

# The strange business of the European Industrialists Roundtable

by C. Polhem from Brussels

On April 4 in Brussels, Swedish financier and Volvo chairman Pehr G. Gyllenhammer met with European Economic Commission President Jacques Delors. The meeting was curious in a number of ways, even the public portion. The controversial Swedish businessman was in Brussels in his capacity as chairman of a grouping of some of Europe's best-known companies, the so-called Roundtable of European Industrialists.

At the press conference following the private discussion between Gyllenhammer, several other Roundtable heads of European companies, and Delors, the group released a consultancy report prepared by a Rhode Island firm, Telesis. The report, "Promoting and Financing Large-scale Infrastructure Projects in Europe," and a second report issued a few days earlier, "Making Europe Work," were the focus of Gyllenhammer's remarks to the press. He said the studies would form the basis for an "ongoing dialogue" between his Roundtable and the European Community.

That was all. The most significant aspect of the brief press conference was that nothing was said by anybody. It was a "puff" affair, a "photo opportunity," as the media terms it.

The entire affair became doubly curious when framed against the fact that Mr. Gyllenhammer left Volvo's Gothenburg, Sweden headquarters amid a wave of scandals and charges of mismanagement. Stockholder criticism of Gyllenhammer in Sweden has been on page one since the shadowy "Fermenta affair," involving Egyptian imposter El Sayed, and an insider stock-trading scandal involving Gyllenhammer and several cronies, known as the "Leo affair." *Business Week* of March 31 featured a piece titled, "Volvo's 'Emperor' Faces Rebellion in the Ranks." That article quoted one London broker, "Gyllenhammer is just a law unto himself, and he gets rid of anybody who would get rid of him."

## Who are the Knights of the Roundtable?

The image cultivated by Gyllenhammer's Roundtable is a group of Europe's most dynamic, far-sighted, and successful entrepreneurs, aided in this by cover stories in such popular journals as *Time* and *Newsweek*. In fact, the group is a tightly knit mafia of stock market manipulators who are systematically targeting European industry for takedown.

The two proposals of the Roundtable presented publicly at Brussels on April 4 are indicative of the game afoot. The study on "Promoting and Financing Large-scale Infrastructure," calls for a "new deal between the public and private sectors" involving not only European governments, but, significantly, the supranational Brussels-based EC. The scheme proposes "new financial instruments" such as tax-exempt bonds, and EC regional development funds. Guarantees would be made by the EC treasury.

A spokesman for Gyllenhammer in Paris told this writer that the proposal is modeled on various New York "public authorities." These authorities float bonds, pyramiding debts, soaking taxpayers for billions to finance bridges and tunnels which remain in a condition of seemingly constant disrepair, although tolls keep climbing, and they have paid for themselves many times over—a kind of medieval "robber baron" system with modern Wall Street trappings. The public assumes all risk, while the private insider firms take all the profits.

But, a series of major transportation projects, as envisioned by the Gyllenhammer group, includes a rail-tunnel linking Scandinavia and continental Europe, a "Balkan Link," more accurately termed a Bulgarian Connection, between Austria and Bulgaria. A third scheme is a bridge linking Sicily with the Italian mainland. The Roundtable wryly calls the grand scheme "Missing Links."

The "full employment" component of the Roundtable strategy is described in "Making Europe Work." The proposals are wittingly drafted as a depression strategy. The report cites "the vigor of the submerged or black economy" as "instructive." "Black" employment, of course, avoids official taxes, and also avoids companies having to pay adequate benefits or provide regulated working conditions. The Gyllenhammer/De Benedetti mafia therefore demands a "redrafting of job protection laws," institution of labor laws "sensitive to the real market," "greater geographic mobility in the labor market," and wage slashing, termed, "increased wage differentials."

In short, like the secretive Mont Pelerin Society of "free market" economist Milton Friedman, they demand that living conditions of the gainfully employed industrial workforce be

cannibalized to prop up select multinationals.

The citation of the "black economy" as a model is not accidental. The April report of the Union Bank of Switzerland notes, "Although in most of the economic sectors of the industrialized world the period of turbulent growth is over, there appears to be one 'sector' that is enjoying unalloyed prosperity everywhere: the underground economy." The report defines the underground economy as both "working black" (legal work which illegally seeks to escape taxes) and "criminal activities such as the production and distribution of illegal drugs."

