that D’Amato “was an old Anglo-American agent, whose career started soon after the Liberation under James Angleton.” Under Angleton’s protection, said Pellegrino, “D’Amato became superintendent of the Special Secretary of the Atlantic Pact, the most strategic officer of our apparatus, as it is the connection between NATO and the U.S.A.” From its founding at the end of the war, the UAR was filled with hundreds of former officials of Mussolini’s Salò Republic. D’Amato headed it from 1968-74, the period of NATO’s “Strategy of Tension.”

4. Since no English original of FM 30-31B was ever found, but only Italian translations of parts of it (during the raid on Gelli’s villa), some investigators query whether such a Pentagon manual ever existed. However, the Italian passages are entirely coherent with other Pentagon documents of the same general era, such as the U.S. Joint Chiefs of Staff’s infamous Operation Northwoods plan, which called for unleashing terrorism against the domestic United States, among other clandestine provocations.

will request their political and economic aid, things which the members cannot get through their respective parties without exposing themselves to accusations of being paid by the British.”

### **NATO’s Italian Theater**

OSS official James Jesus Angleton saved Borghese in 1945, and then set up the clandestine structure in the Italian military and secret services, which produced the Italian section of Gladio. Angleton was a devout Anglophile and a pro-fascist, who had spent much of his boyhood in Italy, where his father, James Hugh Angleton, owned the Italian subsidiary of National Cash Register. The outspokenly pro-Hitler, pro-Mussolini senior Angleton also headed the U.S. Chamber of Commerce in Italy, and had extensive contacts with Mussolini’s intelligence services. Some accounts report that he was a business partner of Allen Dulles. Both he and his son were to work for the special counterespionage unit of OSS, X-2, which had been set up at the demand of the British. Though it was nominally an American organization, the headquarters of X-2 for all of Europe, and even most of the globe, was London. X-2 was trained and de facto run throughout the war by the British, as its operatives were dispatched across Europe. From late 1943 through the first half of 1944, Lt. Col. James Hugh Angleton was X-2’s liaison to Marshal Pietro Badoglio and other leaders of the Italian army, and to the army’s intelligence service, building upon his excellent contacts in pre-war Italy.

The junior Angleton landed in Italy as an X-2 operative in October 1944. Borghese was one of his informants/agents from shortly thereafter, until the Italian government demanded that the OSS turn him over for prosecution. The U.S. mandated that the “operational resources” of the Italian police and all of the military intelligence and secret services be put at the disposal of X-2, which was led by Angleton. This, naturally, set the pattern for decades to come. Bespeaking his patronage by Dulles and the British, young Angleton rose from chief of the X-2 unit in Rome, to chief of all OSS counterespionage in Italy. By age 28, he was chief of all secret activity, intelligence as well as counterintelligence, in Italy for the Strategic Services Unit, the short-lived successor to OSS, and predecessor to the operational section of the CIA, which was established in 1947. In this he was aided immensely by the fact that many patriotic OSS officers, such as Max Corvo, head of OSS operations in Italy from 1943-45 and later a friend of Lyndon LaRouche, had been purged by the Dulles faction the day after FDR’s death.

Essential to Angleton’s activities, to the establishment of the first stay-behind units in Italy, and to the organization of the Vatican-linked “rat-lines” which smuggled fascists out of Europe at war’s end, was the Sovereign Military Order of Malta (SMOM). The Rome-based SMOM was a nominally Catholic organization with membership drawn from the highest ranks of the European oligarchy, in particular Italy’s black

nobility. The SMOM awarded Angleton one of its highest decorations in 1946. A member of the “Black Prince’s” family, S. Giacomo, Prince Borghese, had been a Bailiff Grand Cross of Honor of Devotion in the SMOM since 1932, while P2 founder Licio Gelli and several of his top members, including secret service heads, also belonged.

By 1949 Angleton was a special assistant to CIA chief Adm. Roscoe Hillenkoetter, and by 1955, CIA chief Allen Dulles (1953-61) had appointed him to head the counterintelligence department of the CIA. He held that post until he was fired by CIA chief William Colby in 1974, after having done untold damage to U.S. intelligence capabilities.<sup>5</sup>

As Angleton rose in U.S. intelligence, maintaining his close ties to Italy, NATO was constructing the foundations of Gladio. Under NSC directives issued in 1949 and 1950, the CIA helped the Italian police set up secret units of counterinsurgency specialists, largely drawn from veterans of Mussolini’s secret police. A new military intelligence agency, SIFAR, was organized under the direction of a covert American intelligence operative, Carmel Offie, nicknamed “the godfather.” Simultaneously, Borghese was organizing paramilitary units for use against the PCI, in coordination with CIA operatives under the purview of Angleton (who was formally assigned to Italy by Allen Dulles when Dulles became CIA chief in 1953). On Dec. 2, 1951, Borghese was named honorary president of the MSI, and in a speech to the party’s convention, proclaimed that the MSI could not be “conscientious objectors” if the Cold War turned hot, as he expected. That same month, two MSI members travelled to NATO headquarters in Paris to swear their organization’s allegiance to NATO. By 1952, the NATO-directed “Operation Demagnetize” was in place, and SIFAR was directed to adopt political and psychological operations against the PCI, including the covert use of armed force, to diminish the PCI’s influence in all fields. The U.S. poured a staggering \$4 billion into “anti-communist” Italy between 1948 and 1953.

Borghese and his old X MAS cadre figured prominently in these plans. Indeed, some people in U.S. intelligence had briefly toyed with the idea of promoting Borghese as a new King of Italy, until an uproar from the House of Savoy and its supporters forced them to drop the idea. The royalists and the

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5. Angleton and his associates in the OSS/CIA had a lifelong fascination with the Trust, the joint Anglo-American/Soviet intelligence operation which featured the use of double and triple agents. These were actually used by the Synarchists to manipulate *both* the Western powers and the Soviets against the nation-state, toward a kind of global condominium. It is not accidental that the “legendary” CIA counterintelligence chief Angleton somehow missed noticing that his mentor and his decades-long close friend Kim Philby was a “Soviet” (read: Trust) agent. Keeping up his part in the charade, Philby announced from Moscow that he had “enjoyed playing Angleton and Dulles.” Angleton and Dulles maintained deep contacts with the “internationalist” wing of the Soviet intelligence establishment, just as they did with the “universal fascists” like Borghese. The shared goal was the destruction of nation-states in favor of world imperial rule. Many of Angleton’s “fascist” assets in the postwar era turned out to be Soviet assets, as well.

MSI were often allies, and Borghese's X MAS had sometimes worked with the royalist Osoppo brigade during 1943-45. Greene and Massignani observe that, "Interestingly enough, the core of the future Gladio stay-behind organization started with the Osoppo partisans." Since Borghese's X MAS was also a chief recruiting ground for the early Gladio units, the wartime collaboration clearly continued.

In 1953, Borghese led some 500 MSI volunteers, among others, to launch an uprising in the north Adriatic city of Trieste, a city which was claimed by both Italy and Yugoslavia. Under the slogan "To Trieste with Valerio Borghese," Borghese re-enacted the 1919 march on Fiume by the fascist (and Martinist freemason) Gabriele D'Annunzio, a precursor to Mussolini's 1922 march on Rome. The neo-fascists acted on behalf of the "Committee for the Defense of Italians of Trieste and Istria," whose weapons were delivered by the Italian secret services. The following year, Trieste was returned to Italy.

In 1955, Borghese became president of the union of former soldiers of the Salò Republic, a key recruiting ground for Gladio. He was later to become one of the leaders of the "Tricolor Committee for the Italianity of the Alto Adige." The Alto Adige, or South Tyrol, in Italy saw one of the earliest known uses of stay-behind units. Though Italian territory, the area was German-speaking, and a fruitful area for promoting ethnic conflict.

