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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART TWO

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Why Did Pug Go Bananas?

We learned from Part One (Click) that Pug Winokur began working in 1974 for David H. Murdock's companies based in Los Angeles, CA. We also looked at information indicating that during the time Pug was at Murdock's Pacific Holding Corp., that company acquired 100% of the stock in International Mining Company--the largest shareholder of Zapata common stock. Two directors of ITC were closely connected to AtlanticRichfield, one director a long-time employee of Shell Oil. There were also close connections to First City Bank of Houston, which a Congressional investigation in 1976 found to be heavily immersed in influence from the Rothschild Bank of London.**(1)** Between the years of 1966 (when George H.W. Bush resigned as chairman and CEO of Zapata Offshore) and 1974 (when Pug went to work for Murdock), Zapata, the management of which interlocked with that of AtlanticRichfield, **(2)** was attempting to acquire control of United Fruit Company. Understanding United Fruit's real history, and its financing apparatus through an international investment consortium that dates back at least 100 years, brings Pug's role in that takeover attempt into sharper focus. That history is set out more thoroughly in **Part Two-A. Click** and **Part Two-B Click.**

After Zapata lost its attempted takeover and accepted greenmail from United Fruit in 1969, Eli Black took charge of United Fruit. He expanded horizontally from tropical fruit into meat-packing and food packaging and distribution. This was a globalization model that was matched by Murdock's Pacific Holdings in the direction it took Zapata. Murdock Investment Co. acquired the food packaging company Continental Can in conjunction with Peter Kiewit & Sons **(3)** -- a road construction company in Omaha, Nebraska that built more miles of interstate highways than any other company. One of the Continental subsidiaries made bottle caps for beer cans--not dissimilar from Black's original company AMK, which made caps for milk bottles. Pacific Holdings, also acquired Iowa Beef Producers (IBP), which tracked Black's acquisition of John Morrell. By 1985 Murdock had acquired Castle & Cooke Corporation which in 1967 had acquired all stock in Standard Fruit and Steamship Company, another competitor in global food distribution.

By mid-1975 Black was in debt and in the midst of a bribery scandal. Whether he jumped or was pushed from his 44th floor office in the Pan American Building, no one can really say. But his death certainly made things easier for Murdock and the people he was fronting for. Within six months of Black's death, Carl Lindner, Jr. in early 1976 was named president and was elected to the board of United Brands. Lindner increased his buying of United Fruit stock in 1978 and had control by 1984. At the same time, Lindner took control of the Penn Central Co. for which both Palmieri and Pug would work in the 1970s and 80s. Lindner is thus the link between Pug's role at Murdock and his new job in 1980 with Palmieri. By the time Pug left L.A. in 1980 to return to his old stomping grounds in Philadelphia, Palmieri had been at Penn Central for over 10 years. It was almost as though he had been sent there by powerful men whose corporations had acquired valuable assets which they tried to hide within the railroad corporate structure, in order to siphon them off at a later date. Most of the assets, many in the form of undeveloped land, had connections back to California. [For Palmieri's Who's Who, Click.]

Born in West L.A.

Palmieri's experience can be set out in the following order:

1. Associate attorney at O'Melveny & Myers, L.A., 1955-59.
2. Executive vice president, Janss Investment Corp., L.A., 1959-63.
3. President, Janss Investment Corp., L.A., 1963-68.
   While president at Janss, developed Snowmass in Aspen, Colo., and refurbished Sun Valley, Idaho
   Deputy executive director, National Advisory Commission on Civil Disorders (Kerner Commission), 1967-68
4. Chairman of the board, Palmieri Co., N.Y.C., 1969.
5. Chairman, Pennsylvania Co. and its subsidiary, Great S.W. Corp., 1969-77.
   Ambassador-at-large, U.S. coordinator of Refugee Affairs, Dept. State, 1979-81
   Trustee of Rockefeller Foundation, 1979-89

Palmieri has stated that he was "president of the Janss Investment Corporation when it developed Snowmass in Aspen, Colo., and refurbished Sun Valley, Idaho." The latter ski resort was built from 1931 to 1936 on Union Pacific Railroad land by Averell Harriman's family, who hired Janss in 1964. It was this development project which Victor Palmieri credits with making his fortune

(*The New York Times, May 9, 1982*). **(4)** The Harriman family were, of course, the partners or employers of Prescott Bush, George H.W. Bush's father in the Brown Brothers, Harriman investment bank, which was the venture capital source for Bush's oil companies. It is therefore extremely likely that the BBH capital remained in Zapata after Bush's exit. It is also possible that Bush may have continued his connection to Zapata through an undisclosed nominee. Without full disclosure of the corporate records, long since shredded or otherwise made invisible, we can never know for sure.

At the conclusion of Part One we posed certain questions: What really did happen at Zapata Offshore after George Bush went to Congress in 1967? Who owned Pacific Holdings when David Murdock took it over? And what was Pug Winokur's role in transforming David Murdock's operations from a company that made tiles to one that was involved in secret control of a most mysterious corporation? Exploring Pug's next employer more closely may help to answer those questions.

We know that David Murdock moved to Los Angeles from Arizona in 1964 to the same area, Westwood and the area around UCLA, developed by Janss Investment since the 1920's. The architecture was in the Mediterranean style and required a large amount of tiles for use in roofing the buildings. It is likely that Murdock's tile-making company had connections with the Janss developers, i.e. Victor Palmieri. Interestingly, in 1907 the Janss company had started development of Yorba Linda, the city where Richard Nixon was born and reared, on land owned by Jacob Stern, which had been a system of experimental farms very similar to those in Texas described in **Part Two-B.**

