

# British Wildcat Banking Effort To Loot U.S.

British, Dutch, and Israeli banks linked to the Venerable Order of the Knights of St. John of Malta have begun a new effort to grab a dollar deposit base for themselves in the continental United States as part of their ongoing drive to sabotage

## BANKING

implementation of the Bremen monetary agreements with U.S. participation. The latest grab targets in particular five states — Illinois, Pennsylvania, North Carolina, Georgia, and California — and involves such Guelph banks as Algemene Nederland, Bank Leumi of Israel, Lloyds and Barclays. The takeovers are being done with the full collaboration of officials of the U.S. Federal Reserve whose Chairman G.W. Miller is otherwise continuing to play a key role in sabotaging the U.S. dollar.

It is the “independent” Federal Reserve itself, without Congressional oversight, which has the sole right to grant permission for these hostile purchases of American banks. Not one of the Guelph banks so far has submitted its application to purchase to the Fed, since all are busy fixing up their own weak books with the intent of receiving a Fed rubber stamp. They can still be stopped. The U.S. Labor Party has proposed that a Foreign Banking Oversight Committee of the U.S. Senate be established to hold public hearings on the vital national security issues at stake in every one of these takeovers (see below).

The latest phase of the takeover rush follows House and Senate passage of the International Banking Act of 1978. That bill now awaits signature on President Carter's desk. The bill itself contains certain provisions inserted by Illinois Senator Adlai Stevenson at the prodding of certain of his constituents which outlaw some of the more flagrant violations of U.S. national interest heretofore permitted foreign banks. Foreign banks, the Swiss Guelph newspaper *Neue Zürcher Zeitung* complained on Aug. 21, “are put on the same status as American business banks.”

In particular, the bill shuts off three loopholes that the forces associated with the British monarchy had relied on for subversion efforts against the U.S. banking system, economy, and political process in general. Foreign bank branches are shut out of interstate banking; they are compelled to hold reserves with the Fed and be subject to Federal Reserve oversight; and, at the same time, U.S. banks are allowed to take international deposits across state lines.

### *Self-Delusions of Security*

These significantly tougher provisions in the nation's banking law have prompted certain public

officials, both in the Congress and in the nation's banking sector, into the deluded belief that the dangers posed to the U.S. by British-orchestrated takeovers have been neutralized. Such officials have attempted to reassure themselves that the latest takeover efforts conform to a pattern of attempting to get under the wire of the enforcement timetable mandated by the International Banking Act.

In fact, no such pattern exists. While the front door may have been thoroughly barricaded against direct assault, the rear has been left vulnerable and exposed.

The International Banking Act does not make any provision for subsidiaries of foreign banks — as in the case of the announced Algemene Bank Nederland (ABN) purchase of the LaSalle Bank in the state of Illinois. ABN will keep within the letter of the law by restricting its branch operations to one state only, namely New York, but will increase its looting leverage through the Illinois purchase, which obviates the pressures of existing law. ABN has already announced that it intends to transform the LaSalle Bank into an international lending institution on the scale of hundreds of millions of dollars compared to the present tens of millions. This means that the Illinois deposit base of that bank will simply be sucked out of the state and nation and into international speculative activity for the account of the Guelph banking houses. That pattern will be repeated by other Guelph banks in other states which fail to plug that loophole.

Formally, that loophole is dependent on gaps in state banking legislation. Thus, the relevant state laws in North Carolina and Georgia, both of which have been targeted by Barclays' Chairman Sir Anthony Tuke, are what is called “silent” on the question of foreign bank takeovers of existing operations: there is no provision in existing state law to deal with the situation.

In theory, the problem is supposed to be taken care of by Miller's Federal Reserve under the terms of the 1956 Bank Holding Company Act. This provides regulatory powers which are again not equal to the demands of the present situation, because under the terms of that act the Fed only monitors takeovers on a case-by-case basis, assessing the credit worthiness of the banks involved and so forth. But, secondly, the Fed is itself involved in clearing the way for such takeovers: Fed staff members are deployed to identify “likely” candidates among the nation's secondary banks for takeover treatment and to tip off prospective foreign purchasers accordingly.

The latter activity gives the game away. This is not a question of a case-by-case takeover of an aggregation of different continental banks. The British and Dutch monarchies and their allies are

working from an organized blueprint for the takeover of key sections of North American banking to expand their deposit-base, or anticipated loot, in order to subsidize their political operations both inside and outside North America. The activities of even individual banks are defined as part of that pattern. It is on that level that the national interest is threatened in this matter, and it is on that level that national level remedial action must be taken.

#### *Common Market for Loot*

Over the past months, in such publications as *Euromoney*, the *Economist*, and the *International Currency Review*, the oligarchs of London, the Hague, and Amsterdam have made clear in public what their intentions are in this matter. The watchword has been "U.S. for sale: cheap." They have formulated a counterstrategy to the U.S. Labor Party's International Development Bank proposal for a new monetary system adopted by West Germany's Helmut

Schmidt, France's Giscard d'Estaing, Japan's Takeo Fukuda, and leaders of the Arab world.

That counterstrategy involves, in part, turning the U.S. into a total satrap and base for loot of London, Dutch, and Canadian financial institutions. Specifically, plans have been drawn up by the Mont Pelerin Society, including leading Jewish Nazi Milton Friedman, for the establishment of a North American Common Market to include Canada, Mexico, and the U.S. itself, the whole to be overseen by an extension of New York City's Big MAC genocidal arrangements to the national level and under the continued leadership of Felix Rohatyn.