In 1956, NATO formally established Gladio. According to documents discovered in Italy in 1990, Gladio's forces there were divided into 40 main groups, 10 specialized in sabotage, 6 each in espionage, propaganda, evasion and escape tactics, and 12 in guerrilla activities. A special Gladio training camp was set up on Sardinia, off Italy's western coast, run by the Americans and the British.

That same year, 1956, U.S. Ambassador to Italy Clare Booth Luce—a Dame of Malta and the wife of *Time* and *Life* magazine publisher Henry Luce, a key sponsor of the fascist Congress for Cultural Freedom—"recommended" a fellow SMOM member, Gen. Giovanni De Lorenzo, as the new head of SIFAR. In 1962, the CIA helped install De Lorenzo as head of the Carabinieri, while he still maintained control over SIFAR. He began purging officers deemed not sufficiently "anti-communist," in either his eyes or those of U.S. military attaché Vernon Walters.

CIA Rome station chief William Harvey, meanwhile, was recruiting "action teams" to throw bombs and attack leftists. These teams launched an attack on a peaceful demonstration in Rome in 1963, leaving 200 people injured and heavy damage to part of the city. The action was later linked to Gladio, in testimony by a general of the secret service.

In 1963, Borghese became president of the Banco di Credito Commerciale e Industriale, a very high-paying "ceremonial post" which was designed to build up his capabilities. The bank had been the very first one owned by the Sicilian financier Michele Sindona, a Fascist during World War II,

who later laundered heroin funds for the Sicilian mafia, and then became a power in P2. Borghese's bank was involved with a "vast sector" of conservative economic interests, including the son of Dominican Republic dictator Rafael Trujillo, Franco's Spain, and reactionary circles in the Vatican and the Christian Democratic Party. Ultimately the bank collapsed, but Borghese got off almost scot-free. "What is significant," write Greene and Massignani, "is that Borghese clearly had many contacts on a national as well as an international scale. These connections extended to very high levels. It also appears that the financial wherewithal that he needed to survive may have come from such sources after the end of the war." The authors also note that his career closely parallels that of former SS commando Otto Skorzeny in Spain.

### Series of Coups

From 1962 to 1964, the Synarchy initiated a phase change in international affairs with the Cuban Missiles Crisis, the assassination of President John F. Kennedy (and Enrico Mattei), the attempts on France's President Charles de Gaulle, and the launching of the war in Vietnam and the youth rock-drug-sex counterculture, among other things. Italy was not exempt.

As Prime Minister Aldo Moro in 1964 was negotiating his first government with Socialist participation, the synarchists unleashed a coup threat under the name "Plan Solo." Its chief public figure was State President Antonio Segni, and Borghese was a protagonist.

The usual accounts of Gladio-related coup threats invariably emphasize Moro's "opening to the left" as the reason for them. However, there is another reason, internal to Italy itself (in addition to the global ramifications of a coup in Italy), but one which is entirely coherent with the Synarchy's attempt to stop Italy's economic development. This other dimension emerges clearly in the account of Plan Solo by *EIR* counterterrorism and Italian affairs expert Claudio Celani: "Segni, a right-wing Christian Democrat, was manipulated by an intelligence officer, Col. Renzo Rocca, head of the economic division of SIFAR, the military secret service. Rocca (who, after his stint at SIFAR went to work at the automaker FIAT in Turin [of the oligarchical Agnelli family—ed.]) reported to Segni that the financial and economic establishment predicted a catastrophic economic crisis, if the Socialists joined the government. In reality, a few large monopolies (in the hands of the same families who had supported Mussolini's regime) feared that the new government would introduce reforms to break their power in real estate, energy, finance, and economic planning."

Advised by Rocca, Segni called the head of SIFAR, Gen. Giovanni de Lorenzo, and asked him to prepare a list of political leaders to be rounded up in case of an insurgency. De Lorenzo prepared "Plan Solo," which included a list of 731 individuals to be interned at the Gladio camp in Sardinia. Greene and Massignani observe, "Supporting the Carabinieri

were politically sanitized civilians largely made up of former Decima Mas, paratroopers, and soldiers and sailors of the RSI [Salò Republic].” “Borghese was De Lorenzo’s friend” and was scheduled to personally participate in the coup, according to Remo Orlandini, a top Borghese collaborator and heir to a shipbuilding empire. The coup did not eventuate, leaving a very “angry Borghese.”

In early May 1965, a meeting took place at the Parco Dei Principi Hotel in Rome, which Italian prosecutors consider the planning meeting for the 1969-74 “Strategy of Tension.” It was sponsored by an institute run by the chief of the general staff of Italy’s armed forces, on the theme of “Revolutionary Warfare.” Participants plotted how the alleged threat by the PCI must be forestalled by “counterrevolutionary war.” (The PCI’s vote totals were generally rising through the second half of the 1960s.) Present were leaders of the fascist terror groups, Avanguardia Nazionale (AN) and Ordine Nuovo (ON), pro-fascist journalists, the military, and various secret services. One of the fascist journalists present was Guido Giannettini, also an operative of the Italian secret services, who four years earlier had taught a seminar at the U.S. Naval Academy on “The Techniques and Prospects of a Coup.” Though Borghese himself was not present, his lieutenant Stefano Delle Chiaie, the nominal chief of AN, was. Delle Chiaie had probably been recruited by the UAR secret unit of Italy’s Interior Ministry as early as 1960, and was to be Borghese’s chief lieutenant in the 1970 coup plot.

During the 1960s through his coup attempt in 1970, Borghese either founded or was intimately involved in at least three fascist terror organizations: Delle Chiaie’s AN; the ON; and the Fronte Nazionale (FN), which Borghese founded in 1968 for the sole purpose, according to a document of SID (as SIFAR was renamed after 1965), “to subvert the institutions of the state by means of a coup.” Two of these were represented at the Parco Dei Principi meeting. All three were run by operatives of NATO or Italy’s clandestine services, notably the UAR and SIFAR/SID. Borghese lieutenant Delle Chiaie was almost certainly a UAR agent, and “AN itself was suspected of being the creation of UAR.” Greene and Massignani report that “many members of the FN, ON, and AN had been trained in disinformation and guerrilla warfare at the special [NATO] camp in Sardinia,” while ON bomber Vincenzo Vinciguerra charged that the “right-wing movements such as AN or ON were not only connected with Italian and NATO secret services, but manned by them.”

NATO interventions were not limited to Italy. In Greece in 1967, despite a wave of terror, the left-of-center Center Union under former Prime Minister George Papandreou was expected to return to power. On the night of April 20-21, 1967, the Greek military pulled a coup. It involved the Greek stay-behind army, LOK, and was based on the Prometheus plan, a NATO contingency plan for combatting a “communist insurgency.” The coup was partially financed by P2’s Michele Sindona, and, before long, Italians were being sent to Greece

for paramilitary training.

By 1968, Gladio had stepped up its training at the NATO base in Sardinia. “Within a few years, 4,000 graduates had been placed in strategic posts. At least 139 arms caches, including some at Carabinieri barracks, were at their disposal,” reported Arthur E. Rowse, who has examined Gladio’s Italian operations in depth. Terrorism exploded in Italy, with 147 attacks in 1968, another 398 in 1969, and peaked at 2,498 in 1978. Borghese’s efforts were a key part of this.

