

## Henry Kissinger and the new Dope, Inc.

by David Goldman

Shearson Lehman/American Express, the projected corporate name for Wall Street's largest merger, is a phoenix which has arisen from the ashes of a global money-laundering operation which, a decade ago, was associated with such names as Investors Overseas Services (IOS), Tibor Rosenbaum's Banque du Crédit Internationale, Roberto Calvi's Banco Ambrosiano, Resorts International, David Graiver's American Bank and Trust, and other entities with ties to the deceased financier of organized crime, Meyer Lansky.

IOS's Robert Vesco is now a fugitive under virtual Cuban political protection; Rosenbaum died in an Israeli prison after the 1975 failure of his bank; Resorts has taken a low profile; Graiver is reportedly in hiding after his staged "death" in a Mexico plane crash; and Calvi, the financier of Italy's infamous Propaganda 2 masonic lodge, died in 1982 at the end of a rope under London's Blackfriars Bridge, the apparent victim of freemasonic revenge.

But all these capabilities—what Jeffrey Steinberg and this author dubbed "Dope, Inc." in a 1978 bestseller—have been reborn under a single umbrella, under the control of the institutions we identified six years ago as the leading "respectable" institutions behind organized crime and narcotics traffic.

Henry Kissinger was brought onto the Amex board in March 1984. A fellow board member at Amex is Kissinger Republican Anne Armstrong, also the chairman of the President's Foreign Intelligence Advisory Board, who brought Kissinger onto that body one week before Kissinger joined the Amex board.

Most of the old "Our Crowd" investment bankers—Loeb Rhoades, Kuhn Loeb, Lehman Brothers—are now grouped around the new American Express entity, itself controlled by

two of the shadiest financiers in the world. Lebanese Edmund Safra, a product of the Propaganda-2 apparatus at the Banca Commerciale Italiana, and United Brands director Carl Lindner, the heir to the old United Fruit alliance of New England bluebloods and New Orleans hoodlums, each control roughly 4% of the stock of the parent company.

### From the West Indies to William Street

The march from the shady offshore havens to the premier position on Wall Street depended on one great strategic change in the position of the United States: America's fall from net creditor to net debtor status in the world financial system, as presidential adviser Martin Feldstein has noted before several congressional committees. Once the United States became dependent upon foreign inflows to finance a trade deficit of \$120 billion per year, a current account deficit of \$80 to \$90 billion per year, and a budget deficit (including "off-budget" items) close to \$300 billion per year, the world of flight capital—of gray and black money—merely needed the appropriate opportunity to assert its leading position in American financial markets.

### The underground economy

With unusual frankness, the International Monetary Fund in an appendix to its 1983 *World Economic Outlook* asserted that funds equal to about a quarter of world trade now cross national borders untracked by governments. As *EIR* has exposed in detail, this includes flight capital, narcotics revenues, illegal arms, smuggled gold, contraband high-value agricultural products like coffee, and human beings, and it represents a \$300 to \$400 billion per year flow of funds, the margin of available cash in the world economy. This is the

pool of international funds the United States is now drawing on to finance its external and internal payments deficits, and that defines an American weakness.

The \$300 to \$400 billion a year flow of untraceable money corresponds to hidden trust assets which, as *EIR* first reported in 1981, control roughly \$200 billion of American equity unregistered with U.S. authorities, as well as substantial portions of the "visible economy." It also represents a Soviet strategic capability. The British, Swiss, Hong Kong, Singapore, and other investment and commercial banks who provide the "shells" through which such funds are invested untraceably are the Soviets' partners in what is euphemistically known as the "underground economy."

### The extraordinary capacities of Amex

The new American Express empire begins with the Trade Development Bank of Geneva, Edmund Safra's vehicle. Safra sold out to Amex in January 1983 in return for 4% of the firm's equity as well as the presidency of the Amex international banking subsidiary. Safra's banking career began as an adolescent in wartime Marseille, according to his lifelong friend Franz Pick, in the gold-smuggling black market. Under the sponsorship of old-line Venetian-Jewish Mediterranean financiers such as the Recanati family of Milan and Salonika, Safra was apprenticed at the Banca Commerciale Italiana in 1948 at age 16, just as the Propaganda-2 lodge was founded at the bank's headquarters.

In a May 1979 profile, *Institutional Investor* wrote of Safra, "Inevitably, Safra's incredible track record, unusual business mix and passion for secrecy has spawned considerable speculation and innuendo about what he's really up to. A loan syndication officer at a major American bank remarks that 'whenever you mention Safra's banks in a meeting, everyone sort of grins. It's assumed they have shady connections.' With his heavy involvement in the gold market and his Middle Eastern origins, some outsiders surmised that he was a heavy speculator whose banks stockpiled smuggled gold. . . .

"Part of the stigma attached to [Safra's] Trade Development Bank stemmed from the bank's gold-dealing activities . . . the ways that TDB allegedly got hold of the metal were regarded as somewhat suspect. Large amounts of it were said to have been spirited out of Africa, particularly Nigeria; one former Republic National Bank [another Safra institution] executive remarks that 'The first time I ever saw a gold vest was in TDB in Geneva' (the vest, worn around the body, can be used to transport gold ingots surreptitiously)."

Safra's gold operation involved underground links to the Soviets, it seems; the same *Institutional Investor* quotes a TDB executive saying, "In the beginning of the 1960s, the barter business was huge and we did a huge business with a lot of countries, from Russia down to Greece. It used to be my hobby."

Safra's known longstanding ties to the Russians complement those of the top Amex directors who brought him on



David Graiver of American Bank and Trust

board. The attorney and board member responsible for the merger with Shearson is Kenneth Bialkin, former national chairman of the Anti-Defamation League (ADL) as well as co-chairman of the Jerusalem Foundation, and a close friend and associate of Hamburg financier Erich Warburg. Bialkin's ADL colleague Ted Silbert still faces a civil suit by the Italian government alleging corrupt connections to P-2 financier Michele Sindona. And Warburg is considered even by friends in Hamburg to be embarrassingly close to Soviet financial interests in the West. Bialkin is also closely associated in various dirty financial deals, e.g., the Gulf Resources Co. in Texas, with identified Nazi International financier networks, including Britain's Clore family and the Keyser Uhlmann investment house.

When Safra moved into New York in 1965, he chose as principal partner New York wheeler-dealer Theodore Kheel in the takeover of Republic National Bank, which Safra still controls. Kheel became notorious in 1975 as the principal sponsor of swindler David Graiver, a P-2 financier from Argentina who disappeared after looting several hundred million dollars from his own American Bank and Trust in New York.

Safra is one of the two principal stockholders in American Express, and the chief of its international banking subsidiary. He now has more at his disposal than smuggled gold bars: the closest equivalent to anonymous currency, American Express travelers' checks, and a favored means of moving untraceable international money.

The other principal stockholder, Carl Lindner, is also principal stockholder of United Brands, the grandmother of the Latin American narcotics traffic; Lindner is a business partner of alleged Detroit organized-crime figures at both United Brands and other ventures.