Pug had a senior executive position with Pacific Holdings, at 10889 Wilshire Blvd. in Westwood, just across the street from the Occidental Petroleum company and a few blocks south of UCLA. Intriguingly, Palmieri's career had also begun in this same area of Los Angeles, first at O'Melveny & Myers (Warren Christopher became senior partner there in 1958) and then at Janss Investment in Century City, across the street from the Twentieth Century Fox Theatre. In 1956-57 the area between Westwood and Los Angeles proper, now called Century City, was owned by Twentieth Century Fox; it was the Tom Mix ranch and the backlot. But the studio needed cash and decided to sell off this 260 acres of real estate. William Zeckendorf, a Rockefeller-connected developer in New York (who hired Disney's engineer, Charles Wood, to build Freedomland park and who was a partner with Toddie Lee and Angus Wynne in developing the Great Southwest project in Texas), was contacted. He agreed to buy the land and lease back a portion to the studio for one and a half million dollars a year. Zeckendorf eventually sold out his interest to the Mellon family's Alcoa. He states in his autobiography that he became great friends with "General Richard Mellon," whose family has long been connected to O.S.S. and C.I.A. activities, as well as with Gulf Oil, which was an investor brought into the Zapata Corporation by the Liedtke brothers.**(5)**

By the time Palmieri went to work for Janss Investment, the Janss brothers had sold a half interest in the commercial properties, in 1955, to Arnold S. Kirkeby of Chicago, owner of a chain of hotels including the Beverly Wilshire at Wilshire and Rodeo Drive. Kirkeby changed the design of the village by bringing in highways and high-rises. *The Arizona Project,* a journalistic investigation into mob activities in Arizona, which found strong financial links between Arizona real estate development and construction of Las Vegas casinos, also noted: "For [Del] Webb, the Flamingo experience **(6)** led to a series of deals with other developers who had their own ties to the Mob-dominated Chicago political machine, including Henry Crown and Arnold S. Kirkeby of Los Angeles. "

In those days the political machine in Chicago was controlled by Jake Arvey, with assistance from Cook County Finance Chairman Sidney Deutsch and Arthur X. Elrod. The Moe Annenberg wire service paid off the political machine and police, as concluded by findings of the Kefauver Hearings on organized crime. In *Deep Politics and the Death of JFK*, Peter Dale Scott cites several sources for his statement that Henry Crown had been involved in real estate deals in Cook County with Jake Arvey and Walter Annenberg, Moe's son. In 1963 Crown was also "the major stockholder (with 20 percent of the shares) of General Dynamics, the defense contractor whose controversial TFX created a major political scandal just before the Kennedy assassination." This contract had been awarded by Secretary of Defense Robert McNamara--Pug's employer in 1967. Kirkeby was an intimate associate of the same criminal underworld which moved to Hollywood and Beverly Hill to make movies and music.

The Mob takes Penn Central

Peter Dale Scott, who turned up dozens of links between the Mafia and the intelligence community while investigating the JFK assassination, discussed the Great Southwest Corporation (GSC) in *Deep Politics*--pointing out that the stock, owned by the Wynnes, individually and through their corporate entities, had been sold over a period of years to the Pennsylvania Company--merged in 1967 into the Penn Central Railroad--resulting in its bankruptcy when the value of the stock collapsed in 1969. The collapse was triggered when Penn Central Transportation Co. defaulted on $200 million of short-term commercial paper, issued by Goldman Sachs soon after the merger with the New York Central. Because of the sharp decline in stock value, coupled with the largest Teamsters' pension fund loan ever made up to that time, Congress began an investigation in 1970. Sound familiar?

According to Connie Bruck in her book *Predators' Ball*, the potential value of Penn Central bonds had been discovered soon after the bankruptcy filing. As she states: "The renowned trader Salim 'Cy' Lewis of Bear, Stearns had made a fortune buying the bonds of bankrupt railroads in the forties. [Michael] Milken would follow in Lewis' footsteps by buying Penn Central bonds, on which his clients made killings.... As default was thought to be near and bond holders panicked, Milken was there to pick up the distress-sale merchandise, often at ten and twenty and thirty cents on the dollar." (pp. 33-34). How did Milken know these bonds would make money?

Milken's first customer at Drexel, Burnham in Philadelphia in about 1970 was Meshulam Riklis, an eastern European Jew with a mysterious past that included service in the British 8th Army, 1942-46, followed by work with the Israeli Haganah. Riklis completed his B.A. from Ohio State in 1950 and got an M.B.A. there in 1968. He first worked for Piper, Jaffray & Hopwood in

Minneapolis--brokers of commercial paper securities--which focused on Minnesota's growing grain elevator and milling industries. In 1956 he set up his own conglomerate called Rapid-American Corporation by acquiring companies such as Playtex International, Lerner Shops and RKO movie theatres. In 1967 Riklis paid cash for Lewis Rosenstiel's stock in Schenley Industries, while giving the other shareholders bonds for their shares. Schenley was a distilling company with a shrouded past.

During 1967-71 Schenley employed a consultant named Charles Sydney Miner, a man who had been a journalist during WWII in the China-Burma-India theater assigned to the Quartermaster General (unit responsible for supply, distribution and transportation--including petroleum supply and logistics--for the Army) and then worked as "China manager" for American International Companies in Shanghai in 1948-56 where he would become "investment counsel" to C.V. Starr & Co., Inc. in New York until 1962. Miner's *Who's Who* is silent about his activities from 1962 to 1967, the year he became a consultant for Schenley and Rosenstiel. Schenley was a member of the syndicate formed at the end of the war between organized crime and military intelligence. Riklis served as a front to convert this liquor distributor from Rosenstiel's control. Today Starr International Company (SICO), owns 13.62% of the stock of the giant American Insurance Group (AIG), which is headquartered in the Bahamas. **(7)**