One of the first members of the FN, Borghese’s project for a state “beyond the center, right and left,” was P2 boss and Knight of Malta Licio Gelli. Like Borghese, Gelli had fought for Franco and Mussolini, and was recruited by SIFAR in the 1950s. Gelli was the “main intermediary” between the CIA and De Lorenzo.

In the FN, Borghese was known as “the Commander,” and he established “action groups” all over the country. The FN (like the AN) had a two-part structure: “A” groups, which were the public side of FN, and clandestine “B” groups, whose existence was usually unknown even to the members of their respective A groups. The B groups were to be used in terrorism, in the “Strategy of Tension” aimed at producing a change in the Italian government, which exploded with the Piazza Fontana massacre on Dec. 12, 1969, in which 16 were killed and 58 wounded. Members of the Borghese-connected ON were arrested on suspicion of the crime, but cover-ups run by P2 and the secret services ensured their release.

The terror and coup attempts escalated after U.S. President Nixon took office in 1969. His National Security Advisor Henry Kissinger issued orders to Licio Gelli through Kissinger’s deputy, Gen. Alexander Haig, and Gelli maintained many high-level contacts in the U.S. Republican Party. The synarchist Kissinger was bitterly opposed to a sovereign Italy. With the Socialist Party in the government at the time, the United States opened the financial spigots to “anti-communist” forces—including the neo-Fascist MSI—and poured in \$10 million in 1970 alone. “The money funneled to [U.S. Ambassador Graham] Martin came through the Vatican banker and Borghese’s friend and patron, Sindona,” observe Greene and Massignani.

On June 1, 1970, Borghese appointed Delle Chiaie to head the “B” groups, and moved forward with plans for a coup. U.S. Ambassador Martin handled some of the funding, through his chief contact, Gen. Vito Miceli, who took over as head of the SID in October 1970. Before he became head of the SID, Miceli had met with Borghese several times at the home of Remo Orlandini, Borghese lieutenant and shipbuilding heir. Martin was no ordinary diplomatic appointee: The fiercely right-wing Colonel Martin had just come from the Embassy in Thailand, where he had strong-armed the Thai government into joining the United States in Vietnam, and he would leave Italy in 1973 to take up the post in Saigon. During 1970, Martin maintained multiple liaisons with Borghese, including through FN operative Pier Talenti, who owned a bus company



The Italian Communist Party's newspaper reports the Piazza Fontana massacre of 1969, the opening shot of the Gladio-run "Strategy of Tension."

that would be utilized in the coup attempt, and through probable CIA operative Hugh Fenwich, who was meeting with Orlandini.

Borghese set up the political and military headquarters for the coup in Rome, the military one at one of Orlandini's shipyards. On the night of Dec. 7, 1970, a group of 50 AN paramilitaries led by Delle Chiaie was let into the Interior Ministry's armory at the instruction of Angleton's old recruit, UAR head Federico D'Amato. According to newspaper accounts, Angleton himself arrived in Rome just before the coup attempt, and left just afterwards. Other troops moved into place in Rome, Milan, and elsewhere, and the mafia in Calabria was scheduled to don Carabinieri uniforms and play a role. Borghese prepared a statement to be read on TV to justify the coup, and he intended for Italian troops to be sent to Vietnam. At the last minute, he received a phone call and called off the coup.

Borghese fled to Franco's Spain, where his activities until his death in 1974 remain mysterious. It is known that he and Delle Chiaie met dictator Gen. Augusto Pinochet in Chile on April 29, 1974. Also present was the head of Chilean police

intelligence, Col. Jorge Carrasco, a protagonist in Operation Condor's tortures and murder. Borghese died in Spain in 1974. Delle Chiaie said that he was poisoned, apparently because investigations into the 1970 coup were under way in Italy. After Franco's death the following year, Delle Chiaie left for Chile, to play a key role in Operation Condor, then continued that work in Bolivia, in conjunction with the infamous Gestapo chief Klaus Barbie.

### NATO's Assassination Bureau

The extent of terrorism, assassinations, and the re-shaping of Europe's political landscape through Gladio and related, NATO-directed units is stunning.

However, a vital caveat must be added here. The apparatus behind the "strategy of tension" terror that destabilized Europe over much of the Cold War era, was first and foremost a private synarchist apparatus *embedded* in the NATO and national secret service organizations, including "official" clandestine agencies like Gladio. These "parallel" networks, populated by veterans of the wartime Fascist and Nazi apparatus, and associated with secret societies like P-2, and fronts like Rosa dei Venti and Nuclei di Difesa dello Stato, at times had their agents posted in top positions in the "official" structures, creating the dangerously tempting but false appearance that the official agencies per se—including NATO—were directing the terror/destabilization programs.

Confusion on this point is both dangerous and understandable. When the P-2 membership list was revealed in the early 1980s, following the death of banker Roberto Calvi, it became clear that the secret lodge had penetrated virtually the entire security apparatus and political party structures of Italy and several other countries of Europe and Ibero-America.

The carnage carried out by this "parallel" apparatus was stunning. In Italy alone, the chief theater of Gladio warfare, there were 14,591 "acts of violence with a political motivation," according to Italian Sen. Giovanni Pellegrino, head of the Parliamentary Committee on the Failed Identification of the Authors of Terrorist Massacres ("Terrorism Committee," in operation 1994-2001, which looked into both Gladio and the P2 lodge). "It may be worth remembering that these 'acts' have left behind 491 dead and 1,181 injured and maimed, figures of a war, with no parallel in any other European country."

Besides NATO's Gladio base in Sardinia, logistical support for Gladio in Italy and France was run out of a NATO front in dictator Antonio de Oliveira Salazar's Portugal, Aginter Press, which also ran the stay-behind units there. It was headed by a former member of the anti-de Gaulle, profascist Secret Army Organization (OAS), Yves Guerin Serac, who moved to Portugal after de Gaulle surrendered Algeria. Said Guerin Serac, belying the goals of his synarchist masters, "After the OAS I fled to Portugal to carry on the fight and expand it to its proper dimensions—which is to say, a *planetary dimension*." He outlined his plan to "defeat commu-

nism,” using NATO-organized “communist terrorism” as the excuse:

“In the first phase of our political activity we must create chaos in all structures of the regime. Two forms of terrorism can provoke such a situation: The blind terrorism (committing massacres indiscriminately which cause a large number of victims), and the selective terrorism (eliminate chosen persons). This destruction of the state must be carried out as much as possible under the cover of ‘communist activities.’ After that, we must intervene at the heart of the military, the juridical power and the church, in order to influence popular opinion, suggest a solution, and clearly demonstrate the weakness of the present legal apparatus. . . . Popular opinion must be polarized in such a way, that we are being represented as the only instrument capable of saving the nation. It is obvious that we will need considerable financial resources to carry out such operations.”

Aginter Press’s representative in Italy, according to the ON’s Vincenzo Vinciguerra, was Stefano Delle Chiaie. Delle Chiaie “allegedly carried out well over a thousand blood-thirsty attacks, including an estimated 50 murders in Spain,” according to Daniele Ganser.

In assassinations within Portugal or its colonies, Aginter Press worked with the Portuguese secret service, PIDE. According to Portuguese journalists, it was involved in the assassination of Eduardo Mondlane, president of the Mozambican Liberation Front (Frelimo) in 1969, and of Amilcar Cabral, national liberation leader in Guinea-Bissau in 1973. And, according to the most recent revelations from former Italian Sen. Sergio Flamigni, the “parallel” apparatus coordinated the kidnap and assassination of former Prime Minister Aldo Moro through its Red Brigades unit on March 16, 1978, the day on which a PCI-supported DC government under Giulio Andreotti was finally going to be sworn in.

