

## COUNTERINTELLIGENCE

# EMS targeted in bank war on LaRouche

*The politics behind the Bank of Nova Scotia theft*

Lyndon H. LaRouche, principal architect of the new European Monetary System, and the U.S. Labor Party he heads, the only visible institutional support for U.S. participation in the EMS and its development programs, are under a relentless and escalating financial attack by the EMS's opponents: British financiers and their financial, political, and drug-running networks internationally.

Of late, as many as five incidents of theft of funds from organizations associated with LaRouche are recorded daily. In addition, ongoing financial policy manipulations within the Carter Administration and outright banking warfare against "uncontrollable" banks and institutions are being waged by the same networks.

As of Nov. 21, the U.S. Labor Party reported that mail to Atlanta from a New York vendor has not been received for three months; registered mail from Chicago to New York has not arrived; and a check for \$60 was returned to the sender. Recent estimates by U.S. Labor Party staff members indicated that mail theft and banking fraud against LaRouche and associated organizations has reached \$500,000 to \$1 million over the past four years.

Similarly, mail sent from the NSIPS office in Paris to Wiesbaden, West Germany headquarters has not arrived in two weeks, during which time 20 to 30 goons, believed to be the BETAR terrorist forces of Israeli intelligence, launched a violent attack on a Paris NSIPS meeting exposing the workings of international drug traffic.

As has been detailed in this journal (see *Executive Intelligence Review*, Nov. 14-20, 1978, Vol. V, No. 44), terrorist violence, drug traffic, and anti-EMS financial warfare against the United States are all aspects of a single commitment to maintain financial and political control in the "royal" tradition of power: a bloody, cultist rule that has perpetrated the grimmest experiences of human history.

The various pieces of this ruling oligarchy all fall into place, however, when it is understood that virtually any act of terrorism, drug traffic, or illegal financial practice can be traced back to the same source: a tightly interconnected, intermarried family tree, so to speak, which has ruled for centuries; a lineage that deploys itself to retain financial control — at any price.

What we are presenting here is evidence of the

extreme, and risky, lengths to which the British will go to stop Lyndon LaRouche and the EMS.

### The Nova Scotia heist

In September, a court decision was awarded to the Bank of Nova Scotia in Canada, after the bank filed a law suit against the National Caucus of Labor Committees.

That the Scotiabank is taking the front line against the NCLC, the cadre organization out of which the U.S. Labor Party was formed, is no coincidence. Behind the austere, conservative image of the Bank of Nova Scotia sits a group of men whose activities and associates could, if known, easily explain the presence of drugs in North America, the collapse of the dollar, and international terrorism.

The board of directors of the Bank of Nova Scotia, and the other Canadian banks, make up a North American command operation section for the political-intelligence networks deployed by the British monarchy through such "umbrella" institutions as the Most Venerable Order of St. John of Jerusalem, the Mont Pelerin Society and the Jerusalem Foundation.

Eagle Star, London's ninth largest insurance company, whose board of directors encompasses a healthy cross-section of the British crown networks, owns 25 percent of the capital of the Bank of Nova Scotia's major income-generating subsidiary — the Bank of Nova Scotia Bahamas.

On the U.S. side, Britain's "family" control dates directly back to the dirty tricks networks run by Max Aitkin (Lord Beaverbrook), MacKenzie King, and Sir William Stephenson, who was operations warfare officer for Winston Churchill in the Western Hemisphere. Churchill's Special Operations Executive (SOE) branch in North America was headed by Stephenson, who in turn controlled the notorious Division Five of the FBI under Louis Bloomfield.

### Major Bloomfield, the crossroads

During and following the war, Major Louis Bloomfield's assigned function under Stephenson was to coordinate U.S. counterespionage. This coordination took the form of Division Five of the FBI, the special counterespionage division. According to highly placed intelligence sources, Bloomfield maintained a controlling connection to Division Five into the period of the Kennedy assassination.

Although Division Five is nominally a subdivision of the FBI, it is in fact an element of British intelligence laundered through an FBI cover into the inmost structures of the U.S. intelligence establishment. Division Five of the FBI interfaces with the U.S. Office of Naval Intelligence (ONI). The two organizations are wholly interchangeable and both functionally branches of British secret intelligence within the U.S. intelligence community, under control via British-Canadian "Special Operations Executive"-pedigreed elements of British intelligence.