Stephen Birmingham, in his book about the rise of the Eastern European Jews in America, called *"The Rest of Us,"* states that Rosenstiel had been a bootlegger during Prohibition and caught the eye of Canadian Sam Bronfman. "Lew Rosenstiel had spent the Prohibition years boldly transshipping contraband liquor from England, Europe, and Canada via Saint Pierre and then, by truck, right into Cincinnati, Rosenstiel's hometown and center of operations. In the process, he was building what would become his giant Schenley Distillers Corporations. Bronfman and Rosenstiel had met often, during the latter's trips to Canada and had become gin-rummy-playing friends." (pp. 245-46) They worked out a 50-50 partnership deal in 1933 which required the Seagram's Co. to buy half of Rosenstiel's stock. The proposed merger soon fell apart, and the two became fierce competitors if not outright enemies, at least in business. They still maintained social closeness, according to Birmingham. Rosenstiel's second wife, Leonore Cohn--raised by her uncle Harry Cohn, the head of Columbia Pictures in California--was previously married to a Las Vegas businessman named Belden Kattleman. She left Rosenstiel to marry Walter Annenberg, whom President Nixon would name to be Ambassador to the Court of St. James. **(8)**

Riklis financed stock purchases by issuing high-interest bonds payable by the new company to the former shareholders. He began teaching Milken in 1970 that bonds (debt) increased cash flow because the payments were deductible, whereas dividends paid on equity holdings were not. Milken would, however, remind Riklis years later, after buying $100 million of the debt of Riklis' Rapid-American: "You own a lot of the equity in your companies, but I own your debt. And your equity is not worth the paper it's printed on unless your bonds are valuable. Riklis is working for Milken." (Bruck, p. 39)

Another of Milken's first customers, dating to around 1974, was Carl Lindner, Jr., who was also a major shareholder of Rapid-American. Prior to that he had acquired Cincinnati's Provident Bank in 1966 after starting out with milk retail stores. He quickly began buying Penn Central bonds. Victor Palmieri had gone to the Pennsylvania Company, and its subsidiary Great Southwest Corp. in 1969 as soon as the Penn Central bankruptcy was filed. He had just released the Kerner Commission's report stating that America was composed of two societies--one white and one black--and that the cities were going to smolder. This was the same time Pug left Defense and started the Inner City Fund. Penn Central was the first job Palmieri ever had other than land development. Why was he chosen?

According to the *Pittsburgh Post Gazette* Monday June 22, 1970, the Penn Central had assets of more than $6.5 billion. Its stock after the merger climbed to $86 per share, but closed a year later at eleven and 1/8 cents. Many of the 23 million shares were held by the 94,000 employees of the railroad, who would soon lose their jobs. The price of the stock had soared in spite of the company's reported $121.6 million loss in 1969 and another $80 million in the first two quarters of 1970. The stock began to tumble after an appeal for a government guaranteed loan came on the heels of a failure in May to float a $100 million debenture at over 10 per cent interest. Nixon's Defense Department had also sought to push through a $200 million loan guarantee. (http://www.trainweb.org/pt/pc.html).

Penn Central may have defaulted on the short-term debt, but that doesn't mean it didn't own a tremendous amount of illiquid assets. These were set out in the report issued by the Congressional Committee following its investigation. The primary asset was land, and lots of it. There was land in California, in Texas and in Florida. Penn Central Vice President William R. Gerstnecker boasted in 1968 before the crash: "We are ... large owners of undeveloped land in the center of big cities." The total value of Penn Central's nonrailroad land was estimated by Forbes at certainly over $1 billion. ("The U.S.'s Greatest Realtor," *Forbes*, 15 February 1968.)

Great Southwest

The Pennsylvania Co. first got involved in these land purchases by buying the corporate stock of the Great Southwest Corp. in 1963. This 2,500 acres of land was located between Dallas and Fort Worth and, before 1955 had been owned by the W.T. Waggoner Estate, whose attorney had been Robert B. Anderson. Anderson was also attorney for Sid Richardson, uncle of the notorious Bass Brothers. Richardson was also the best friend of Clint Murchison, Sr., whose attorney was Bedford Wynne. Say no more. These Texas oilmen and bankers had managed to elect Eisenhower president and then convinced him to appoint Anderson as Secretary of the Navy (in charge of the Elk Hills oil reserves in California among other things) and in 1957 as Secretary of Defense. This is the group Eisenhower was warning us about when he said to beware of the military-industrial complex.

By the 1960s aircraft manufacture in Texas was located chiefly in the area of Grand Prairie, Arlington, and Fort Worth, and an expanded radius from there--and was second only to the entire state of California in aircraft production. North American Aviation's facility had been adapted by LTV (Ling-Temco-Vought), and the Fort Worth General Dynamics or "Convair" plant was completed in 1941, which by 1965 ranked first in the nation in the export of defense weapons. It was noted for bomber production and the controversial TFX contract awarded by Secretary Robert McNamara. The Great Southwest Corporation's land was in the center of this complex. Out of the total acreage only about 200 acres went into the amusement park called Six Flags Over Texas. The remainder was designed as an industrial district for defense contractors. It may be only a coincidence but a major investor in LTV was D.H. Byrd, who also owned the building leased to the Texas School Book Depository while Oswald worked there. D.H. Byrd, an oil associate of both Sid Richardson and Clint Murchison, was also a fellow-director of Jack Crichton's Dorchester Gas Producing Co. (see Part Two-B).

In addition to creating an industrial district, Wynne had also made improvements to the spur railroad track leading from the land to the railroad connections owned as a partnership by the Texas and Pacific and the Chicago, Rock Island and Pacific railroads. The Texas & Pacific had connections to the Jos. E. Seagram Co., which had acquired the railroad's mineral rights. Seagram's also had a huge stake in General Dynamics along with Henry Crown. The defense contractor had actually started in Canada as Canadair. In 1964 the Chicago, Rock Island and Pacific sought approval for a merger with the Union Pacific, which was not forthcoming. This railroad owned 50 percent interest in the Galveston Terminal, 45 percent interest in the Great Southwest, and one-eighth interest in both the Houston Belt and Terminal and the Union Terminal Company at Dallas. These railroad interests are related to Santa Fe and Burlington companies, which have real estate and mineral assets in New Mexico and West Texas. These interests connect the Bush family to Robert O. Anderson, since ARCO also has interests in the same assets. The Bush interests go back to the days when G.H. Walker in St. Louis acted as investment banker for various lines in the railroads that became the Santa Fe and the Burlington railroads--which have since been merged. The ranch near Crawford, Texas that George W. Bush chose to buy, even though it wasn't on the market at the time, is tucked into a curve of this railroad.