Were the Synarchist networks infiltrated into the NATO and Gladio structures involved in other assassinations of heads of state or government, as well?

The Nov. 22, 1963 assassination of President John F. Kennedy was coordinated by the Rome and New Orleans-headquartered Permindex corporation, which French intelligence, SDECE, discovered had also put up \$200,000 for an attempt on de Gaulle. Even a cursory examination of the hard-core fascist outlook and connections of most of the Permindex/CMC personnel, their numerous ties to high-level Anglo-American intelligence, along with their financial connections, leaves no doubt that Permindex and its Rome-based arm, Centro Mondiale Commerciale (CMC), were part of the parallel NATO/Gladio structure.

Permindex was registered in Berne, Switzerland, Dulles’s old stomping grounds. It was chaired by a high-ranking veteran of the Special Operations Executive (SOE) and the OSS, the Canada-based lawyer and financier, Louis Mortimer Bloomfield, the majority shareholder in Permindex (who also owned 50% of CMC). Its board was a mélange of devout

“anti-communists,” aristocrats, and fascists of various intelligence pedigrees. These included Count Guitierrez di Spadafora, former undersecretary of agriculture to Mussolini, secretary of a British-sponsored Sicilian separatist movement, and in-law of Hjalmar Schacht, the master financier of the postwar Nazi International; Carlo d’Amelio, a Rome attorney who oversaw the financial holdings of the House of Savoy, and, according to some accounts, also of the Pallavicini family, and was the founding president of the CMC; Giuseppe Zigiotti, head of the Fascist National Association for Militia Arms; several other wartime fascists; and former OSS London and SOE veteran Col. Clay Shaw, the operations officer for the assassination.

Permindex was chaired by Canada’s Bloomfield, while its international arm, CMC, was based in Rome, and Clay Shaw’s firm in New Orleans, International Trade Mart, was a subsidiary of Permindex/CMC. According to documents released through the Freedom of Information Act (FOIA), OSS veteran Shaw worked for the CIA, as well. There was ample evidence of Shaw’s involvement in the assassination, for which he was indicted by New Orleans District Attorney Jim Garrison. Notably, one of the names found in Shaw’s personal phone book was that of Princess Marcella Borghese, a member of the Black Prince’s family. And one of the lower-level figures in the ambit of the plot, Dallas nightclub owner Jack Ruby (who assassinated patsy Lee Harvey Oswald), charged repeatedly in letters from jail, that “the Nazis and the Fascists were behind the Kennedy murder.” According to the highly credible Torbitt manuscript, “Ruby was much more knowledgeable about the conspiracy than most.”

Huge financial resources flowed through Permindex/CMC for no commercial purpose. Some of these funds, at least, were provided through banks which had earlier financed the Nazis, including one intimately associated with Allen Dulles from the time of his 1930s work with Nazi cartels, through to his 1953-61 stint as CIA chief. Some hints of where the money was going could be found in French and Italian press reports that CMC official Ferenc Nagy, the fiercely anti-communist former Prime Minister of Hungary, was financing Jacques Soustelle and the OAS, along with other European fascist movements; or in New Orleans District Attorney Garrison’s observation about “Shaw’s secret life as an Agency [CIA] man trying to bring Fascism back to Italy.”<sup>6</sup>

6. When the CMC first started up in Rome, its chief public figure, the pro-fascist former Prime Minister of Hungary, Ferenc Nagy, announced that it had major financial backing, including from J. Henry Schroder Bank and the Seligman Bank in Basel. The Seligman Bank was a large stockholder of the CMC, and its principal, Hans Seligman, sat on the boards of both the CMC and Permindex. With J. Henry Schroder, Nagy had spilled the beans on a most sensitive institution, and the bank was quick to deny his claim. J. Henry Schroder Bank had been intimately involved in the Dulles/Nazi financial deals from the 1930s, and, as CIA chief, Dulles maintained \$50 million in “contingency funds” at Schroder under his sole control. See William F. Wertz, Jr., “The Plot Against FDR: A Model for Bush’s Pinochet Plan Today,” *EIR*, Jan. 21, 2005.

NATO units were also involved in at least some of the numerous assassination attempts on France's President Charles de Gaulle in 1962-63, which was no doubt a factor in de Gaulle's withdrawing France from NATO's military command in 1966. France, after all, had been a key target of NATO's "Operation Demagnetize" in the 1950s, and the "anti-communist," bitterly anti-de Gaulle OAS operatives like Guerin Serac, were natural partners of NATO. Adm. Pierre Lacoste, director of the France's military secret service DGSE (1982-85), admitted after Andreotti had exposed Gladio's existence in 1990, that some "terrorist actions" against de Gaulle and his plans to liberate Algeria were carried out by groups involving "a limited number of people" from the French Gladio organization!

A five-year investigation by France's SDECE intelligence agency of a 1962 assassination plot against de Gaulle found that the assassination had been planned in the Brussels headquarters of NATO by a specific group of British and French generals, who employed former fascists for the planned network.

And then, there is the case of Swedish Prime Minister Olof Palme, who was assassinated on Feb. 28, 1986 in Stockholm. While there is no hard proof that parallel Gladio networks were involved, it has been suspected by Swedish investigative journalists. On April 28, 1992, Sweden's top daily, *Dagens Nyheter*, carried the headline: "A Top-Secret Intelligence Network Within NATO Is Behind the Death of Olof Palme." Journalist Goran Beckerus charged that the operative branch of NATO's Allied Clandestine Committee, known by its initials SOPS, oversaw the assassination under the code name "Operation Tree."

## The Aristocracy and the Knights of Malta

In order to discover the real authors of international terrorism, we must move into territory at which Greene and Massignani only hint.

Time and again, Italian investigators of Gladio and P2 have suggested that the evidence before them was only the superficial tracings of a far-reaching, well-established power structure's activity. For instance, Senator Pellegrino, head of

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For further details on Perminde/CMC, including its finances, see a January 1970 manuscript by William Torbitt; New Orleans District Attorney Jim Garrison's book, *On the Trail of the Assassins*; and the account in the 1992 edition of the book, *Dope, Inc.: The Book That Drove Kissinger Crazy*, by the authors of *Executive Intelligence Review*. EIR maintained a close relationship with Garrison until his death in 1992. The Italian left-wing daily *Paese Sera* also ran a series on CMC/Perminde in March 1967, exposing it as a shell for huge sums of money that had nothing to do with "commerce," naming some of its elite banking connections, and profiling its board members as Anglo-American intelligence-connected ex-Fascists and fanatical right-wingers. Earlier scandals regarding CMC/Perminde had caused an uproar in Parliament and elsewhere, which forced CMC/Perminde to leave Rome for Johannesburg in 1962, the year before the entity orchestrated the Kennedy assassination. Garrison observed that the Italian government had expelled CMC/Perminde for "subversive intelligence activity."

the Italian Parliament's "Terrorism Committee," is convinced that P2 Grand Master Gelli was the front man for hidden circles of far greater power; that if P2 were a "port," then Gelli, who has recently resurfaced to brag that he is "running the country," would be merely the "Port Authority." Who, or what, constitutes this greater power? From outside the country, it is the Anglo-American synarchists. But Gladio and the embedded "parallel Gladio" could not possibly function within Italy only by recruiting leaders of secret services; its protection had to involve some of the most powerful forces inside Italy itself.

