

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 Finances 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

amphetamines to Mexico, where Pennwalt also has plants, from its Rochester, New York plant, for reshipping into the United States. DEA cited numerous accounting discrepancies of Pennwalt as evidence. (It is most interesting in this connection to note that the "advisory group" for the Monterrey Group of Mexican reactionaries — the notorious "hooded ones" who act as the Mexican connection for the international drug economy — operates out of Philadelphia's Wharton School.)

• In November 1976 Mike Wallace featured Pennwalt on CBS's "60 Minutes" show. Wallace cited a 1970 corporate internal memo regarding marketing of amphetamine diet pills to show that Pennwalt was deliberately cultivating an addict market.

• In October 1977 Pennwalt was fined \$200,000 by the Drug Enforcement Agency for conviction of 17 counts of "questionable practices" in the production of drugs containing cocaine.

• Pennwalt was reportedly ordered recently to close one of its commercial raw opium warehouses (opium warehoused for the legal hospital-medical market) on the grounds that it was engaged in "leaking" opium illegally onto the streets.

Connections to the top

At this point, things become interesting. It seems that Pennwalt, together with Smith, Kline, and French, and Rohm and Haas, the major Pennsylvania drug companies, contract all their packaging to the little-known Paco Pharmaceutical Services, Inc., in Pennsauken New Jersey. And Paco, according to horrified Drug Enforcement Agency officials, is the source not only of many of Pennwalts unfortunate "leaks" from the legal to the illegal drug market, but of untold undetected leaks for the other drug majors as well.

It seems Paco takes bulk drugs from the manufacturers and does the job of packing them into retail market packaging — a perfect leaking point in the industry, and a perfect way for the legitimate drug companies to keep themselves from more direct involvement in the illegal market.

But this same Paco is itself 49.9 percent owned by none other than Charterhouse Japhet, which has offices right in Philadelphia, as well as throughout the Far East, where the merchant bank is active in the Hong Kong heroin trade. Charterhouse Japhet, meanwhile, is not only wholly run by the elite Barclays Bank Ltd. — but, in turn, runs none other than the Bank Leumi, through Leumi's Chairman Ernest I. Japhet!

Israeli banking — British Intelligence operation

The Israeli banking system has been a strategic British intelligence net from the beginning of the century, running from the Mediterranean to Hong Kong and, since the 1960s, to New York City. Its function has been and is to conduit funds, some illegally laundered, some bilked from the unsuspecting world Jewish community, into diamond- and drug-smuggling, terrorism, and political assassination operations worldwide.

The genealogy

The control of Israeli banking by the forces of the British crown predates British colonization of Palestine itself. The Barclay family were generations-old Quaker members of the Order of St. John when they founded Barclays Bank in 1836. Moving overseas in 1910, they absorbed both the Union Bank and the Discount Bank, both of which operated in the Levant and Palestine.

Meanwhile, Sir Moses Montefiore, Lord Nathaniel Rothschild, and the Samuel banking family were cooperating closely with the Crown's empire-building objectives in the Middle East. Among other things, they put up the capital for Zionist Theodore Herzl to found the central bank of the British colony in Palestine, the Anglo-Palestine Bank — today, Bank Leumi, run by its underwriters, M. Samuel and Co., and S. Japhet and Co., the London merchant banks.

Barclays took direct control over the Japhet family during the 1930s and 40s. Today, through the property company Slough Estates Ltd., on whose board Barclays' ex-chairman Sir Robert Barclay sits, Barclays controls the Charterhouse Group of companies, whose top officers are the same as those of Slough. Charterhouse in turn absorbed S. Japhet and Co. during the late 1960s, which became the Charterhouse Japhet merchant bank. The sole surviving heir to the Japhet fortune, Ernest I. Japhet, is today the chairman of Bank Leumi and of all its international subsidiaries, including Bank Leumi Trust Co. of New York.

Following the creation of the state of Israel, Barclays spun off the Union Bank, which, through its connections to the old National Bank of South Africa and De Beers, had become the chief financial institution to the Israel diamond trade, to Bank Leumi. Through Bank Leumi, by way of Union Bank, its wholly owned subsidiary — and now Israel's number four bank — some 30 percent of the world's diamond cutting is now financed.

Israel's third largest, Bank Hapoalim, the bank of the Israeli-Histadrut (trade-union bloc), was created