

Report from Rome by Galliano Maria Speri

Fight to control the 'Council of Ten'

The old Venetian oligarchy's institutions are playing a big role in current financial power struggles.

The death of two bankers linked to the Vatican, Roberto Calvi and, more recently, Michele Sindona, has defined a watershed in Italy where "Catholic finance" has been brutally defeated, at least in this phase, by what is known as "lay finance." This means that the field is open for the biggest power struggle since World War II. Since one adversary, the Vatican, has been knocked out, the other fighters are sharpening their knives with more lust.

Accounts inside chemical conglomerate Montedison are about to be settled with the *de facto* takeover by Ferruzzi group president Raul Gardini, allied with Olivetti's president Carlo De Benedetti. Agnelli's Fiat is launching a strong bid to take over Alfa Romeo in competition with the Ford Motor company, which will give it a monopoly over car production in Italy. The role of Mediobanca, the core of all postwar Italian finance operations, has been trimmed a bit. But there are other fish to fry.

The main struggle revolves now around Assicurazioni Generali of Venice-Trieste, the insurance giant that is like the hilltop from which the Italian economy can be controlled. It is not just one of the biggest insurance companies in the world, but the seat where the Venetian oligarchical families' *fondi* are managed with experience dating back centuries, back to the days when a "Council of Ten" had life-and-death power over Venetian subjects.

Strangely enough, the company's

real wealth is not known. The management admits that it controls several billion dollars, but nobody can say exactly how many, because the huge estates that Assicurazioni Generali possesses all over the world are a well-kept secret. It is known to control 118 companies, 47 of them smaller insurance companies, in more than 40 countries.

Assicurazioni Generali has no big shareholder. The biggest is Mediobanca, the only Italian merchant bank, which holds 5.15% of the shares; the rest is divided among tens of thousands of shareholders. This means that to acquire a small packet of around 2% of the company is very hard, and requires a huge amount of money. Hence, it is said to be almost impossible to get a controlling share because it would take billions of dollars which nobody can afford. Yet the possibility cannot be ruled out, because "Dope, Inc." has the liquidity for a run on Generali. In fact somebody is buying as many shares as possible of Generali on the Italian market, pushing its price upward.

All this makes it easier to grasp why Mario Schimberni, president of the Italian chemical conglomerate Montedison, fought so hard to take control of Florentine insurance company La Fondiaria, which controls a 1.3% share in Generali. Unfortunately for Schimberni, a bigger fish than he, Raul Gardini, bought Montedison. According to informed sources, Gardini will also become chairman of the board of Fondiaria.

Meanwhile, Anthony Tannoury, a Lebanese-born financier and weapons-smuggler closely linked to Libya, has decided to sell a package of Generali of around 2.4% that mysteriously left Italy years ago. Tannoury is not the only owner of the package; the others are Mazed Pharaon, brother of the notorious Gaith, Mohamed Al Higgayi, president of the Libyan Arab Foreign Bank, and former Libyan ambassador to France Muphta El Daghil. Nobody knows how the shares found their way into their hands; the bank that carried out the operation is the Banca Commerciale Italiana, which passed the whole package to the Swiss Banca del Sempione.

The firm buying the shares from Tannoury is a Swiss financial company called Sasea, a very shadowy venture often used by "Arab" investors. Sasea's president is Florio Fiorini, former financial director of ENI, the Italian state oil company, who was forced to resign a few years ago when he tried to use ENI money to bail out Vatican-linked banker Roberto Calvi.

It is hardly surprising that Fiorini is negotiating the Generali deal with Libyan agent Tannoury. Fiorini has a business experience with the Libyans dating from his buy-out of the Tamoil oil company from weapon smuggler Roger Tamraz, and resold it to the Libyan government, which turned it into a joint venture with Italian investors; Tamoil's president is still Mr. Mazzanti, former ENI president.

This whole deal represents an overlapping of the old Venetian *fondi* with Libyan-tied dope and weapons smugglers (by the way, Tannoury cannot set foot in Italy because he has been indicted by an Italian judge for arms smuggling). Fiorini has already announced that he will resell the Generali package. Whoever the buyer is, will find himself well-placed in the "Council of Ten" that rules Generali.