

# George Soros: Where did he get his money?

by Scott Thompson

As *EIR* reported on Jan. 29, financier George Soros gained notoriety for making \$1-2 billion in a speculative binge against the pound and the lira on the financial derivatives markets, thereby wrecking the European Exchange Rate Mechanism. One of the mysteries for financial analysts was how Soros, whose investment fund holdings have an estimated value of only \$7 billion, could mobilize what some estimate to be \$40 billion for purposes of defeating the Bundesbank and Bank of England in their efforts to save these currencies. An ongoing investigation by *EIR* has discovered some startling facts about Soros's financial patrons, including his close ties with all national branches of the Rothschild family.

## Trouble for the Rothschilds

The primary vehicle for Soros's speculative binge was his Quantum Fund NV, based in the Netherlands Antilles. Two of the Quantum Fund's eight board members are retainers of the Rothschild family. Although long considered to have attained Olympian status in finance, the Rothschilds have been losing their reputation as "untouchables" because of the machinations of their bank in Zurich, Switzerland. This bank, which is owned jointly by the British and French branches of the family, has recently come under investigation by Swiss magistrates for major irregularities. The scandal was so great that the French Rothschild Baron Elie has been forced to cede day-to-day control to the British Evelyn de Rothschild.

One of the Rothschild family retainers on the board of the Quantum Fund is Richard Katz, managing director of Rothschild Italia SpA. and a director of N.M. Rothschild & Sons Ltd., London. According to British financial investigators, Rothschild Italia is controlled by Edmund de Rothschild, who held minority control of the Zurich branch under Baron Elie de Rothschild, when that bank was wracked by scandal. It was charged that the Zurich branch had organized massive, illegal currency flight from Italy to Switzerland. As for Katz's position on the board of N.M. Rothschild in London, it implicates this ostensible pillar of the British establishment in Soros's deprivations against the British pound.

The second Rothschild retainer on Quantum's board is Nils O. Taube, chief executive officer of St. James Place Capital. The firm is controlled by Jacob Rothschild, son of the notorious Lord Victor. St. James Capital is interlocked with Global Asset Management, which is run by a former

Rothschild family adviser, Gilbert de Bretton. GAM was originally called St. James Management Services.

## The Marc Rich empire

According to sources at the *Wall Street Journal* corroborated by British financial investigators, the Rothschild bank in Zurich had extensive dealings with fugitive commodities trader Marc Rich. Well-informed sources report that Rich, together with a group of Israeli financiers, may have been another major source of the loans used by Soros to speculate against the pound and the lira. Rich's connection to the Rothschild bank in Zurich was another one of the scandals that brought about the scrutiny of Swiss magistrates. A spokesman who managed Soros Fund Management's currency portfolio, while acknowledging that Soros had drawn on lines of credit for his speculative binge, refused to name the banks from which he had borrowed. However, he did deny any dealings with Marc Rich.

Rich, who fled to Switzerland to escape charges of income tax evasion in the United States, has much in common with Soros's policies of preying upon the former East bloc. In a Jan. 4, 1993 commentary in the *Washington Post*, Soros proposed a neo-colonial welfare scheme for Russia. In exchange for the West paying Russian citizens \$6 a day, Soros said, "Factories could be idled and the raw materials and energy that go into production could be sold for more than the output." From the headquarters of his Marc Rich and Co. in Zug, Switzerland, Rich began trading with Moscow in the 1980s, and today he is one of the largest traders doing an estimated \$1.2 billion in deals with Russia. According to a June 22, 1992 *Forbes* magazine article, Rich takes grain, Cuban sugar, alumina, and machinery to Russia, and gets back oil and refined aluminum ingot at highly favorable prices. In 1991, Rich purchased 500,000 tons of Russia's aluminum, more than half of its total exports. When Rich dumped the aluminum on the London Metal Exchange, prices were halved.

Apart from his tax problems, there is good reason for the Soros group to deny any dealings with Rich. Rich is a business partner of Bruce Rappaport, who gained notoriety as a friend of Oliver North's Iran-Contra gang at the Reagan-Bush White House. Rappaport was the real recipient of the \$10 million payment from Iran for Hawk missiles, which the Iran-Contra gang claimed had been "lost" through its diversion to the wrong Swiss account.

According to sources, one of the men who has mutual business dealings with both Rich and Rappaport is Alfred Hartmann, a top executive at the Rothschild family's Zurich branch bank, as well as a director of Rothschild Continuation in Zug. Rothschild Continuation is a holding company for the London N.M. Rothschild. Through his dealings with these Rothschild family banks, together with their clients such as Rich, George Soros is in the middle of one of the dirtiest gangs of financial manipulators in business today.