Greene and Massignani note that the X MAS—which became a key component of Gladio—counted among its leadership a number of Italy's top aristocrats, though they name only two: the "Black Prince" himself, and the claimant to the throne of Italy, Prince Aimone, Duke of Aosta. In fact, the Duke was favored by many of Rome's black nobility over Victor Emmanuel III, who reigned from 1900-45, and who therefore was King during the era of Mussolini, who was nominally the King's prime minister. The recognized leader of Italy's black nobility, Princess Elvina Pallavicini, once proclaimed, "The Duke of Aosta would have been much better, but now we are stuck with Victor Emmanuel." How many other aristocrats among the X MAS leadership also became key figures, like Borghese, in NATO's Gladio organization?

It is certain, that aristocrats played vital roles in one of the "parallel" Gladio's most infamous operations, the kidnapping and assassination of Aldo Moro. Looked at more carefully, that is no real surprise: Members of the most powerful international organization of the world's aristocracy, the SMOM, played essential roles in the establishment of the Vatican/British intelligence/CIA "rat-lines" and other crucial "anti-communist" activities at the end of World War II. Allen Dulles and James Angleton were SMOM members. Numerous SMOM members were also prominent in the P2 lodge; however, of the two organizations, the SMOM is incomparably the more senior and powerful; in fact, from available evidence, P2 is more appropriately thought of as an "operational" spin-off of the SMOM. Let us briefly look at the role of these aristocrats in the Moro assassination, and then in more detail at the SMOM itself.

The Gladio structure was named after the short Roman sword, *gladio*. When Aldo Moro was killed on May 9, 1978, ostensibly by the Red Brigades, he was dumped outside a Roman stadium where gladiators used to fight to the death. The symbolic connection was clear, as emphasized by investigative journalist and sometime mouthpiece for elements within the SID, Mino Pecorelli. The Red Brigades leader in charge of the operation was Mario Moretti. Former Senator Flamigni has documented in a recent book, that Moretti was a protégé almost from childhood of an important aristocratic family, the Casati Stampa. The Marchesa Annamaria Casati Stampa kept several neo-Fascist youth as lovers, one of whom was probably Moretti, whose high school education she paid

for. Under Gladio direction, the neo-Fascist Moretti later turned into a “leftist” and headed the Red Brigades.<sup>7</sup> Connections to Fascism ran deep in the Casati Stampa family: her husband’s uncle, Alessandro, had been a minister in Mussolini’s first government, and then, when Mussolini was dumped, became a minister in the first royalist government.

The closest friend of the Casati Stampa family was Liberal Party Sen. Giorgio Bergamasco. Bergamasco, in turn, was one of the founders of the Committee of Democratic Resistance, led by Piedmontese aristocrat Count Edgardo Sogno Rata del Vallino. Sogno had fought for Franco during the Spanish Civil War, and then for Mussolini, and in 1943 went over to the British SOE. He was also on the payroll of Allen Dulles for years for 10 million liras a month, and his Committee became another nucleus of the extended Gladio organization. Sogno led an attempted coup in 1974, which was foiled by Defense Minister Giulio Andreotti. Flamigni demonstrated in his book how the hardline Moretti-led faction of the Red Brigades was in reality run by Sogno’s NATO-controlled organization.

Shortly after Moro’s assassination, LaRouche’s associates in Italy published a pamphlet, “Who Killed Aldo Moro?” which drew attention to the oligarchical Caetani family in Rome, near whose palace Moro’s body had been found. Later investigations by others charged that the actual head of Gladio was the English aristocrat Hubert Howard, a British intelligence official in World War II and for decades afterwards, who had married Princess Lelia Caetani, daughter of Roffredo Caetani, 17th Duke of Sermoneta. Howard and his wife lived in the Caetani palace, as did one Igor Markevich, a double or triple agent of Western, Israeli, and Soviet intelligence services. He and Howard were leaders of high-level “esoteric” masonry, and, according to some accounts, had led the “negotiations” with the Red Brigades for the freedom of Moro—a convenient cover for constant liaison. British intelligence veteran Howard was also named by some as the secret head of Gladio. The account is credible. Howard was a member of one of the most powerful families in Britain, the Dukes of Norfolk, and the Catholic Howards had had intimate connections with the Italian aristocracy, particularly of Venice, since at least the 18th Century. His mother, for instance, was a member of the powerful Giustiniani family of Venice and Genoa, which claimed descent from Emperor Justinian. One Howard had been the Cardinal-Bishop of Frascati outside Rome in the 19th Century, a post held a couple of centuries earlier by a Caetani. Although long a power in the Church—Benedetto Caetani was crowned Pope Boniface VIII at the end of the 13th Century—the Caetani were part of the nominally “enlightened” wing of Italy’s aristocracy by the 20th

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7. The role of NATO in running the Red Brigades is documented by Claudio Celani in “The Sphinx and the Gladiators: How the Head of the Red Brigades was an Agent of NATO-Controlled Fascist Circles,” *EIR*, Jan. 21, 2005, based in large measure on a recent book by former Sen. Sergio Flamigni, *La Sfinge delle Brigate Rosse (The Sphinx of the Red Brigades)*.

Century, and still wielded great influence under Mussolini and afterwards.

No account of the Italian aristocracy’s role in promoting fascism and terrorism can omit the role of Princess Elvina Pallavicini. As head of the integrist international association of Catholic nobility, “Noblesse et Tradition,” Pallavicini was a chief sponsor, both in Rome and worldwide, of the schismatic Archbishop Marcel Lefebvre, who was excommunicated by Pope John Paul II in 1988. Until her recent death, the Princess was also a chief sponsor of neo-Fascist groups in Italy, including setting the stage for the emergence of former porn star Alessandra Mussolini, granddaughter of Il Duce, as the candidate for an electoral coalition of neo-Fascist parties.

### **The Sovereign Military Order of Malta**

Wherever one turns in investigating P2, Gladio, the “black aristocracy,” international terrorism, or the Nazi International, one encounters the SMOM—the Sovereign Military and Hospitaller Order of St. John of Jerusalem, of Rhodes, and of Malta, known as “the Knights of St. John” or the “Knights of Malta.”

They were omnipresent in the establishment of the financial and human infrastructure of modern international terrorism already during World War II, and immediately thereafter. SMOM member Baron Luigi Parilli, an industrialist with high-level connections into both Hitler’s SS and SD in Italy, and to Mussolini’s intelligence services, was the main liaison between SS Gen. Karl Wolff and Allen Dulles in Berne. SMOM bestowed one of its highest awards, *Gran Croce Al Merito Con Placca*, on U.S. Ambassador to Italy Ellery Stone, who had saved Borghese, and who became a postwar vice-president of the ITT corporation, which helped organize the Sept. 11, 1973 overthrow of Chilean President Salvador Allende and the installation of dictator Gen. Augusto Pinochet. The SMOM awarded its *Croce Al Merito Seconda Classe* to Italy’s OSS chief James Jesus Angleton in 1946, around the same time it honored his boss, Allen Dulles. The following year, it bestowed the *Gran Croce al Merito con Placca* upon Hitler’s Eastern Front intelligence chief Reinhard Gehlen, one of only four recipients of this award at the time. Gehlen’s brother was the secretary to Thun Hohenstein, one of the five-member ruling Sovereign Council of the order. As head of the Institute for Associated Emigrations, Hohenstein printed some 2,000 passports, which were used to relocate leading Nazis to safe hiding places around the world.

Other leading Knights included CIA chiefs Allen Dulles, John McCone, and William Casey. Nazi International figure Otto Skorzeny was a Knight, as was businessman J. Peter Grace, who used the SMOM’s diplomatic immunity as a cover for Iran-Contra activities.