The Great Southwest railroad was not the only business in which the Bushes were involved with the Bronfmans. The former Dresser office building in downtown Houston (now Halliburton) was sold to TrizecHahn, which was a syndicate-owned company set up by Zeckendorf (Angus Wynne's partner in the Great Southwest Corp. before the Penn Central fiasco) with British, Canadian and Boston investors. Bush himself was involved in Barrick Gold with some of the same investors a few years ago.

Macco Realty

The next group of land was owned by Macco Realty which the Pennsylvania Co. began buying in October 1965 and ending in July 1966. According to the Congressional report, the properties consisted of 3,500 acres of the Porter Ranch in the San Fernando Valley, a 2/3 interest in the Bryant Ranch of 5,000 acres near San Juan Capistrano, and a 1/3 interest in the 87,500-acre Rancho California in Riverside County. The question is, who would have benefited from this sale had the stock of Penn Central not collapsed when it did?

Macco also owned other land in California--the Vail Ranch which sold in late 1964 to a partnership composed of Kaiser Aluminum and Chemical Corporation, Kaiser Industries, Inc., and Macco Realty Company of Corona del Mar. The developers renamed the ranch land "Rancho California." Between 1965 and 1967 6,000 acres of Rancho California land were sold to the Boise Cascade Company, and another 6,000 acres to Palomar Land Company, a subsidiary of Richfield Oil. Robert O. Anderson's Atlantic Refining thus acquired Palomar in 1966 when it merged with Richfield. After Pug left ICF, it would later merge with the engineering company that had spun off from Kaiser.

Arvida

The Penn Central Co. at the time of its collapse also controlled the Miami-based Arvida Corporation, which owned hundreds of thousands of acres of land in Florida, as well as land in the Bahamas. The land was purchased from the Arthur Vining Davis Foundation after Davis' death in 1962. Davis had been president and chairman of Alcoa for many years. The company, perhaps through a subsidiary, is also connected to Alfred I. DuPont, founder of the St. Joe Paper Company, which is the parent of Arvida Realty Services. After the Penn Central Co. bought the land that had been owned by an Alcoa executive, it hired Charles Cobb, Jr., who had worked for Alcoa's competitor, Kaiser, to oversee the asset. Charles Cobb, Jr. was President and CFO of several subsidiaries of Kaiser Aluminum and Chemical Corp., 1964-1972 before he became President and Chairman of the board and CEO of Arvida Corp., 1972-1980. He then served as group president of the Penn Central Corp., 1980-1982, Director of the Penn Central Corp., 1982-1983, Chairman and CEO of Arvida Disney Corp., 1983-1987.

In 1975, Charles E. Cobb, Jr. recruited John Temple to come to Florida. In 1967 Temple had been in charge of real estate acquisitions for the Kaiser Aluminum Co. in Oakland, California, and along with several associates, purchased Arvida from its parent Penn Central Company in 1983. In 1984 he merged Arvida with the Walt Disney Company. One of Arvida's properties was the Boca Raton Resort & Club, originally known as The Cloister. In 1983, Arvida sold the Resort to the Chicago-based VMS Realty Company, a real estate syndicator. However, by 1990, VMS was nearly bankrupt, because its main creditor, a savings and loan bank had failed, putting the Resort in danger of foreclosure. Mr. Temple then came to the rescue.

In 1926 The Cloister was acquired by Chicago-based Central Equities Corporation (a subsidiary of Central Trust), run by Rufus Dawes and his brother, U.S. Vice President Charles Dawes, when they took over Addison Mizner's Development Corporation. Title passed to Clarence Geist, a utilities magnate, who had been an investor, then to J. Myer Schine who sold it to Arthur Vining Davis, in 1956. In 1997, the Resort & Club was purchased by H. Wayne Huizenga and Florida Panthers Holdings, Inc. for $325 million. In 1999, Florida Panther Holdings changed its name to Boca Resorts, Inc.

Cobb was amply rewarded for directing the sale of Arvida to former contacts at Kaiser. He was named Under Secretary for Travel and Tourism at the Department of Commerce before becoming Ambassador to Iceland. His wife is now Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica and was previously Managing Director and General Counsel of Cobb Partners, Ltd., a Coral Gables, Florida, based private investment firm with interests in several businesses including real estate, resort development, and tourism-related enterprises. Mrs. Cobb previously was in practice with the Greenberg Travis law firm where she was the founding partner of the firm's public finance department.

Arvida is also connected to the Bass brothers of Fort Worth, who also have an interest in Burlington Industries. The Basses recently took a big hit on their stock in Disney. In 1987 Disney sold Arvida to JMB, a sale instigated by Barry S. Sternlicht then fresh from Harvard business school. "Sternlicht knew the assets, having analyzed Disney's real estate holdings as part of a Harvard project. 'Barry was just two months out of school, and he was opening doors for us at Disney,' says JMB President Neil G. Bluhm." JMB had been founded in 1968 by Robert Judelson, Judd Malkin, and Neil Bluhm; Judelson (the "J" of JMB) is no longer involved with JMB, but Malkin remains as chairman and Bluhm is president. Judd Malkin is married to Rachelle Belfer, daughter of Robert Alexander Belfer, of Belco Oil and Gas, which merged into Enron. Both the Malkins and the Belfers are huge donors to Harvard.

