

president in Citibank's New York headquarters, courtesy of this blackmail.

By Feb. 9, 1978, Edwards had been fired for his exposé campaign; on July 24 he filed suit. By August 1, the Justice Department and the SEC had launched offshore practice probes of unnamed "New York foreign exchange brokers," according to the *Wall Street Journal*. The entire episode followed close on the heels of U.S. President Carter's acceptance of the Schmidt-Giscard European Monetary System package at the late July Bonn economic summit of heads of state.

Edwards has revealed (in the accompanying interview) that it was in fact *Washington Post* cub reporter Larry Kramer, under direct orders from *Post* publisher Katherine Graham, daughter of Lazard Freres's founder Eugene Meyer, who brought underdog Edwards to Washington and toured him around the Justice Department, the SEC, and Congress.

As Edwards also says, Senator William Proxmire, chairman of the Senate Banking Committee, specifically asked Edwards if his case couldn't be used to help legislation forcing reserve requirements on the Eurodollar market — the Bank of England program — along with a number of other legislators.

Soon the story of the big bank investigation was making headlines not only in the *Washington Post*, but the European financial press. The French financial daily *Les Echos* publicized the story in a prominent column titled "Crash," accusing the American "top Fortune classification banks . . . these 'four sisters' " — Bank America, Citibank, Chase, and Manufacturers Hanover — of making "most of their profits from the constant movement of capital they manage." The article continues, "The volume of (their) volatile dollars is out of control . . . The entire world is at the mercy of a crash of incalculable consequences that would make Black Friday 1929 look like a mishap."

Miller associate John Heimann, U.S. Controller of the Currency, announced the same day the formation of a special department of "multinational banking surveillance" to widen the Edwards-instigated probes.

### Will Wriston clean house?

The real dirty laundry of these banks is that most of Edwards's accusations are in fact true — as far as they go. U.S. banks, together with British banks, are engaging in all manner of illegalities. As Undersecretary of the Treasury Bette Anderson accurately stated in an August speech, New York branches of many banks such as Chemical Bank have laundered millions of dollars in small change for the illegal narcotics trade.

The people running these dirty operations from inside the American banks — like the top Citibank official blackmailing Walter Wriston — are the same

individuals, according to information in the hands of the U.S. Labor Party who have committed grand larceny to the tune of over \$1 million syphoned out of the bank accounts of several organizations associated with Lyndon LaRouche, in cooperation with the Canadian Bank of Nova Scotia and the Canadian Imperial Bank.

It is clear that Wriston and Rockefeller must clean up their banks, but how, and at what cost? Attempts to cover up past sins will be met with further scandal; but a clean sweep of the blackmailers and British agents would end up in the asset column of the banks' books.

—Kathy Burdman

## What's behind the Canada-U.S. bank deal

"It has nothing to do with the profitability of retail banking," a New York commercial banker told *Executive Intelligence Review* this week in reference to the Bank of Montreal's recently announced move to snap up 90 percent of the retail operations of the nation's eighth largest bank. "It's political," he stated flatly.

Indeed, the decision of Canada's third largest bank to take on Bankers Trust's 89 branch banks, long since unanimously judged a pack of financial albatrosses, appears to be the latest episode in what has shaped up over the months as a politically motivated, high-powered, high-profile British banking invasion.

### Hardly economical

There is little question that the deal represents any kind of dollars-and-cents economic gain for the Bank of Montreal. The Bankers Trust retail operations, with a billion dollars in assets, barely holds a sliver of the New York retail market otherwise overwhelmingly dominated by Citibank, Chase Manhattan, Chemical Bank, and Manufacturers Hanover, each with far more than 200 branches, many of which are automated and offer 24-hour service. It is not exactly the type of operation that would look attractive to a \$30 billion Canadian bank reputed to be painstakingly working its own business out of the doldrums.

But if the economics of the deal don't add up, the politics do. As the Canadian press has noted, the Bank of Montreal-Bankers Trust deal is running interference for final passage of the new Canadian Banking Act, which would formally open Canada for U.S. branch banking in exchange for deposit-taking operations in the U.S. — a carte blanche for wholesale merger of Canadian and American banking systems. What Bank of Montreal risks in dollars and cents, it secures in establishing a political-financial beachhead *inside* the American banking system.