Thus, the appropriate perspective for the Nova Scotia claim against the NCLC is to view the bank's theft of NCLC funds from the standpoint of international politics. In this case, as in others, British banking and control of U.S. intelligence agencies have cooperated to throw their financial warfare and terrorism-assassination capability against LaRouche to prevent U.S. entry into the EMS.

The following affidavit by NCLC Director of Organization Warren Hamerman provides an insight into the legal power available to stop a British-planned depression in the United States. This affidavit supports the NCLC's urgent motion demanding basic discovery and questioning of the Bank of Nova Scotia so that the trail of evidence of financial warfare can be pursued.

— *Barbara Roberts*

## Text of the Hamerman deposition

**WARREN HAMERMAN**; being duly sworn, deposes and says:

1. I am director of Organization for the National Caucus of Labor Committees (NCLC). This affidavit is submitted in support of NCLC's Motion for Reconsideration of the September 1978 Order of this Court which granted Bank of Nova Scotia (BNS) summary judgment.

2. The Court's September 25, 1978 Order was based on the allegations of the Bank of Nova Scotia that it mistakenly transferred \$89,093 instead of \$89.03 into NCLC's bank account at the Marine Midland Bank in Buffalo, New York on December 30, 1976 and discovered its "error" on January 25, 1977. The Court ruled that these allegations were not controverted by NCLC. NCLC stated in its opposition papers its belief that the \$89,093 was an anonymous contribution, similar in nature to many that organization received previously. NCLC stated in its opposition further that it had established reliance on those monies during the period between the transfer and BNS' discovery of its "error". It asked the Court to permit discovery to look behind the banking documents involved in the

transaction, many of them facially altered, which BNS had produced to support its allegation that the \$89,093 transfer was the result of a banking error and not in fact a contribution.

3. In view of the material discussed below in this affidavit, based upon NCLC's re-evaluation of the transaction and investigation of the motivation and capabilities of the BNS, a foreign bank, NCLC believes that standard banking practices and integrity cannot merely be assumed by this Court. It is for that reason that NCLC believes discovery both vital and equitable to its defense.

4. Since the time of the Court's said ruling, as a result of an intensive dating from November 1, 1978 when another Canadian bank, the Canadian Imperial Bank of Commerce (CIBC) claimed \$25,000 in NCLC funds in a remarkably similar situation, NCLC has come into possession of new facts and evidence bearing directly on the impossibility of Bank of Nova Scotia allegations that the money transferred into NCLC's Marine Midland account was the result of "error."

5. These new facts and evidence controvert BNS's allegation that it was simply a bank transfer unjustly suffering the consequences of the human error of one of its employees. NCLC can establish that BNS had both the motivation and the capability to withhold information which might tend to confirm NCLC's position that the money represented an anonymous contribution from a political supporter. The information indicates that the management of BNS is comprised of longtime, bitter political adversaries of NCLC whose skill in waging financial warfare against their opponents dates back to World War II. Further, NCLC has discovered certain confirming information indicating that BNS has employed financial warfare tactics against certain other political opponents (see below).

6. The Bank of Nova Scotia effort to claim the \$89,093, asserting a "banking error" which NCLC has had no opportunity to controvert, is only one aspect of a financial warfare campaign against the NCLC which has included harassing those companies with which it does business. Martin Read, BNS' New York agent, BNS attorneys Shearman & Sterling, and NCLC's New York Bank, Citibank, on January 26, 1977 conspired to seize the bank account of an NCLC vendor, without legal process, in an attempt to "recover" the funds which BNS retroactively claimed as theirs. This action against NCLC vendor Campaigner, Inc. resulted in an overnight freeze of Campaigner's account. BNS and Citibank desisted only when threatened with immediate legal action by Campaigner's attorneys (See Exhibit A). As well, BNS and their attorneys mysteriously came into possession of deposit slips made out by Campaigner, Inc. without any discovery process or other legitimate request (Exhibit B). These matters were not brought before the Court because Campaigner was not made a

party to this suit following Bank of Nova Scotia's pre-complaint discovery proceedings.