Spooks in the Looting of Penn Central

- **Maurice Stans**

The adviser for Penn Central was the investment bank of Glore Forgan, Wm. R. Staats, Inc.--which, like Arthur Andersen in Enron, had numerous conflicts of interest in advising both sides in the stock transfers that were made. In 1963 Maurice Stans (later finance chairman for Richard Nixon's Committee to Re-elect the President--CREEP), became a partner in William R. Staats & Company, which merged in 1965 with Glore Forgan--an investment bank owned by J. Russell Forgan. During WWII, Forgan had been the boss of William Casey while they were in London in the OSS. After Nixon's election in 1968, Casey contacted Forgan and asked him "to write to Nixon's finance man, Maurice Stans," who was aware of the money Casey had given to the Nixon campaign. It was not until 1971, however, that Casey was offered the job as chairman of the Securities and Exchange Commission first by "White House personnel man" Peter Flanigan and a few days later from Nixon himself. Flanigan is now Senior Advisor with Warburg Dillon Read LLC; his family controlled the syndicate-connected Manufacturers Hanover Trust in New York, which in 1937 merged with Equitable Trust, then with Chemical Bank. It is now part of Chase Bank.

Casey and Forgan, working for Wild Bill Donovan, had been primarily concerned with infiltrating German intelligence at the end of the war in order to gain information about the Russians. Another associate in their group had been Arthur J. Goldberg, labor lawyer and general counsel for the CIO until 1961--who would be appointed by JFK to be Secretary of Labor and less than two years later to the Supreme Court, from which he resigned in 1965 to be Ambassador to the U.N. It was his idea to use German laborers as agents in the OSS. Goldberg was also responsible, according to Fletcher Prouty, of devising a strategy that would allow Robert McNamara to award the largest ever defense contract to General Dynamics.

Before Stans became associated with Glore Forgan, he spent many years as an accountant in Chicago before becoming Eisenhower's director of the Bureau of the Budget from 1958-61. He then moved to California as president and director of Western Bancorporation, Los Angeles (which would later become First Interstate), where other directors included Nixon's former law partner, Sherman Hazeltine from Adams, Duque and Hazeltine, and John McCone, former director of the CIA as well as director of ITT and Standard Oil of California. During this period, Stans also was vice chairman and a director of the United California Bank, a trustee of Pomona College, chairman of a committee in Los Angeles County government, and on a commission to revise the California state constitution. Pomona College is just east of L.A., a few miles north of Yorba Linda and northeast of Whittier--Nixon's home turf. Stans also served as director of Fluor Corporation from 1963 to 1969. Robert J. Fluor, the president of Fluor, was the 1964 Republican finance chairman for Los Angeles County and got in trouble for making illegal gifts to Goldwater in 1964.

In "The Moneymen," an article by Stu Bishop and Bert Knorr included in *Big Brother and the Holding Company: The World Behind Watergate*, edited by Steve Weissman, the authors state that when Forgan stepped down from his job as commander of European operations for the OSS in 1946, he recommended Allen Dulles to be his replacement. Forgan had "close ties to European capital," including a directorship at Italian Superpower. His firm created the Eurofund, the first investment fund of its kind, to buy up holding in European corporations. One of his directors was Charles Englehard who owned Minerals and Chemicals Co. of Newark, New Jersey and controlled the world's supply of platinum. Other Glore Forgan partners were William Jackson, a member of the commission that set up the CIA in 1947, Richard Millar, a director of Northrop Aircraft and Charles Hodge of Penn Central. Hodge had helped David Bevan set up an investment firm called Penphil at the Pennsylvania Co. in 1962. Penn Central poured $21 million into Penphil's investment in Executive Jet Aviation.

How did Stans become so politically connected in California in such a short time? Was he sent there specifically after Nixon lost to Kennedy to arrange financing for Nixon's next campaign, even though Nixon had by then moved to New York?

- **Herbert Kalmbach**

Nixon's personal lawyer, Herbert W. Kalmbach, served as Stans' deputy fundraiser, who took charge of a $1.7 million surplus slush fund at the end of the 1968 campaign. These funds were placed in various bank accounts and parceled out to pay for political sabotage against Nixon's "enemies." Kalmbach's background was as vice president at Security Title Insurance in Los Angeles and prior to that at Arizona Title Co. From 1964 through 1967 he was vice president and director of Macco Realty. He also formed a law firm in 1967 in Newport Beach, California, where his clients in 1969 included Atlantic Richfield Co. and one of its directors, Donald Kendall, who was chairman of Pepsico. He also represented the Great Southwest Corporation and Glore Forgan, Staats. In 1970 Martindale-Hubbell shows Kalmbach's clients to have included the Flying Tiger Line which changed its name to Tiger International in 1974 and merged into Federal Express in 1989--and the Nixon Foundation. Later clients included Dart Industries, Marriott Corp., Music Corporation of America (whose president Taft Schreiber served on CREEP's finance committee in 1972), United Airlines, Morrison-Knudsen (which, along with Brown & Root, made a fortune in construction in Vietnam military facilities), and Northrop.

- **William Casey**

The looting of the Penn Central could not have occurred in the form that it did without the work of Bill Casey. Stans and his associates set up the company to be looted, but it was Casey who was in charge of the Securities and Exchange Commission while the assets were being stripped by Palmieri and his subordinates like Pug, and like John A. Koskinen, who has been Deputy Director for Management at OMB since 1994. Koskinen, a graduate of Yale Law School in 1964, did post-graduate work in international law at Cambridge University in England from 1964 to 1965. He worked for Palmieri Company for 21 years and was president for many of those. As such, he was responsible for "reorganizing the non-rail subsidiaries of the Penn Central Transportation Company and for development and disposition of the Penn Central's real estate and energy assets, served as an investment manager of real estate investments owned by the Teamsters Union's Central States; was Divestiture Trustee and manager for Levitt and Sons, Incorporated; successfully restructured Baldwin-United Corporation, a large diversified financial services company; provided management services to the Resolution Trust Corporation; and rehabilitated Mutual Benefit Life Insurance Company, the largest failed life insurance company in U.S. history." (http://clinton1.nara.gov/White_House/EOP/OMB/html/jakbio.html).