That nightmare would be the program of a Mondale or a Kennedy presidency if the hapless Jimmy Carter is allowed to be destabilized or otherwise overthrown by the combined efforts of the British monarchy and its treacherous U.S.-based agents such as Henry Kissinger and Milton Friedman. In the more short term, such foreign bank takeovers will function in such a way as to enhance British political leverage in the

## British Bank Grab: The Balance Sheet

*Anglo-Dutch bank applications to take over a whopping \$23.4 billion in U.S. bank assets are currently awaiting Federal Reserve approval. Here's the breakdown:*

### **ANNOUNCED THIS WEEK**

- Barclays Bank announced its intent to purchase the American Credit Corp. of Charlotte, North Carolina, with over \$2 billion in assets, for \$191 million or \$50 per share, compared with the current market price of \$22 per share — quite a rush. Barclays' Chairman Sir Anthony Favill Tuke III, on tour in the U.S. Southeast this week, buying banks, told the *Atlanta Constitution* Aug. 28 that Barclays needs U.S. banks to "expand capital" due to its weakened position in "what was first the British Empire, later the British Commonwealth, and is now for want of a better term, the Third World. . . . We have to balance that out a bit."

- Algemene Bank Nederland N.V. announced plans to purchase 84 percent of the stock of the LaSalle National Bank in Illinois, with assets of \$850 million, the sixth largest bank in the state. The GATX Corporation, which owns the LaSalle stock, is being forced to divest itself of the bank by the Fed under the very Bank Holding Company Act under which the Fed is supposed to protect U.S. banks from foreign takeovers.

- In Pennsylvania, Barclays, Lloyds, Toronto Dominion and Algemene Bank Nederland all

announced plans to open branches in Pittsburgh this week, while Bank Leumi and Bank Hapoalim, the two Israeli banks most closely tied to the Jewish Joint Distribution Committee and Jewish Agency's funding of terrorism worldwide, are planning to open branches in Philadelphia.

### **PREVIOUSLY ANNOUNCED THIS YEAR**

- The London-controlled Hongkong and Shanghai Bank is seeking to purchase for over \$400 million the Marine Midland Bank in New York, with some \$12 billion in assets — the eleventh largest bank in the United States.

- The National Westminster Bank of London is seeking to purchase the \$3.8 billion National Bank of North America for \$300 million, the eleventh largest bank in New York State.

- The Standard Chartered Bank is seeking to purchase the Union Bancorp of California, with \$4.7 billion in assets.

- Lord Armstrong of Sanderstead, Chairman of Midland Bank in London, announced at the May 14 International Monetary Conference of the American Bankers Association that his bank and other British banks are seeking to make multiple purchases of American banks in various states.

### **Total U.S. Bank Assets Already**

**Sought for Purchase: . . . . . \$23.4 Billion**

United States, strengthen the hand of the saboteur G.W. Miller at the Federal Reserve, and generally screw up combined U.S. and European efforts to have the weight of the U.S. economy put at the service of the new monetary system to be implemented by our European and Japanese allies.

#### *U.S. Must Control Fed*

What is needed immediately is a full congressional investigation and oversight of what has been allowed to develop. In particular, G.W. Miller — who has, since his term of office began, played a key role, together with the unfortunate Blumenthal, in

wrecking the U.S. economy — must be fired. The Fed's independent status among the institutions of U.S. governance cannot be allowed to cover for Miller's putting that institution at the service of British subversion of the U.S. political process itself. That congressional review committee should legislate a moratorium on all foreign bank purchases in the U.S., including branch, agency, and subsidiary purchases, and should enforce the adoption by the U.S. of policies which will end such nonsense for good, by joining in with the new monetary system being put together by the Europeans and Japanese.

—Christopher White

## Proposed Amendment To Bank Holding Company Act

*Following is the text of the amendment to the Bank Holding Company Act of 1956 proposed by the U.S. Labor Party to curb asset-grabbing of U.S. banks by foreign banks.*

Respectfully submitted to the Senate Committee on Banking, Housing, and Urban Affairs, Senator William Proxmire, Chairman, to its Subcommittee on Financial Institutions, Senator Thomas McIntyre, Chairman, and to its Subcommittee on International Finance, Senator Adlai Stevenson III, Chairman.

**WHEREAS:** The artificially weakened condition of the United States dollar under the unwarranted speculative attack of the Bank of England, British private banks, and allied Swiss and Dutch banking institutions has rendered United States banking corporations particularly vulnerable to undervalued purchases by predatory foreign banking competitors; and

**WHEREAS:** the announced policy of the British Exchequer and the Bank of England is to continue to act so as to encourage depreciation of the United States dollar and its substitution by the International Monetary Fund's Special Drawing Right as the international reserve currency, a policy properly of national security concern to Congress; and

**WHEREAS:** the announced purpose of the purchase in 1978 of United States banks totalling over \$20 billion in assets by several British and Dutch banking companies to date has been the improvement of their own already weak capital structures through

inexpensive acquisition of sound United States banking assets;

**THE CONGRESS FINDS** that the examination and approval of such foreign bank purchases are of vital consequence to the health of the nation's banking system and currency and therefore properly a national security issue subject to the power to make treaties reserved to the President with the advice and consent of the Senate by Article II Section 2 of the Constitution.

**BE IT THEREFORE ENACTED AN AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956,** such that Section 3(a)1-2 shall read:

“It shall be unlawful except with the prior approval of the (Federal Reserve) Board 1. for any action to be taken which results in a company becoming a bank holding company under section 2 (a) of this Act; 2. *and in the case of a foreign bank holding company seeking to purchase direct or indirect ownership of a United States bank, except with the approval of the President and the Senate of the United States acting under the treaty-making powers vested in Article II Section 2 of the Constitution after the scrutiny, public hearing, and approval of a designated Foreign Banking Oversight Committee of the Senate,* for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank, if, after such acquisition, such company will directly or indirectly own or control more than 5 percentum of the voting shares of such bank; et cetera.”