7. However, a recent transaction involving the NCLC and the Canadian Imperial Bank of Commerce (CIBC), whose internal features closely paralleled the BNS-NCLC transaction caused the NCLC to reevaluate the BNS transfer and to reexamine its own financial history. On Monday, October 29, 1978 a Seattle NCLC representative went to the CIBC office there to effect the transfer of \$22,000, on deposit in the NCLC account at that branch office for six weeks. The sum was to be wired to other NCLC accounts for payment of expenses. The bank approved the transaction and verified the transfer. On November 1, 1978 the \$22,000 had not been credited to the NCLC accounts to which it was to have been transferred. CIBC officers then informed NCLC representatives, in three different stories replete with contradictions, that the \$22,000 had been erroneously credited to NCLC six weeks before. Upon examination of its own financial history NCLC discovered that at least eight such incidents have occurred since 1974, with five occurring between the end of 1974 and the beginning of 1975 and three occurring in the summer and fall of 1978. The very number of instances and the pattern of occurrences seems persuasive that a thorough investigation into the origins of these transfers is indicated.

8. Moreover, the finances of the NCLC until September 1977 were investigated by the FBI, which at that time concluded that no further basis existed for investigation. However, apparently during the period of investigation, the Bank of Nova Scotia and possibly other banks were enlisted by the FBI to monitor NCLC finances. NCLC discovered BNS's original request for pre-complaint discovery in this matter was one of the FBI documents releasable to it under the Freedom of Information Act (Exhibit C).

## Political Adversaries

9. In the case of Bank of Nova Scotia, any agreement to monitor NCLC finances for the FBI could not have been merely good civics, for BNS directors and officers have been bitter political adversaries of NCLC members. The 1977 Annual Report of the Bank of Nova Scotia indicates that Clarkson, Gordon & Co. are the auditors of BNS and its controlled corporations as well as the auditors of CIBC and its controlled corporations. (See Exhibit D). Walter Lockhart Gordon, a founding partner of Clarkson, Gordon & Co. and also an owner of the *Toronto Star* newspaper, is a longtime, active political opponent of NCLC and its members in Canada. In January 1974 the *Toronto Star* carried an incredible, slanderous front page banner headline story, making the entirely unsubstantiated charge that the North American Labor Party (the electoral party of the NCLC members) was the same as the

terrorist Symbionese Liberation Army. They were unable to provide any source for this totally erroneous and extremely damaging story. NCLC members believe that this attack was made on them in response to their exposure that Mr. Gordon and his proteges within the Royal Canadian Mounted Police (RCMP) were involved in drug running. In the spring of 1974 Canadian NCLC members publicized information made available to them indicating that Mr. Gordon, and associates of his within the Canadian Institute of International Affairs (CIIA) had helped to found Black September, a notorious international terrorist organization. In January 1977, an NCLC member testified before the McDonald Commission (a Royal Commission investigating abuses within the RCMP) that Mr. Gordon and his CIIA associates were involved in international terrorism, gunrunning, and facilitating drug running. The NCLC members also published this testimony in pamphlet form and sold 500 copies in the vicinity of Toronto. The *Toronto Star* responded with extremely unfavorable coverage of the NCLC and the North American Labor Party, (NALP) culminating in several articles impugning the character and motivation of Rick Saunders, an NCLC member running for mayor of Toronto in an upcoming election.

10. Bank of Nova Scotia employees have shown themselves similarly antagonistic towards NCLC members. On November 6, 1978 a rally was held by NCLC members at the headquarters of Bank of Nova Scotia in Toronto. One well-dressed man, wearing a pin with the emblem of BNS approached an NCLC member and warned, "You're running Rick Saunders. He won't live till election."

11. The adversary relationship between BNS and the NCLC outlined above goes significantly beyond single incidents. The NCLC has since 1974 urged the adoption of an economic program based upon re-organizing the international monetary system to insure investment in industrial production, the development of new technologies and scientific advances including nuclear fission and fusion power, stabilization of the dollar, and investment to create an industrial infrastructure in the underdeveloped sectors of the world. BNS, CIBC, and the Canadian Institute for International Affairs have mandated diametrically opposed policies including maintaining the austerity standards of the International Monetary Fund and World Bank, the denial of advanced industrial technologies to the underdeveloped nations in favor of the "Chinese model" of labor intensive production, and the collapse of the dollar as the international reserve currency. The contest between these two diametrically opposed policies has been bitter in the extreme, including even the involvement of associates of BNS directors in an assassination conspiracy targetting NCLC founder Lyndon H. LaRouche, Jr. (See Exhibit E).