## The chain of command

It is most useful to take a close look at the actors in this otherwise improbable deal. It is not insignificant that William Mulholland, president since 1974 of Charles Bronfman's Bank of Montreal and the inspiration for the "dynamic move", in the words of the *New York Times*, earlier distinguished himself as a partner in the same Morgan Stanley and Company which "pinned down" Bank of Montreal's interest and "advised" Bankers Trust on the sale.

It is even more interesting that Mulholland distinguished himself at Morgan Stanley by sole handling of the \$500 million financing for Brinco's Churchill Falls Hydroelectric project, since Brinco is one of the more prominent links in the British-Canadian RIIA political intelligence and drug running chain.

Set up by Lord Beaverbrook and Winston Churchill,

Brinco, like the Rothschild's Rio Tinto Zinc (RTZ) and the infamous Hong Kong-based Jardine Matheson, is directed by one Sir Mark Turner, former head of Britain's Ministry of Economic Warfare and a kingpin in the United Kingdom's dope and terror war.

Significantly, New York State Superintendent of Banks Muriel Siebert reports that her office has yet to be supplied with any details or terms for the proposed sale or merger, which has been in the works since at least July. It is likely that Mulholland and Bronfman are watching the Federal Reserve's handling of U.S. Labor Party testimony against the Hong Kong-Shanghai Marine Midland takeover rather closely — there are indications that the Bank of Montreal may call the Bankers Trust operation a "merger" instead of a "sale," thereby preempting a Fed role in the subversive transaction.

# The real Philadelphia mainline

It is not every day that the local Pennsylvania press treats its readers to lengthy polemics on the alleged merits of the "invasion of foreign banks" into the area. But then it is not every day that Philadelphia and Pittsburgh are the twin targets of an aggressive, tightly coordinated British-Israeli banking deployment like the one that's occurred over recent months.

Since June, the Bank Leumi and the Bank Haopolim, two bright stars in the British Barclays-Charterhouse Japhet network that are otherwise two of the big three Israeli banks, moved to open branches in Philadelphia. And Barclays Bank itself, together with Lloyds Bank of London and the Dutch Algemeine Nederland Bank, moved to set up shop in Pittsburgh.

Why the rush to get in under the wire of the International Bank Act pushed through the Congress by Illinois's Senator Stevenson this summer?

"Some worry," noted the *Philadelphia Bulletin* of November 8, but not Frederick J. Heldring, president of the Philadelphia National Bank. Declaring "little opposition" on the part of Pennsylvania bankers, Heldring asserted his enthusiasm for the invasion. These foreign banks will stimulate Pennsylvania exports, Heldring told the *Bulletin*.

The *Bulletin* feature was not simply the humble personal opinion of Mr. Heldring, who is also chairman of the so-called "International City Project," and a member of the Dutch banking family that has for generations managed the Rothschild outpost in Holland, the exclusive Pierson, Heldring and Pierson. In fact, reliable observers believe that Mr. Heldring was hurriedly trotted out to try to head off potentially explosive charges that the foreign banking influx is a

political-economic warfare operation against America.

## The "Pennsylvania connection"

Even a summary review of the most essential facts in the Leumi-Haopolim-Barclays affair shows it to be the crux of a very black operation indeed, what might be called the "Pennsylvania connection."

Take the case of the Pennwalt Corporation. A large pharmaceutical firm, Pennwalt is considered by some a monument in Philadelphia. Located at 16th and Parkway, the Pennwalt Building squats on grounds owned by the Philadelphia Yearly Meeting of the Religious Society of Friends, and also houses, in addition to the Canadian Consulate, the law offices of Montgomery, McCracken, Walker and Rhodes — the top Quaker law firm in Philadelphia, which represents the Philadelphia Foundation. The Pennwalt Board sports such well-connected directors as Dr. Jean Crockett, chairman of the Finance Department of the Wharton School of Economics and a director of the Federal Reserve Bank of Philadelphia, and Mr. James Bodine, former president of First Pennsylvania Bank and currently its "advisor on foundation affairs" who works closely with the Philadelphia Foundation.

This same Pennwalt Corporation, according to Drug Enforcement Agency officials, together with the Smith Klein pharmaceuticals company, produces two-thirds of the amphetamines produced in the United States.

• In 1972 the DEA accused Pennwalt of "making an end run" around U.S. legal authorities by shipping