The Penn Central assets were not sold for the benefit of the company or its former employees or their pension fund. They were directed to vultures who were ready to scoop them up for pennies and put them in reserve--vultures like Riklis and Lindner--with assistance from Michael Milken, a man who could not have done what he did if anyone other than Bill Casey had been at the SEC helm. Casey knew exactly what he was doing, as did his enforcement deputy, Stanley Sporkin. **(9)**

After participating in a game of charades during the 1970's at the SEC, Casey became Director of the CIA in 1981 following Reagan's election. Sporkin, in 1980, shortly before leaving the SEC and knowing that he and Casey would not be able to continue their game, agreed to allow Meshulam Riklis to take Rapid-American private. Similar approval was quickly given to Lindner and Saul Steinberg of Reliance. By this action, these corporations were allowed to do their deeds in the dark.

Thanks to Desiree (Dee) Ferdinand, however, we have an even better picture of what William Casey was doing during his years in public office. Mrs. Ferdinand is the daughter of Albert Carone, a CIA-Mafia connected money launderer who also held the rank of full colonel in Army Intelligence. Carone was murdered in 1990. Bill Tyree knew Carone from the Watchtower missions and confirmed his role as a "money man." (http://www.radio4all.org/crackcia/tyree.html). Carone carried on a very close business relationship with Casey while he was Director of the CIA, since Carone was the liaison between the mob, police, military and the CIA. The Transcripts of the depositions which both Dee and her husband gave in Bill Tyree's lawsuit are extremely revealing about how these various factions of the syndicate worked together.

According to former FAA investigator Rodney Stich, "Carone had complex relationships." In his underground bestselling book Defrauding America: Encyclopedia of Secret Operations by the CIA, DEA, and Other Covert Agencies, Stich writes that Carone "was a member of the Gambino family with connections to other crime groups in the eastern part of the United States, a detective on the New York City vice squad, a member of the military and a CIA operative."

Stich writes that "Dee [Ferdinand, Carone's daughter] said her father was a detective and bagman in the New York City police department, collecting money that was distributed to captains and inspectors as payoffs for looking the other way where drugs were involved..."

"Referring to CIA-Mafia drug trafficking, she said she knew from what her father said that the drugs coming from South America, went to the Colombo, Genovese and Gambino families, and that it was a joint CIA-Mafia drug operation under the code name Operation Amadeus. She said that during World War II, Operation Amadeus was involved in transporting Nazi officers from Germany into South American countries. According to her father's notes, Operation Amadeus split into several other operations, including Operation Sunrise and Operation Watchtower."

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FEMA was allegedly created by Executive Order 12148 which became law simply by its publication in the Federal Registry. In other words, Congress was bypassed for FEMA's authorization as well as its funding. But if Congress never authorized the "agency," where do operational expenses come from?

Tyree's lawsuit alleges that laundered drug profits were the initial source of funding.

According to the lawsuit, "the Plaintiff alleges the Defendants CIA and George Bush did intentionally engage in the complained of conduct herein to conceal: (1) the origins of FEMA and that profits from drug trafficking by the CIA were used in some part to originally fund FEMA and the drafting of the FEMA infrastructure."

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The late Colonel Carone also claimed that "he took drug profits that were clean and laundered in 1982-1984 to the following: NSC -- Colonel Oliver North who used the funds to create and develop FEMA." [p. 88 of the lawsuit]

Colonel Carone also testified that "FEMA was one of those off-the-shelf creations that was funded through the giant black operations fund which came about from drug trafficking operations instituted by the CIA which Congress has no idea of and no control over," that "the FEMA Chain of Command, rules and regulations that he had seen violated the US Constitution, and actually established a succession to the Office of the President in the event of an emergency that circumvented the Vice- President and the Speaker of the House of Representatives."

Carone said "NSC used drug trafficking profits to start FEMA without congressional approval... a 1981 NSC Directive written by Frank Carlucci [states]: `Normally a state of martial law will be proclaimed by the President. However in the absence of such action by the President, a senior military commander may impose martial law in an area of his command where there had been a complete breakdown in the exercise of government functions by local authorities.'"

"Colonel Carone said a literal interpretation of the 1981 NSC Directive was that a local yokel national guard commander could institute martial law, and the actions of FEMA, without local citizens ever knowing how FEMA came to be, or what FEMA was originally intended to be about, would automatically be triggered without any type of presidential order... Congress doesn't even have the purse strings on this one. It's all from the Black Operations Fund which Congress will never force the US Intelligence Community to admit even exists." http://zolatimes.com/V3.2/fema.html See also http://www.nexusmagazine.com/smokemirrors.html

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NOTES:

(1) (See listing of officers at http://www.newsmakingnews.com/lindaminor/lm3,19,02harvardtoenron,pt1.htm and http://www.trufax.org/chrono/cri.html). 1976 US House Banking and Currency Committee Report, May 1976, entitled "International Banking", identifies the Rothschild Five Arrows Group and its five branches: N.M.Rothschild & Sons, Ltd in London, Banque Rothschild in France, Banque Lambert in Belgium, New Court Securities in New York, and Pierson, Holdring & Company in Amsterdam, all of which were combined into Rothschild Intercontinental Bank, Ltd, who in turn has three American subsidiaries: National City Bank of Cleveland, First City National Bank (First City Bancorp) in Houston, and First National Bank in Seattle. The House Report also noted "the Rothschild banks are affiliated with Manufacturers Hanover of London and Manufacturers Hanover in New York.