## The courtroom proof

**Exhibit A**— affidavit from *Campaigner* officer in regard to an attempt by Bank of Nova Scotia and Citibank to seize NCLC bank account.

**Exhibit B** — *Campaigner* deposit slips acquired from Citibank by Bank of Nova Scotia without prior consent or disclosure.

**Exhibit C** — New York FBI transmission announcing release of document under the Freedom of Information Act which includes the Bank of Nova Scotia complaint against the NCLC. The letter also reported that ten other documents have been withheld and placed under national security wraps.

**Exhibit D** — annual report of the Bank of Nova Scotia which indicates that Clarkson, Gordon & Co. are auditors of *both* the Bank of Nova Scotia and the Canadian Imperial Bank of Commerce.

**Exhibit E** — *Campaigner Special Report*, "The 'Black International' Terrorist Assassination Plot to Kill Lyndon H. LaRouche, Jr."

**Exhibit F**— Sir William Stephenson, *A Man Called Intrepid*.

**Exhibit G** — Warren Hamerman, "Scotiabank, NSA Wage Finance War on LaRouche," *Executive Intelligence Review*, Nov. 14-20, 1978.

12. Walter Lockhart Gordon is not merely a major political opponent of the NCLC. He is an expert in financial warfare, having worked in the Canadian Finance Ministry during World War II intimately with Sir William Stephenson and Lord Beaverbrook. Sir William Stephenson was the founder of OSS in the United States and the chief representative of British Secret Intelligence Special Operations Executive (SOE) in the Western Hemisphere. Lord Beaverbrook as Minister of Allied War Propaganda created an intelligence service interfaced with Stephenson and SOE. SOE and Stephenson's operations included, on the public record, arranging for the manufacture and circulation of counterfeit money, and waging both economic and political warfare against corporate interests, for 1935 until 1942, who opposed U.S. entry into the war. (Exhibit F).

13. As the NCLC is widely credited for having exposed, the Stephenson and Beaverbrook operations, which graduated a number of individuals who still act as a political faction in Canada, Great Britain and the United States, comprised one significant aspect of an

overall effort to preserve the policies and existence of the British Empire, in a new organizational form, in the postwar period. Two organizations, the Royal Institute for International Affairs (and its subsidiaries such as the Canadian Institute for International Affairs), and the Order of St. John of Jerusalem have been crucial centralizing, policy-making points for that effort. It is the continued existence of the British Empire and its associated policies and organizations which has been the major political target of the NCLC.

14. Mr. Gordon is a leading member of the Canadian Institute for International Affairs. Personnel for Stephenson's and Beaverbrook's World War II SOE operations were largely recruited from this Canadian institution. The CIIA itself represents an informal policy-making association of the most influential individuals in Canada. As cited above, it has long acted on policies diametrically opposed to the NCLC. Mr. Gordon's already close connection to Bank of Nova Scotia through his accounting firm Clarkson, Gordon & Co. is strengthened by his close connections to the five leading CIIA members on the Board of Directors of BNS (John B. Aird, Henry R. Jackman, R.M. McIntosh, Norman A.M. McKenzie, Sir Kenneth Keith). Sir Kenneth Keith, as director of political intelligence for the British Foreign Office in World War II, and Norman A.M. McKenzie, as chairman of the Wartime Information Board, both worked directly with Mr. Gordon in Stephenson's SOE operations.

15. Mr. Gordon's similarly close connections to CIBC (Clarkson, Gordon & Co. are also their auditors) is strengthened through a leading CIIA member on its board of directors (Henry Borden).

