

Synarchist Bankers' Deep Hooks in Israel

by Allen Douglas

The private financier oligarchy, known as the Synarchist International, has its hooks deep into the Israeli economy and banking system, and they use this leverage to run Israel as a “marcher-lord state,” serving the interests of their London-Paris-Amsterdam nexus, frequently in stark contrast to the genuine sovereign interests of the Israeli people. One of their key operatives is Bechtel’s and JP Morgan Chase’s “economic hit man,” George Shultz, since his tenure as U.S. Secretary of State in the mid-1980s. His schemes are run through Israel’s central bank and the country’s top three private banks, Bank Hapoalim, the Israeli Discount Bank, and Bank LeumiLe Israel (Bank Leumi), all centerpieces of the Synarchy’s international guns, drugs, and dirty-money-laundering network. All of them were founded, and are still today run, through London and Venice.

As Secretary of State under President Reagan, Shultz gave the Israeli government the green light to invade Lebanon. Due to that war, by 1984 Israel’s economy was disintegrating, with inflation running at 400%. Then-Prime Minister Shimon Peres came to Washington to beg for aid. Shultz said, “Yes, but at a price.” For a paltry \$1.5 billion, Israel was forced to agree to sweeping “free-market” economic reforms, including the privatization of its extensive, labor Zionist-founded state sector. A desperate Peres capitulated, and Shultz founded the Joint Israeli-U.S. Economic Development Group. To help design Israel’s shock therapy, Shultz tapped two U.S. professors, Jacob Frenkel and Stanley Fischer. As Fischer later recounted, “My real opportunity came when George Shultz asked me to join an advisory group he was creating on the Israeli economy; that’s how I got into the policy game.” Frenkel and Fischer became top officials in the synarchist-run World Bank and International Monetary Fund, Fischer serving as the IMF’s Deputy Managing Director from 1994-2001, from which post he supervised the financial meltdowns of that era in Asia, Russia, and Argentina, in particular. Shultz then installed first Frenkel, and then Fischer, as governor of the Bank of Israel. Their savage “reforms” ruined the Israeli and Palestinian economies, and also destroyed the 1993 Oslo Accords peace process, whose success was premised upon economic development.

The Big Three Private Banks

In the late 1970s, Lyndon LaRouche commissioned a study of the world’s burgeoning drug traffic, which was al-

ready an estimated \$200 billion and which has probably risen to well over a trillion dollars today. Aided by U.S. and other law enforcement officials, *EIR* investigators soon determined that the world dope trade was still run by those British imperial corporations and banks which established the modern form of it in the 19th Century, as in the Opium Wars against China. The names of Bank Hapoalim, Bank Leumi, and the Israel Discount Bank (IDB) continually popped up in that investigation as de facto subsidiaries of such dirty London (and Swiss) private banks as Barclays, the Hong Kong and Shanghai Bank (HSBC, today) and other behemoths.

Leumi, for instance, financed an estimated one-third of the world's traffic in diamonds, used for untraceable laundering of drug money, while the IDB set up the notorious drug-money-launderer Edmond Safra and his Republic National Bank.

Bank Hapoalim laundered money for the drugs- and gun-running Iran/Contra affair. It was no surprise, then, that Israeli police on March 6, 2005 raided Branch 535 of Bank Hapoalim in what top police officials called "the largest money-laundering case in the nation's history," involving, at minimum, \$400 million in dirty funds. In 2001, French authorities were also investigating Leumi (and its French subsidiary), along with the IDB and the First International Bank of Israel, Israel's fifth-largest bank, for money laundering. Leumi, the IDB, and Hapoalim all have branches spanning the globe, including in such money-laundering havens as Luxembourg, the Bahamas, and the Jersey Islands, off the British coast.

Such activities by the "Big Three" are easily understood, when one considers their provenance. Leumi began life in 1899 as the Jewish Colonial Trust. Dominated by the Rothschilds, who still have a dominant influence in Israel today, it soon became known as the Anglo-Palestine Company, and served as the Jewish colony's central bank, until Israel was founded in 1948. The IDB was founded by the powerful Venetian/Salonican banking family, the Recanatits, whose members even today brag about their roots as "an old Venetian banking family." Bank Hapoalim was formally (although not in practice) dominated by Israel's labor federation, Histadrut, until it was privatized under Shultz's protégé Prime Minister Benjamin Netanyahu in 1997.

The previous year, according to a posting in the Israeli Foreign Ministry's Oct. 14, 1996 "Economic Survey," a delegation of executives of "the British arm of the American [sic] investment bank Lazard Frères," travelled to Israel to plan Hapoalim's privatization, whose controlling interest they were expected to purchase, along with Israeli businessman Eliezer Fishman. Among those who bought major shares in the privatized Hapoalim were U.S. Democratic Leadership Council (DLC) financier Michael Steinhardt, the son of gangster Meyer Lansky's jewel fence, and Danny Danker, an Israeli who made a fortune under the Shultz-run privatization of Israel.