

But the shadowy Recanati family, the reputed power behind Sterling National Bank, is part of an 800-year-old financial elite, with operations throughout the Mediterranean, and a controlling position in the Israeli diamond trade through Israel Discount Bank, as well as major New York-based ship-owning interests. They figure prominently in the dirty-money world of "Dope, Inc.," and, according to well-informed Israeli sources, have a special role as financiers to Menachem Begin's Likud Party.

Italy's charges against the Recanati's New York front, Sterling Bank, and recent charges by Italian government investigators that the Israeli Mossad, or foreign secret service, is involved in the Red Brigades, may not be entirely coincidental.

A 'Gaullist solution' against the mafia?

by Paolo Raimondi

More than one-fifth of the Italian national budget—some \$25 billion—is estimated to be under the control of Mafia banks. But with the indictment of large chunks of the heroin Mafia in Sicily on Feb. 25, the Italian government has started to open the fight against the "submerged economy" that has prevented economic development. A probe has begun into the mushrooming of banking activities in Sicily. In 1979, for example, the volume of banking activity rose by 400 percent in Sicily alone.

The move against the drug Mafia's banking network is also beginning to touch its protectors in the Socialist Party. In early February, the government decided to withdraw the passport of the President of the Banca Nazionale del Lavoro, Nerio Nesi, because of the bank's shady-money dealings. Nesi, a longtime member of the Mancini wing of the Italian Socialist Party (Giacomo Mancini was formerly Secretary-General of the party and still rules in his home base of Calabria), is the personal banker of Bettino Craxi, the current head of the Socialist Party.

As the man responsible for Socialist Party funds, Nesi is under investigation for bailing out a construction firm with illegal monies. But he is also known to be the banking connection between the Mafia and the British Hong Kong market, and is the biggest promoter of free enterprise zones in Italy.

Before becoming president of the Banca Nazionale del Lavoro, one of Italy's three powerful national banks, Nesi was the director of the Turin bank, the Istituto San Paolo di Torino, which is also dominated by the Social-

ists. It was to the Istituto San Paolo that Democratic National Committee Chairman Charles Manatt sold the controlling interest in his California bank in mid-1980.

In related developments, on Jan. 29 the Sicilian branch of the Confederation of Italian labor unions, which encompasses both the Communist-linked CGIL and the Catholic-dominated CSIL, presented the Italian government with a two-point program to close the black market. The trade-union leaders stressed in their statement that the proposal had the backing of the national Confederations with headquarters in Rome.

The plan would have the government establish strict controls on flight capital and on Italian capital and firms operating abroad. The unions demanded that the government be able to lift strictures guaranteeing banking secrecy if the authorities suspect the bank, firm or individual of involvement in dirty money operations. The unions requested the government to take responsibility for confiscating capital that police have determined are illegal.

To realize this program, the unions offer full support to the Italian government by a mass mobilization of labor in factories and cities.

The trade-union proposal could be the first step toward realization of Lyndon LaRouche's 1980 "Gaullist Solution for Italy's Monetary Problems," a proposal for a financial reorganization using a "heavy lira" like the "heavy franc" reform launched by French President Charles de Gaulle in 1958. It also pays homage to the courageous fight waged by Palermo Judge Costa, the man who first denounced the Sicilian Mafia's banking operations and demanded an investigation into the Bank of Italy. Two years ago, Judge Costa was murdered in Sicily.

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