Numerous leaders of Italy’s military intelligence organization were members of both SMOM and P2, including Gen. Giuseppe Santovito (former head of SISMI, which replaced SID after 1977), Adm. Giovanni Torrisi, Chief of the General

Staff of the Army, and Gen. Giovanni Allavena, head of SIFAR. Another key P2 member who was a Knight was Count Umberto Ortolani, a member of the SMOM's ruling inner council, and a veteran of Mussolini's counterespionage service. Some say he was the real brains behind P2, and he did sponsor the entrance of P2 boss Licio Gelli into the SMOM. Ortolani was a financier who, among other things, owned the second-largest bank in Uruguay, where he commanded enormous influence; the fascist Gelli had been in exile in Ibero-America until higher powers brought him back to Italy in the early 1960s to set up what became the P2 lodge.

As with any organization, not all of its members are guilty, and sometimes not even witting of the organization's crimes. In this case, however, given the nature of the beast, that would be relatively rare. Besides the repeated surfacing of SMOM members in terrorist-related activities near the end of World War II, one of their more recent operations illustrates the organization's essential nature.

In 1978, following hard upon the assassinations of Dresdner Bank head Jürgen Ponto, German industrialist Hanns-Martin Schleyer, and Aldo Moro, the Knights of Malta were caught red-handed coordinating an assassination operation against Lyndon H. LaRouche, Jr. LaRouche was the intellectual author of the Bremen summit of that year, where French President Valéry Giscard d'Estaing, West German Chancellor Helmut Schmidt, and British Prime Minister James Callaghan (the last under duress) signed the Bremen Communiqué, which announced the formation of the European Monetary System. The EMS, in the words of one West German official, was intended to be "the seed crystal of a new world monetary system." Bremen struck horror into the hearts of the world's oligarchy. Said one senior officer of the Banque Bruxelles-Lambert, owned by the Belgian Rothschilds, "It is recognized that it was LaRouche's program that went through at Bremen. If it goes through now, certain important financial centers are going to lose their power. A lot of people are not going to like that." The director of a Knights-run institute in Belgium was more succinct: "LaRouche is the first enemy of the London group." In New York, Knight Henry S. Bloch, director of Warburg, Pincus investment bank, whose hands investigators discovered to be holding many of the strings of the plot, proclaimed LaRouche to be "very dangerous," and pointedly compared him to Malcolm X, assassinated in 1965.

In their investigations of the SMOM, LaRouche's associates "discovered to their surprise that the mere mention of its name inspires awe and terror in the minds of highly placed government officials, central bankers, senior military and business leaders, and senior diplomatic and intelligence executives," as recorded in a pamphlet issued by the LaRouche organization at the time, "The 'Black International' Terrorist Assassination Plot to Kill Lyndon H. LaRouche, Jr." The pamphlet further reported, "The power that the Order concentrates is primarily financial, through direct control of most of the Western world's leading investment houses" and far, far



*The LaRouche movement's 1978 pamphlet exposing the Sovereign Military Order of Malta (SMOM) created an international uproar, by exposing the Knights' central role in running the Western financier oligarchy.*

more. The pamphlet also noted, "A second source of power is an absolutely unmatched intelligence capability." Which is to say, the SMOM is a leading organizational arm of the Synarchy, bringing together the world's leading aristocrats, financiers, and particularly military and intelligence officials. Its members yearn for the ultramontane world which existed before the rise of sovereign nation-states during the Renaissance, which meant a loss of power and privilege of their families. To them, that vanished world is as if yesterday. Indeed, it has by no means entirely disappeared, but lives on, centered—like the Knights themselves—on the Venetian-descended "independent central banks" of virtually every nation in the world, as LaRouche has emphasized.

The Knights of St. John were founded in the late 11th Century, and rose to prominence in the First Crusade of 1095. In 1120, Pope Urban II officially recognized them as a military religious order, and for centuries they remained one of the most powerful military forces in Christendom, first from their headquarters on the island of Rhodes, and then on Malta, from which they were finally driven by Napoleon in the late 18th Century. The Knights were recognized as a sovereign state by a Hapsburg Emperor in the 16th Century. They remain a sovereign state, run from their head-



*Investiture of the Knights of Malta at the Cathedral of St. John the Divine in New York City in 1982.*

quarters at 68 Via Condotti in Rome. They maintain their own fleet of aircraft, have diplomatic relations with 92 nations as well as the United Nations and the Holy See, and enjoy diplomatic immunity. The order is entirely Roman Catholic, and its higher ranks must document an aristocratic lineage and coat-of-arms of at least three centuries. The Grand Master of the order is both a secular prince, and a cardinal of the Church. Reflecting its history, its membership is still heavily comprised of individuals with a military or intelligence background. Pope Pius XII ordered an investigation of this nominally Catholic organization in the 1950s. The Papal Commission charged, among other things, that the Order should not have the sovereignty of a state, and ordered modifications of the SMOM “to bring them into conformity with decisions of the Holy See.” However, Pius XII died before the Order could be fully reined in.

In addition to the Roman Catholic SMOM, there are four Protestant orders of the Knights, all founded within the last 150 years or so, and all run by ruling houses of Europe. The Roman Catholic and Protestant orders effectively merged on Nov. 26, 1963, four days after the assassination of John F. Kennedy. The Sovereign Head of the British Knights is Queen Elizabeth, while the Netherlands Knights were headed until his death by the former SS official, Prince Bernhard of the Netherlands, consort of Queen Juliana.

In 1927, the Rome-based SMOM authorized the establishment of an American chapter, whose members did not have to prove their aristocratic lineage. Its Treasurer and lay controller was John J. Raskob, the bitterly anti-FDR head of the Democratic National Committee, who in 1934 helped finance a coup attempt against Roosevelt. Its Grand Protector

and Spiritual Advisor was Cardinal Francis Spellman of New York, one of whose closest Cold War associates was *Time/Life* publisher and Congress for Cultural Freedom co-founder Henry Luce.

Another Knight, who played a profound role in Italy’s postwar financial, economic and political history was Prince Massimo Spada, the leading lay financier of the Vatican’s Institute for Religious Works, commonly called the “Vatican Bank.” Spada gave the mafia-connected heroin launderer and later P2 financier Michele Sindona his entrée into the Vatican’s finances, which, given the tax-sheltered, sovereign status of the Church within Italy (as negotiated in the 1929 Concordat between Mussolini and the Holy See), was invaluable for running all kinds of dirty operations.

However, in examining the Vatican, one must always be careful to ask, “Whose Vatican? That of all the modern popes? Or that of the black aristocracy?” And to really unravel that question, insofar as it intersects Ortolani, Gelli, Calvi, Spada, and their “Vatican-connected” associates, and the deeper, “permanent” infrastructure of terror in Italy, one must delve deeply into history, particularly that of Venice, to understand the enormous power still wielded by those whom Pope John Paul I, called “the ancients,” during the time he was Patriarch of Venice. After all, as LaRouche has stressed, those “ancients” of Venice have given us the modern Anglo-Dutch parliamentary system, with its privately controlled central banks, and the Synarchy’s present drive for world rule. Under Anglo-American direction, those Venetian “ancients” also brought Mussolini to power in the first place, and then organized the financial world of the Vatican, into which Ortolani, Gelli, Calvi et al. were inserted.

## The Legacy of History: The Venetian Factor

In 1582, the 40 or so families which controlled the vast fortunes and far-flung intelligence capabilities of Venice, split into two factions: the *nuovi* (the “new” houses, or families) and the *vecchi* (the “old” houses). On the surface, the appellations seemed to refer to those families ennobled since the *serrata*, the closing of the Grand Council in 1297, who were called the *nuovi*; whereas those who had already held titles of nobility, were the *vecchi*. In fact, the upheaval was the result of the establishment of sovereign nation-states for the first time in history, as a consequence of the Renaissance. The city-state of Venice, never more than 200,000 people, could not stand against the new powers that were coming into being, founded to promote the Common Good of their citizenry; the sheer numbers, the science and technology, the military power, were too much for even the powerful and devious masters of *La Serenissima* (as Venice is famously called).