(2) AtlanticRichfield is the epitome of the international capital syndicate. Robert O. Anderson, who had started his career as a protégé of the Dawes family (Charles G. Dawes and his brothers), who were in the center of the British Round Table group that is now CFR, helped to accelerate the pace of decline in the level of integrity in the economic community--though, when one reads Carroll Quigley's Tragedy and Hope and The Anglo-American Establishment, one wonders whether the elitists ever had integrity, or whether they simply had control over who wrote the history books. It's time for historians to write history with full knowledge of how money really works behind the scenes. It's time to audit the off-the-books accounts, where the hidden funds are kept in reserve. Anderson was a member of the Bilderberger group of international oil men and was present at the meeting in Sweden in 1973 which allegedly planned a policy that would trigger a global oil embargo by OPEC to raise the price of oil. This increased price helped to pay for the Alaskan pipeline that had just been completed at great expense. In 1974 Anderson's foundation poured money to ecology groups to launch an assault against alternative energy sources, such as nuclear power. These were the same policies that would be advocated by the Aspen Institute which was seeded with funds from AtlanticRichfield. [Source: F. William Engdahl, A Century of War: Anglo-American Oil Politics and the New World Order (Concord, MA: Paul & Company Publishers Consortium, 1992)]

AtlanticRichfield's appearance in Houston can be traced back to 1956 when Atlantic Refining Co. purchased the Houston Oil Co., a corporation which had been established many years before by John Henry Kirby and financed primarily by the British investment bank, Brown Brothers (which would be merged by George Bush's grandfather--G.H. Walker--into Brown Brothers, Harriman). Kirby also founded Houston Natural Gas (now Enron) in 1925 with the same financing. In 1966, the same year George Bush resigned from Zapata Offshore, Atlantic merged with Richfield. [See Charles S. Jones, *From the Rio Grande to the Arctic: The Story of the Richfield Oil Corporation* (Norman, Okla: Univ. of Okla. Press, 1972), p. 308 .] Talks between Richfield and Standolind (Standard Oil of Indiana) about a possible merger took place at "Railroad Ranch," in Sun Valley, Idaho, at about the time Palmieri was busily remodeling it. When news of the talks was leaked to the press, Richfield stock prices rose, and a competing offer was presented by Atlantic, based in Philadelphia, with Robert O. Anderson as chairman. New talks were set up between Richfield and Atlantic in late summer 1965, also in Sun Valley. In the merger, Richfield was represented by the investment bank of White, Weld of Boston. This bank would eventually merge with G.H. Walker & Co.

In 1941, Anderson moved his family to New Mexico ostensibly to build up a run-down refinery. In 1963 he became the largest shareholder of Atlantic Refining when he sold his Hondo Oil and Gas Co. to Atlantic for 700,000 Atlantic shares. Atlantic Refining had been incorporated in 1870 and was one of the Rockefeller companies until the Standard Oil Group was dissolved in 1911. Richfield Oil had been founded in 1905 and was in the center of the Teapot Dome scandal. Anderson became Chairman of the Board in 1965 and in 1966 completed the merger of Atlantic with Richfield Oil. Sinclair Oil was acquired in 1969.

Pete Brewton revealed in his book, The Mafia, the CIA and George Bush, that Robert O. Anderson was a partner of Walter Mischer in a 250,000-acre tract of land in the barren desert of far West Texas near Big Bend--sold in 1989 to the State of Texas for a park. But while it was owned by Anderson and Mischer, Brewton's sources claim it was used, in connection with a nearby landing strip, for the transshipment of drugs and weapons. Anderson's father, Hugo, had been an oil and gas banker at First National of Chicago--a Rockefeller-connected bank which is a favorite of the CIA. Robert Anderson would at some point purchase the London Observer from the Astor family whose roots on both sides of the Atlantic are soaked in opium running. They, too, were members of the Round Table Group. Anderson held the paper until he sold it to Tiny Rowland, before it was eventually acquired by the Guardian. http://www.observer.co.uk/review/story/0,6903,615617,00.html

According to Brewton, Anderson was also associated with Tiny in an oil and gas partnership some time after 1986. Rowland represents a continuation of the British mentality of colonial exploitation of global strategic resources. His role in Lonrho is not unlike the role Samuel Zemurray played in his control of United Fruit in 1930. In other words, both Anderson and Rowland are successors in interest to original syndicate investors described in Part Two-B. (See http://www.c-r.org/accord/acc_moz/vines.htm). Keep in mind that the largest and most powerful investors must
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keep their interest in the investment secret--just as our president places his holdings into a blind trust. That doesn't mean his holdings are a secret to him--but only to us.

Anderson was groomed for his role in the syndicate by a family who was in direct contact with the original Round Table consortium which managed one of the most lucrative chartered companies--the British South Africa Company--and the Cecil Rhodes trust set up with profits derived therefrom. (See http://www2.prestel.co.uk/littleton/brfo_rhodes.htm). United Fruit was a financial model set up in the U.S. to replace the British chartered company model, which would not have been accepted in America because of the prohibition of government being involved in venture capital enterprises for profit. The new model was developed to allow nominees to stand in for the invested capital contributed by "fiduciaries" entrusted with investment rights over government funds, or charitable endowments. This model requires the knowledge and cooperation--if not outright collusion--of the persons in control of our revered institutions.

Charles G. Dawes's first official governmental position was comptroller of the currency, to which he was appointed by President McKinley. Instead of running for the Senate, as Dawes had planned, after McKinely was assassinated, Dawes joined the Army and attained the rank of brigadier general under General Black Jack Pershing. He devised for the military an inter-Allied purchasing board, as well as a unified distribution authority. In 1919, despite the opposition raised by his own Republican Party, he strongly urged Congress to accept the Treaty of Versailles and the League of Nations. In 1920, appointed to the newly inaugurated position of Director of the Budget, Dawes reformed budgetary procedures in the United States government--insisting that each department of the government prepare a true budget projecting future expenditures and stay within it. Whether that was actually true at the time it was implemented or not, it is clear from what is occurring today that the budgetary process only covers a fraction of what is spent by the government. The off-the-books accounts have grown exponentially and are controlled by a criminal syndicate.