### **The Milan stock 'boom'**

The spectacular recent rise of shares traded in the once insignificant Milan Bourse is indicative of the Roundtable strategy for Europe, every bit as well as their Schachtian labor policies. There is a giant game going on. Most of it is being run top down by three groups, De Benedetti, Agnelli, and the Venetian insurance giant Assicurazioni Generali.

The affairs of the Roundtable of European Industrialists are as murky as the affairs of its chairman. It was formed in 1983, reportedly after discussions between then-European Community (EC) Industry Commissioner Viscount Etienne Davignon, today chairman of the Belgian royal-family's holding company, Société Générale de Belgique. The official story is that Davignon, author of the notorious "Davignon Plan," which collapsed European steel capacity by almost one-third over a six-year period, wanted a group of some of Europe's more "innovative" businessmen to "galvanize European governments into action on tough industrial policy issues," as one close observer in Brussels put it. So, Davignon proposed this to his friend Gyllenhammer.

The composition of the group is far from random. Gyllenhammer immediately got Umberto Agnelli of Italy's Fiat, the auto company with extensive Soviet ties and 17% owned by Libya's Qaddafi. Carlo De Benedetti, the wheeler-dealer Venetian financier and chairman of Olivetti. Sir Kenneth Durham, head of the Anglo-Dutch food giant Unilever, is also on board, as was Ian MacGregor, now head of the British National Coal Board. MacGregor worked closely with Davignon to destroy British steel capacity, authoring the Lazard Plan, which called for not only shut-down, but dynamiting of blast furnaces to ensure their retirement. Britain's industrial rubble heap today is testimony to his savage austerity and union-busting approach.

Close Gyllenhammer business associate Curt Nicolin, head of ASEA, the Wallenberg Group company, which was involved in illegal transfer of sensitive U.S. electronics technology to the U.S.S.R. in 1984, found time to join. Other chums included Trilateral Commission member Hans Merkle of Robert Bosch GmbH of Germany, Helmut Maucher of Swiss Nestlé, and Klaus Liesen, chairman of Ruhrgas of Germany, the heart of the 1982 Soviet gas pipeline battle. Then there is Karlheinz Kaske of the giant German electron-

ics firm Siemens, Wisse Dekker of Philips Industries, and George Besse of France's Renault, all companies with long-standing involvement in Eastern European markets.

These are the core of European multinationals whose profits stem from looting of state treasuries, as in the case of Renault, which has lost more than 10 billion francs over two years. Or, they are the corporate-takeover wolves, who institute mass layoffs and asset stripping of victim companies, as in the case of Olivetti's De Benedetti.

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These companies also have more than casual involvement with former U.S. Secretary of State Henry Kissinger. Gyllenhammer was a co-founder of Kissinger Associates in 1982. ASEA's Nicolin is a client of Kissinger Associates. Venetian financier De Benedetti is a long-standing intimate of Kissinger. So is Agnelli. Merkle's Bosch Foundation is a funder of Kissinger's Trilateral Commission work. After Kissinger Associates' founding, in 1983, Kissinger was personally involved in organizing his Roundtable friends to create a corporate "countergang" to President Reagan's March 1983 Strategic Defense Initiative. The result was an obscure joint venture based in Holland, named Euroventures BV, funded by money from Fiat, Olivetti, ASEA, Volvo, Bosch, and others to help "strengthen Europe's industrial and technological base," but its capitalization was only \$30 million.

### **What are they up to?**

The Swiss bankers' daily, *Neue Zürcher Zeitung*, on April 17 asked, "Is De Benedetti primarily Olivetti president or a private financier?" They note the Venetian financier's complex web of financial holding companies, including Cofide, Financial Services Holding Company, and Italiana di Servizi Finanziari.

De Benedetti, like Gyllenhammer, is up to his ears in stock-market manipulations, takeover operations, and asset-

stripping operations. In recent months, he has bought Butoni food group and a series of other companies. He is one of the few in Italy with liquidity in the depressed economy.