The *nuovi* realized that, notwithstanding the bloody religious warfare which Venice had unleashed in Europe following the failure of the League of Cambrai to defeat Venice in 1511, its days were ultimately numbered. They took several strategic actions. First, under the leadership of Paolo Sarpi, they created the philosophy of empiricism, as a sense-certainty-based fraud whose purpose was to destroy the creative method of Platonic hypothesizing. Second, also under Sarpi’s leadership, they launched a fierce war against the Vatican, posing as the bastion of “enlightened” Europe against obscurantist Rome. Third, they brought the newly emerging Protestant powers England and Holland (whose rise came largely thanks to Venice itself), into what had always been the cornerstone of Venice’s fortunes—its trade with the East Indies. The Venetians founded the British East India Company in 1600 (from a merger of the England-based Venice Company and the Turkey Company) and the Dutch East India Company in 1602, and the wealth derived from this trade helped create or enrich a number of great aristocratic families in both countries, along the Venetian model. And, as LaRouche has often emphasized, the British East India Company became the foremost power in the world in 1763, in the wake of the British-rigged Seven Years’ War among contending European powers, in the classic Venetian “divide and conquer” method. Fourth, they moved much of their fortunes (and even some of their families) north, first into Holland, and then into England, where they created what would be known in the 18th Century as “the Venetian Party.” As part of this, they established the famous Wisselbank (Exchange Bank) of Amsterdam in 1609—the most powerful bank in the world—modelled upon their own private, patrician-controlled banks, followed by the Bank of England in 1694, both serving as the models upon which all central banks have been established since then.

In part because of these redeployments, Venice’s financial power remained huge well into the 18th Century, as did its legendary spy system, brilliantly chronicled by Friedrich Schiller in his novella *Der Geisterseher* (*The Ghost-Seer*),

and American intelligence operative James Fenimore Cooper in his novel *The Bravo*.<sup>8</sup> Barings Bank in England, the bank of the British East India Company, for instance, was the vehicle for Venetian funds in Britain, and was at the center of the “Venetian Party,” together with the Bank of England.

Napoleon Bonaparte had been partially sponsored and funded by Venetian and Genoese families: The Genoese Princess Pallavicini of that era famously punned that her family owned “*la buona parte*”—“the best part”—of him. His Corsican family had been retainers for the Genoese and Venetian nobility for centuries; and, as noted above, his favorite sister married a Borghese. When Napoleon’s ravages had ended, Count Giovanni Capodistria, a Venetian nobleman acting as a government minister of Russia, almost single-handedly wrote the essential documents issued by the 1814-15 Congress of Vienna, which established the ultra-reactionary Holy Alliance. Capodistria also pulled together the modern nation of Switzerland, in part as a repository for Venetian family funds (*fondi*), which were also used to found several insurance companies in the late 18th Century. These later included the Riunione Adriatica di Sicurtà (RAS) and the Assicurazioni Generali di Venezia e Trieste.<sup>9</sup>

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8. The extraordinary financial power which Venice still commanded in the 18th Century was documented by the Venetian nobleman Carlo Antonio Marin, historian of Venice Frederick Lane, and others. Its European-wide cultural warfare and espionage system was also still highly effective, as evidenced in the international campaign of the Paris-based Venetian Abbot Antonio Conti to attempt to destroy the reputation of the great scientist Gottfried Wilhelm Leibniz. An agent of Venice’s ruling Council of Ten, Count Cagliostro (Joseph Balsamo) organized the 1785 “Affair of the Queen’s Necklace,” the scandal which, as Napoleon observed, was the opening act of the French Revolution, an event financed and run out of Britain. Still another notorious Venetian spy of the same era was Casanova, who reported directly to the inner Three of the hooded, black-robed Council of Ten. The scarlet-robed chief of the Three was known as the Inquisitor, and in Venice it was understood that “The Ten will send you to the torture chamber, but the Three will send you to your grave.”

Schiller chose to set his masterful portrayal of the methods of the Venetian intelligence service, as well as its Europe-wide reach, in the 18th Century; he clearly was not writing of a merely “historical” matter, nor was the patriotic American intelligence agent James Fenimore Cooper, in his portrait written several decades later, though Cooper set his tale centuries earlier. During the American Revolution, Venice put its still-considerable fleet at the service of the British.

9. One of the notable financiers of Borghese in-law Napoleon was the Venetian Salomon Morpurgo, who later founded the Assicurazioni Generali di Venezia e Trieste (General Insurance Company of Venice and Trieste). Generali has been ruled ever since by a kind of central committee of Europe’s financier and aristocratic oligarchy. On the board of Generali and its sister insurance company, Riunione Adriatica di Sicurtà (RAS), over recent decades, one finds such names as Giustiniani, Orsini, Luzzatto (an old Venetian family), Rothschild, the Duke of Alba (whose ancestor laid waste to the Netherlands for Philip II of Spain), and Doria (Genoese financiers of the Hapsburgs). The president of the RAS at one point was Sindona’s sponsor, Prince Massimo Spada, while Count Giuseppe Volpi di Misurata chaired the Generali from 1938-43. Had the 1964 coup been successful, the plotters planned to install Cesare Merzagora, chairman of Generali from 1968-79. Generali’s chairman today is Antoine Bernheim, a senior partner of Lazard

At the turn of the 20th Century, the “ancients” of Venice, although diminished, still commanded important financial and intelligence power, both on their own behalf, but also because they deployed as part of the British- (and subsequently Anglo-American-) dominated world which their ancestors had created. In the wake of the split/redeployments of 1582, they cloned themselves and their institutions and methods to dominate northern Protestant, often freemasonic Europe, while they still maintained their power in their historic seats of control in the formerly Hapsburg-ruled southern, more Catholic portions of Europe, in particular in Italy and Spain, and in the Church at Rome. They played a crucial role in organizing the Balkan Wars which laid the immediate basis for World War I, for which Britain’s King Edward VII had schemed for decades. In the early 20th Century, a group of Venetian financier patricians, led by Count Piero Foscari of an ancient family of Venetian Doges, established a number of companies and banks. Chief among the latter, was the Banca Commerciale Italiana (BCI), and in particular its Venice branch.<sup>10</sup>

Though Foscari was the undisputed leader of this Venetian group, its most active public figure was Giuseppe Volpi, later known as Count Giuseppe Volpi di Misurata, after his early-1920s rule of Italian-occupied Libya on behalf of Mussolini. Acting as the point-man for an international financial syndicate including the Bank of England, the Mellons, and the House of Morgan, Volpi organized Mussolini’s rise to power, precisely as Schacht did later for those same forces in installing Hitler in Germany. Volpi was Mussolini’s Finance Minister from 1925 to July 1928, following which he became a member of the Grand Council of Fascism, and, in 1934, chairman of the Industrialists Association. He designed Mussolini’s economic doctrine of corporatism along the model originally laid down by Alexandre Saint-Yves d’Alveydre (1842-1909), the founder of the Synarchy of Empire movement, and the inspiration for the Martinist freemasonic lodges through which the modern Synarchy was organized. Nominally a tripartite pact among corporations, the state, and labor, it was basically rule by corporations, i.e., private financiers.