16. Mr. Arthur Ross of New York City, a second individual with very close ties to BNS, and with equally close ties to the adversary political faction described herein, also had compelling reason to damage the interests of NCLC. On December 30, 1976 Mr. Ross' son Alfred provided the NCLC with \$50,000 to support its educational efforts. Mr. Ross himself is well known as a protégé of Lord Beaverbrook. He is the director of Domtar, a subsidiary of a large Canadian holding company, the Argus Corporation. H.N.R. Jackman, the son of Henry R. Jackman, Bank of Nova Scotia director, is a director of Argus Corporation and its subsidiaries. Domtar and Argus are also heavily represented on the board of CIBC. (John McDougald, Robert and A. L. Fairley, all Domtar and Argus board of director members, are also CIBC board of directors members).

17. Although it is clear that the CIIA members on the boards of directors of both BNS and CIBC have ample reason to believe themselves political adversaries of NCLC, and the NCLC has demonstrated that a number

of individuals associated with those banks are also expert in financial warfare and the manipulations of financial transactions associated with that, BNS directors are involved in yet another grouping which is a direct adversary of NCLC. That is the Order of St. John of Jerusalem (see Exhibit G) who were directly implicated in an assassination conspiracy directed against NCLC founder LaRouche. Three members of the Board of BNS are Knights of the Order of St. John of Jerusalem (John B. Aird, Sir Kenneth Keith, John Jodrey).

18. Not only are the directors and auditors of BNS political adversaries of NCLC and financial warfare experts, they have used this expertise for political purposes. Banking sources in New York indicate that it was the Bank of Nova Scotia which forced the Jamaican government to bend to IMF austerity conditions (including growing marijuana as a cash crop for export) by organizing a flight of capital from the island in 1976. As Exhibit G demonstrates, in fact, the financial warfare extends beyond the matters in dispute in this case. It includes fraudulent banking practices, mail tampering, intimidation of vendors and outright theft of funds belonging to the NCLC.

#### Summary

19. In summary, this Court has been asked to believe that one of a statistically improbable series of banking errors by Canadian banks deeply involved with

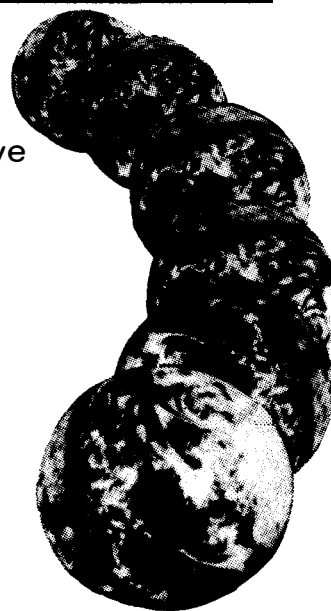
political intelligence networks with known financial warfare capabilities in openly hostile political opposition to the NCLC can be judged by the standards of integrity presumed to be present in American banking practices. Clearly this is not the case. In fact, as a result of its investigation on November 6, 1978 the NCLC filed complaints with the U.S. Department of Justice, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Bureau of Investigation, the New York State Banking Commission, and other appropriate state agencies, as well as asking the committees and subcommittees of the U.S. Congress which exercise jurisdiction in banking, interstate and foreign commerce, to conduct a full investigation of BNS and CIBC for violations including bank fraud. While the NCLC pursues these complaints and will seek other civil remedies, equity demands that, through a consideration of the new facts detailed herein, this Court reconsider its Order summarily awarding \$89,093 to the Bank of Nova Scotia.

20. *WHEREFORE*, this Court should reconsider its Order, hold a hearing to take further testimony on BNS and NCLC's claims as to the circumstances surrounding the transaction and the adversary relationship between the BNS and NCLC, and upon such a hearing deny the Bank of Nova Scotia motion for summary judgment and grant the NCLC the discovery necessary to prove its claims.

## PUT THE WORLD IN PERSPECTIVE

- News
- News analysis
- Latest science breakthroughs
- Historical features
- U.S. Labor Party statements
- and the world in perspective—the U.S. Labor Party perspective

How you see the world depends on how you look at it. Read **New Solidarity** and see the world through the eyes of the U.S. Labor Party. In seven languages, twice weekly in English, **New Solidarity** will make a world of difference in your perspective.



\$20 for 100 issues  
\$40 for 50 issues foreign airmail  
Make checks payable to: Campaigner Publications  
GPO Box 1920 New York, N.Y. 10001

**READ  
NEW SOLIDARITY**

Advertisement