However, as De Benedetti and Agnelli move to grab up major Italian companies, revelations are coming out in Italian press, unreported elsewhere, that are a potentially explosive indictment of the entire Gyllenhammer/De Benedetti Roundtable network. On April 13, *Panorama*, the Milan weekly, carried revelations from recently released letters of murdered Vatican financier Roberto Calvi of Banco Ambrosiano, who was found hanging Freemasonic cult fashion under Blackfriars Bridge in London in June 1982. Shortly before his death, on June 6, according to *Panorama*, Calvi wrote a letter to one Monsignor Hilary of the Vatican in which the banker asked for an urgent meeting with Pope John Paul II to explain details of a massive plot he had uncovered to destroy the financial base of the Vatican. Calvi, according to the new revelations, explicitly cited "De Benedetti and others who did and are still trying to grab the assets of Banco Ambrosiano." According to the same *Panorama* revelation, Calvi, in a second letter to Cardinal Palazzini, implicated Vatican Secretary of State Casaroli in the De Benedetti plot. Within days of the letters, Calvi was dead.

The day before, on April 12, Calvi associate Umberto Ortolani, told *Europeo* magazine that he has detailed revelations regarding "political and financial warfare which has been fought for years in Italy." Ortolani stated that "a name for all to recognize—Trilateral [Commission]" was behind this warfare and that one purpose was to prevent a feared merger of the two great centers of Vatican finance, Calvi's Banco Ambrosiano and Carlo Pesenti's financial network.

De Benedetti is considered to be "Trilateral" because of his intimate personal friendship with Henry Kissinger and other Trilateral Commission members. De Benedetti had an involvement with Calvi's Banco Ambrosiano as vice chairman in 1981. There are allegations that he stayed just long enough to set up the Vatican-tied bank for failure.

On April 16, Carlo De Benedetti appeared in Paris to announce plans for a French imitation of his Italian financial empire. He will buy major French food industry shares, and build a new European motor parts group around a takeover of the French Valeo company.

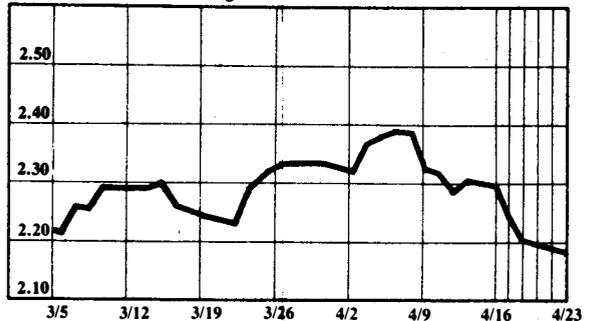
That is interesting, since one demand of the Industrialists' Roundtable is Europe-wide standardization of parts for automobiles and other things, something which could make Valeo enormously profitable.

De Benedetti, coming to Paris the day after French Finance Minister Balladur announced plans for selling off French state industry, also announced that he has formed yet another financial holding company, *Ceres*, owned by his CIR holding company in Italy together with Compagnie Financiere de Suez, Banque Nationale de Paris, UAP insurance, and Banque Worms. "I hope to do in France what I have done in Italy," the Venetian financier boasted. That alone should be reason enough for an investigation by French authorities.

## Currency Rates

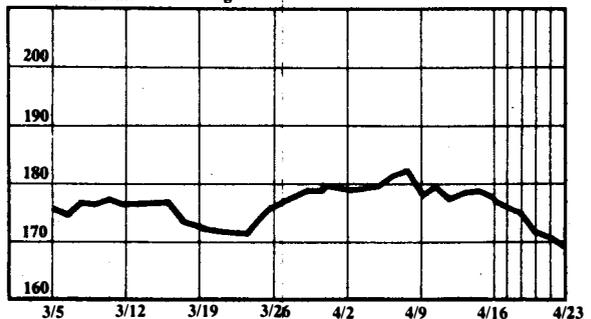
### The dollar in deutschemarks

New York late afternoon fixing



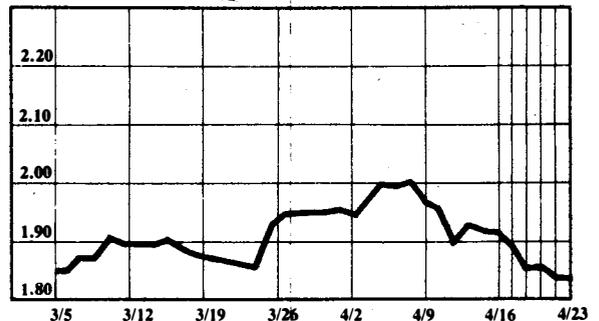
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

