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## Documentation

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# London's Control Over Banco Santander

*As of Sept. 30, 2008, Spain's Banco Santander was the largest bank in the entire Eurozone, and the ninth-biggest in the world, based on market capitalization. And it is run, top-down, by the City of London through the British Monarchy's Royal Bank of Scotland. The following profile of Santander (previously known as BSCH) is excerpted from the July 2, 2004 EIR feature, "Empire Strikes Back: Spanish Banks Recolonize Ibero-America," by Dennis Small.*

Leading the way in this forced march of Ibero-America into globalized banking—under which no sovereign nation-state shall survive—is the above mentioned BSCH.... The BSCH, with 15 banks spread across Ibero-America, is the second largest bank in the sub-continent, with \$77 billion in assets [9% of total bank assets in Ibero-America—ed]. Only the state-owned giant Banco do Brasil is larger, with just under \$80 billion in assets.

The BSCH is headed by Emilio Botín, a fourth-generation oligarchic banker who is widely estimated to be the richest man in Spain. He is an open advocate of speculative banking—he calls this “pure banking”—rather than industrial financing, and he has forged strategic alliances between the BSCH and a number of cen-

tral players in the international synarchist banking apparatus: the Royal Bank of Scotland (one of the most powerful British banks, with intimate family links to the royal household); the Morgan banking empire; and the powerful Venetian insurance giant, Assicurazioni Generali, which, among other things, financed Mussolini's rise to power in Italy.

No surprise, then, that Botín is a major backer of Spain's Franco-ite party, the Partido Popular (PP), and its recently defeated Prime Minister José Marí Aznar. In fact, according to various accounts, it was Botín who “created” Aznar, flying the little known PP leader to London in his private jet for a hush-hush meeting with select British bankers, prior to his 1996 election as Prime Minister. Similarly, Botín reportedly brags that he “owns” Rodrigo Rato, Aznar's Finance Minister, who was appointed as the new head of the International Monetary Fund in March 2004.

As the Madrid correspondent for the London *Economist* put it, Botín and Aznar “wanted to put Spain back where they felt it belonged at the center of a resurgent hispanic world,” i.e., they seek *the Spanish re-colonization of Ibero-America on behalf of international financial interests....*

## A Well-Named Family

The Banco de Santander is an old-line financial institution, owned since its creation by the super-rich, and well-named, Botín family (“botín” is Spanish for “loot,” or “booty”). Santander's current President, Emilio Botín-Sanz de Sautuola y García de los Ríos, is often listed as the wealthiest man in Spain. (In 1999, Forbes put his net worth at \$3.4 billion.) He is the great-grandson of the bank's founder, Emilio Botín y López, who established the bank in 1857 to meet the financial needs of the trade links between the northern Spanish port of Santander and Ibero-America.

Like his father and grandfather before him, the current Emilio Botín takes pride in his bloodline, and intends to keep the bank in the family. His likely successor is rumored to be his daughter, the Harvard and JP Morgan-trained Ana Patricia Botín, who currently sits on the BSCH board and is president of Banesto bank, a BSCH subsidiary. Emilio's brother Jaime is also on the BSCH board.

Emilio runs the bank personally, like the patriarch that he is. At BSCH, according to a popular Madrid joke, there are only two kinds of employees: *Botines* and *botones* (Spanish for messenger boys).

Trained in Law and Economics at the Jesuit-run University of Deusto in Bilbao, the current Botín took over Santander from his father, Emilio Botín-Sanz de Sautuola y López, in 1986. Father and son were both committed, according to the Spanish daily *El Mundo*, to “the end of Santander bank’s vocation as an industrial bank, and the beginning of its sole dedication to traditional financial business.... Botín has always been in favor of a model of pure banking.” This approach guided the bank’s major mergers and acquisitions over the years (Banesto in 1994, Banco Central Hispano in 1999), which brought BSCH to its current position as Spain’s top bank, and one of Europe’s leaders in speculative derivatives trading, in particular.

A year after assuming the presidency of Banco de Santander, in November 1987, Botín signed a strategic agreement with the Royal Bank of Scotland (RBS) to swap 10% of each others shares, and joined RBS’s board. Sir George Mathewson, the President of RBS and President of the Association of British Bankers, likewise sits on the BSCH board today.

The Madrid correspondent for the London *Economist*, Adela Gooch, put this down to “the Botín family’s penchant for the Anglo-Saxon way of doing business”; but more than Anglophilia is involved. RBS is one of the United Kingdom’s oldest, leading financial institutions, which is at the heart of Synarchist banking layers internationally. As *EIR* explained in its 1997 study of foreign banking in Ibero-America, Rt. Hon. The Earl of Airlie is a prominent member of the RBS board of directors, and he is “the brother-in-law of Princess Alexandra, Queen Elizabeth’s first cousin; a Privy Councillor, and is Lord Chamberlain of the Queen’s Household—i.e., he heads up the innermost sanctum around the Queen. Until 1984, he was chairman of Schroeders PLC, the London merchant banking group which helped finance Hitler’s rise to power in the 1930s.”

Furthermore, the international private banking arm of RBS is Coutts & Co.—the private bankers to the Queen. BSCH’s relationship with RSB is so cozy that in May 2003, according to the Santander web site, BSCH “reached an agreement with The Royal Bank of Scotland Group, under which [BSCH] acquired the private banking business in Ibero-America of its affiliate Coutts & Co.” One of the law firms involved in the transaction put Coutts & Co.’s assets in Ibero-America at \$2.6 billion.

## The Venetian ‘Fondi’

In 1999, Botín’s BSCH struck another strategic alliance with a second hard-core Synarchist financial institution: Assicurazioni Generali, the infamous and ultra-powerful Venetian insurance company. The 1992 edition of *EIR*’s best-seller *Dope, Inc.* describes Generali as follows: “Among modern financial institutions, the Assicurazioni Generali of Venice, the heir to the old Venetian fortunes, provides the most clues to the operations of the *fondi*. The ‘Generali,’ as an insurance organization, is a clearing house for the operations of numerous *fondi*, each one represented by its frontman, one of the principal European investment banks. Its board of directors consists of the principal banking fortunes of Western Europe.... Europe’s two most powerful investment banks, Lazard Frères and the Banque Paribas, are the largest stockholders in the Assicurazioni through a variety of shells.”

It is also well known that Generali played an instrumental role in bringing Mussolini to power in Italy.

BSCH’s relationship to Generali is not unlike the one it has with RBS: they generally swap spit. Generali’s President, Antoine Bernheim, sits on the BSCH board of directors, and the company owns 1.1% of BSCH’s stock and 20% of the stock of Santander’s insurance subsidiary. BSCH, in turn, owns 1.2% of Mediobanca, the main shareholder for Generali, and has a representative on the insurance company’s General Council. In late 2003, Generali also acquired BSCH’s 13.22% stake in Banco Vitalicio. According to a Sept. 23, 2003 Reuters wire, “both groups will maintain their global alliance, and are even studying broadening it to Latin America.”

In 2001, then BSCH co-president Jose María Amusátegui was a member of Generali’s General Council, along with former Governor of the Bank of Spain José Ramón Álvarez Rendueles; American drug lawyer and former ADL head Kenneth Bialkin; and Mexican vulture banker Roberto González Barrera of Banorte, among others. The extremely broad statutory function of the General Council, according to Generali’s Annual Report 2001, is “providing high-quality advice in order to promote the most successful attainment of company objectives ... [and it] has particular competence regarding issues arising from extension of the Company’s geographical presence on international insurance markets and, more generally, international insurance and finance issues affecting the Company and Group interests.”