

amphetamines to Mexico, where Pennwalt also has plants, from its Rochester, New York plant, for reshipment 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

by the Jewish Agency, which from 1917 to 1948 under British High Commissioner for Palestine Viscount Edwin Herbert Samuel, a scion of the Samuel family, was the government of Palestine.

Narcotics and terrorism

Bank Leumi's connections to the world diamond and gold markets have already plunged it deeply into the illegal narcotics trade. As is documented in an upcoming book by a team of investigators from the U.S. Labor Party, *Dope, Inc.*, some 40 percent of the world's gold and roughly 30 percent of the world's diamond consumption annually go to peasants and smugglers in Maoist China, the Southeast Asian "Golden Triangle," and the Indian subcontinent, as hard-commodity payment for illegal narcotics at the producer and primary-distributor level.

Bank Leumi, through Union Bank, exerts effective total control over the flow of uncut diamonds from De Beers in London to India and on into the Hong Kong diamond market because it finances the entire retailing operation, including Bank Union Bank of Hong Kong, the biggest diamond financing bank in the Far East, and Bank Leumi New York, which runs the diamond center in midtown Manhattan. Through its historical connections to South Africa and the Oppenheimer family, Leumi also finances large parts of the gold trade in these areas of the world.

Both Leumi and Hapoalim boast a long record of funding terrorism and political assassinations. Leumi Chairman Japhet and Hapoalim director Zvi Recheter both sat on the board of the infamous Banque de le Credit International (BCI), founded in 1959 by and run by Tibor Rosenbaum as the central bank of the Mossad, the foreign arm of Israel's Shin Beth state intelligence service. Rosenbaum, who together with other members of the Sonnenborn Institute founded the Mossad in 1947 at a New York City training center for the Haganah, the Israeli army, was the Mossad's financial specialist. His BCI was set up in Geneva to fund illegal arms purchases, theft of nuclear secrets and other Israeli intelligence projects.

The BCI also helped set up the Red Brigades terrorists in Italy that murdered former Italian Premier Aldo Moro. The BCI was a major shareholder in the Basel holding company Capocetto, which is the main financial vehicle of its general manager George Montenello, also known as George Mandel. According to a source in a European military intelligence agency, Montenello-Mandel owns the Rome villa in which Moro was held during his kidnapping. According to the same source, both the Histadrut directly and Bank Hapoalim and Bank Leumi, through the BCI, for years conduited funds to Capocetto, and thus to the Red Brigades, well before the Moro kidnapping.

Organized crime: Israel's biggest profit-maker

In a recent discussion of the international drug traffic, one of the leading experts on Israel in the U.S., a man with strong ties to Israeli and European Zionist circles, had the following comments to make:

Q: What about organized crime in Israel?

A: My most insistent question is to what extent the Israeli government is itself aware of how extensive organized crime is in Israel.

Of course the country is incredibly corrupt, but something more is happening. Everyone knows, after all, that in Israel there's an ever-growing framework of organized crime. The

police make the most ridiculous coverups, they say things that are outright lies and absurdities. They say, "Such levels of crime could only exist if there was access to the highest officials, but since there isn't such access, there can't be such crime." This is absurd!

There's no doubt in my mind that the people involved in financing the Labour Party first, and at the time the smaller-size Herut, were involved in large-scale operations of organized crime; hundreds of millions of pounds involved. The most intelligent man in the Mapai, Ofer, committed suicide when somebody got on the trail of all this. And the man who was president of Bank Leumi, Asher Yadlin, is in prison.

Israeli Foreign Minister Moshe Dayan himself, who keeps aloof from people usually, is *very close* to one "Mensch," a nickname for the head of organized crime in Israel. Mensch, and others of his

ilk, use all sorts of covers, arms contracts, construction, and so on, as covers for crime. The whole elite of the Labour Party is undoubtedly tied up in all this.

Q: Does this tie into terrorism operations, given the drug angle?

A: The Israelis are involved in drugs, prostitution, and all accompanying crimes, as you suggest. Parts of the networks I am mentioning go everywhere, into France and South America. To this very day, the situation exists like this. Years ago, in Eastern Europe, the Jews were given certain allotted jobs. Now, in Germany, prostitution and drugs are the domain of Israeli expatriates, some of them quite prominent people attached to old "freedom-fighter" networks. If you would check, I'm sure you would find Dayan's son involved in one of these drug scandals.