In 1929, Volpi oversaw the famous Concordat between Italy and the Vatican, in which, among other things, Italy recognized the Vatican as a sovereign state, and paid financial compensation for the Papal States in central Italy which it had taken over in the second half of the 19th Century. The compensation was 1,550 billion liras, a sizeable sum at the

Frères, and member of one of the four families which control Lazard, a mainstay of the international Synarchy. Bernheim’s daughter married Prince Orsini.

Generali and RAS are merely two important strands of a much larger web of families and finance, but they illustrate the directions in which one must look to discover the “port” behind the “Port Authority” guarded by P2 boss Licio Gelli, as Senator Pellegrino insightfully put it.

10. The activities of Foscari, Volpi, et al. as the product of centuries-long Venetian operations in the Ottoman Empire, are elaborated in *The Roots of the Trust*, by Allen and Rachel Douglas (unpublished ms., 688 pages, 1997).



Count Giuseppe Volpi di Misurata (second from left) organized Mussolini’s rise to power, on behalf of the synarchist financial syndicate that included the Bank of England, the Mellons, and the Morgans.

time. One Bernardino Nogara was chosen, seemingly “out of the blue,” to manage this fortune. The prominent American diplomat George Kennan wrote in his *Memoirs: 1925-1950* about the extraordinary power commanded by Nogara: “A so-called ‘mystery man,’ an Italian banker by the name of Bernardino Nogara, had been granted sole control by the papacy over the entire fortune of \$92.1 million the church had received from the Lateran treaty. . . . No Vatican official, not even the Pope himself was allowed veto power over Nogara’s decision. Nor would the banker permit any religious or doctrinal policies of the church to stand in his way. . . . Never before in modern Church history had anyone been granted such sweeping authority by the church, not even popes themselves, with all their supposed infallibility, let alone a layman, and non-Catholic (Jewish), as in Nogara’s case.” His impact on the Church may also be judged by the epitaph delivered upon his death in 1958 by the head of the SMOM in America, New York’s Cardinal Spellman: “Next to Jesus Christ, the greatest thing to happen to the Catholic Church is Bernardino Nogara.”

Whether or not he was Jewish, the “mystery man” was no mystery at all. Nogara had been managing director for a Venetian firm run by Foscari, Volpi, et al. in the Ottoman

Empire already back in 1901. Reflecting his Venetian ties, Nogara became Italy's representative on the Ottoman Debt Council, a sort of IMF for the Ottoman Empire, whose purpose was to bleed it and carve it up. The British sponsored freemasonic lodges in Salonika, from which the "Young Turks" were organized to oust the Sultan. The freemason Volpi was intimately involved in the coup, as, undoubtedly, was Nogara. Nogara was the head of the BCI branch in Istanbul, and was Volpi's chief intelligence agent in the Ottoman Empire until that empire disappeared in the World War I which Volpi and his friends had done so much to help organize, through the masonic lodges and through Venice's ancient financial and familial ties in the Balkans.

After Nogara had been chosen Delegate of the Special Administration (later known as the Administration of the Holy See Patrimony) to oversee the investment of the wealth flowing from the Concordat, he became vice president of the BCI, upon whose postwar premises the P2 lodge would be founded. Nogara established intimate financial relations with the cream of the Synarchy, including the Paris and London Rothschilds, Crédit Suisse, Hambros Bank in London, J.P. Morgan Bank, and the Bankers Trust Company in New York, and the Paris-centered Banque de Paris et des Pays Bas (Paribas), a stronghold of the Synarchy in France in the interwar and postwar years. He also promoted a cadre of *uomini di fiducia*, "men of confidence," Vatican lay Catholic or even non-Catholic financiers, who would oversee the enormous new Vatican holdings. Nogara bought large or controlling interests in dozens of major banks, utilities, insurance companies, and industrial corporations, even as he reorganized previous Vatican holdings, such as the "Catholic banks" which were generally Catholic-owned, and which did business with the Church and its officials, as opposed to the "secular" banks.

The most important of these "men of confidence" was Prince Massimo Spada (a Vatican title), who had been inducted as a Knight of Malta in 1944. Spada either chaired or sat on the board of an astounding array of the holdings Nogara purchased. Noting only a few of the more important (and their capital), as of the late 1960s, these included: He was vice-president of the Banco di Roma (one of Italy's largest banks, historically associated with Rome's black nobility), and sat on the board of its Swiss subsidiary; Italy's biggest domestic gas company, Società Italiana per il Gas (37,412 million liras); president of the Trieste-based Riunione Adriatica di Sicurtà insurance company (4.320 billion liras); vice president and managing director of the L'Assicuratrice Italiana; vice president of both the Unione Subalpina di Assicurazioni and of the Lavoro e Sicurtà (750 million liras); Shell Italiana, the Italian subsidiary of Royal Dutch Shell (129 billion liras invested in Italy); vice president of the Istituto Bancario Italiano (10 billion liras) and the Credito Commerciale di Cremona (2 billion liras); board member of the Banca Privata Finanziaria; board member of the huge financial holding companies, Società Meridionale Finanziaria (122 billion liras) and the Istituto Centrale Finanziario (150 million liras); vice

president of the Finanziaria Industriale e Commerciale; president of the Banca Cattolica del Veneto (3 billion liras); board of directors of FINSIDER, a state-controlled holding company (195 billion liras), which is part of IRI, the Istituto per la Ricostruzione Industriale, formed during the Fascist regime, which constituted the country's largest cartel and controlled the biggest shipyards; the Italia shipping line; Alitalia airlines; Alfa Romeo; and the entire telephone system. FINSIDER produced at the time over 90% of Italy's steel and was the backbone of IRI. Spada was also a board member or executive of dozens more banks, insurance, and industrial companies. In 1963 he was appointed Privy Chamberlain of Sword and Cape, one of the highest of all Vatican titles, one also held by his brother Filippo.<sup>11</sup>

With all of this enormous power, and despite his leading position in the Catholic Church, Spada sponsored the rise of Michele Sindona as one of the Vatican's "men of confidence." His choice was most peculiar, not only because Sindona had been a Fascist during the war, but because during that time he had made connections (through American OSS-connected mobster Vito Genovese) to the Inzerillo and Gambino crime families, for whom he laundered heroin money.

Reviewing the picture sketched above, we thus find that an intricate financial web originally woven by Count Giuseppe Volpi di Misurata and his Venetian aristocratic friends and associates such as Bernardino Nogara, had grown by 1960 to include Michele Sindona, who financed one of Gladio's most important assets, the "Black Prince" Borghese. Sindona also "was one of the channels, perhaps one of the most important, to back up" the attempted coups of 1970-74, as Greene and Massignani put it. Sindona later sponsored the rise of Banco Ambrosiano's Roberto Calvi, the P2 financier who was found hanging under Blackfriars Bridge in London in 1982, in a ritualistic masonic murder. And, when the P2 financial scandals exploded, *one of those arrested as a key figure in them, was Massimo Spada*, the protégé of Volpi's friend Nogara.

The membership of the ostensibly Catholic—and therefore ostensibly anti-freemasonic—Rome-centered SMOM overlapped with the freemasonic, presumably "anti-clerical" P2 lodge; they were the "twins" of Italy's Venice-centered oligarchy.

The privately run international monetary system is now collapsing, and the desperate financial oligarchy is trying to consolidate a new, worldwide fascism, driven by new waves of terror, such as 9/11 and the March 11, 2004 train bombings in Madrid. In this context, much of the superstructure of Gladio is finally being exposed by those opposed to this new fascism. Those exposés are essential. But, we must go still deeper, to lift the veil from "the ancients," and through them from the Synarchy to which they have given birth, of which they remain a crucial component.

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11. The partial list of Spada's corporate offices is taken from Conrado Palenberg, *The Vatican Finances*, (London: Peter Owen, 1971).