In 1923 Dawes chaired a League of Nations committee (not approved by the U.S.) to deal with German reparations, which in April 1924 issued what is called the "Dawes Report." It examined Germany's budget and resources, outlined measures to stabilize its currency, and suggested a schedule of payments on a sliding scale. He was awarded the Nobel Peace Prize for that work, even though the plan led to World War II. (See Antony Sutton's comments: "The Treaty of Versailles after World War I imposed a heavy reparations burden on defeated Germany. This financial burden — a real cause of the German discontent that led to acceptance of Hitlerism — was utilized by the international bankers for their own benefit. The opportunity to float profitable loans for German cartels in the United States was presented by the Dawes Plan and later the Young Plan. Both plans were engineered by these central bankers, who manned the committees for their own pecuniary advantages, and although technically the committees were not appointed by the U.S. Government, the plans were in fact approved and sponsored by the Government." http://reformed-theology.org/html/books/wall_street/chapter_01.htm#1924:%20The%20Dawes%20Plan).

Dawes donated his Nobel Prize payment to the endowment of the Walter Hines Page School of International Relations at Johns Hopkins University. Page was the British Ambassador who was a great friend of Colonel House. From June of 1929 to January of 1932, Dawes was himself the U.S. ambassador to Great Britain. In 1930 he was a delegate to the London Naval Conference; in 1932 he accepted the chairmanship of the American delegation to the Disarmament Conference in Geneva but resigned to accept the chairmanship of the Reconstruction Finance Corporation, a governmental agency that loaned taxpayers' money to banks, railroads, and other businesses during the depression. Dawes died in Evanston in 1951, the year after his protégé helped start the Aspen Institute.

(3) Peter Kiewit Sons, Inc. played a very significant role in the Franklin Credit Union pedophilia scandal that occurred in Nebraska in the 1980's. (See http://www.newsmakingnews.com/lmnebraskaconnection.htm). The legal documents involved in the trusts involved in the Kiewit companies sound like the same pattern used in the syndicate documents described in Part Two-B. This scandal was covered by John DeCamp's book, the Franklin Cover Up, which is available from Amazon.com or from http://www.texemarrs.com/101997/COVER.HTM

(4) The Aspen Institute was the creation of Walter Paepcke, who controlled the Container Corporation of America until his death in 1960. The upscale village and ski resort was begun in 1950 and centered around leaders from the Rockefeller-funded and -controlled University of Chicago. Paepcke had been partly responsible for attracting many of the former Bauhaus School founding members to Chicago as they fled Nazi Germany. He was a long-time director of the U.S. Gypsum Co., on whose board he served with L.S. Wescoat of the Pure Oil Co.--an oil company owned by the imminent Dawes family. From 1957 to 1963 Robert O. Anderson, a 1939 U. of C. graduate a major funder for the Institute through his AtlanticRichfield Oil Co. (ARCO), served as its president. ARCO had a strong influence in 1979 on the management of International Mining Co., wholly owned by Pacific Holdings--Pug's employer.

(5) Toddie Lee Wynne was Clint Murchison, Sr.'s attorney, and Bedford Wynne, representing the family's law firm of Wynne, [Morris] Jaffe, and Tinsley, was the Murchisons' lobbyist in Washington. Angus Wynne was Toddie Lee's nephew. The law firm set up a corporation called Sweetwater Development, owned by the Murchisons' Tecon Corporation, which had contracts with the federal government and paid a salary to Bedford Wynne; it was the subject of an army audit in 1963. According to Peter Dale Scott, "Subsequent Treasury and congressional investigation of Bedford Wynne and Clint Murchison established that their Sweetwater Company had made payments (which looked very much like political kickbacks) to the legal firms of Bobby Baker and of Democratic Congressman Emmanuel Celler. Dallas Republican leader Robert H. Stewart III, a director of Great Southwest and trustee of the Toddie Lee Wynne Foundation, had also arranged for questionable loans to Bobby Baker, via the same two Murchison employees (Robert Thompson and Thomas Webb) who figured in the Baker payoffs from Bedford Wynne." Robert H. Stewart III was also chairman of First International Bancshares in Dallas, which was represented on the board of Dresser Industries--the company owned by Brown Brothers, Harriman that Prescott Bush was director of for many years (Darwin Payne, *Initiative in Energy*, p.389). In 1977 George Bush became a director of First International Bankshares Ltd. of London and of the holding company based in Dallas, while also acting as chairman of the executive committee of First International Bank of Houston.

(6) Walter was the son of Moe Annenberg who, as circulation manager for the Hearst papers, had hired Charles "Lucky" Luciano and Meyer Lansky to help oversee the circulation of the New York Daily Mirror. In 1926, Annenberg left Hearst in order to work full-time on his *Racing Form* which he had promoted while at the Hearst papers. The next year he bought controlling interest in Mont Tennes General News Bureau, known as the race wire service, from a man who was being intimidated by Al Capone. By 1929 Annenberg had made a deal with the Chicago mob that put him in business with Meyer Lansky, Frank Costello and Johnny Torrio. Annenberg then created the Universal Publishing Company, which printed "wall sheets" and "hard cards." The wall sheets listed races, horses, jockeys, morning odds, and other information that bettors used in deciding how to place their money. A few years later, he established Nationwide News Service in Chicago on August 27, 1934 which stirred the ire of the Capone mob, causing Annenberg to flee to Florida where Meyer Lansky had settled in.

Lansky helped Annenberg bring his wire service to southern Florida and got a piece of the action in return for keeping Annenberg from getting shot. In 1936, Annenberg reached an agreement with the Capone Syndicate. He paid one million dollars a year for protection and was free to pursue other interests without being stalked by paid gunmen. With the race wire service problem cleared up, Annenberg purchased a newspaper that he felt had the "prestige and class" his other ventures had lacked – the *Philadelphia Inquirer*. Annenberg achieved great success in increasing the overall circulation of the *Inquirer* and saw it become a successful tool and model for Republican Party politics. The contacts his son Walter made with the Republicans would one day result in his being named Ambassador to Great Britain by President Richard Nixon.

(7) See Mike Ruppert's article in From The Wilderness which shows a connection he discovered between AIG and Carlos Lehder's role in drug smuggling for the CIA. http://www.copvcia.com/stories/july_2001/part_2.html

(8) The Flamingo was the first hotel-casino built in Las Vegas and opened in 1946--at about the time the CIA entered into a deal with the Mafia to launder its slush funds to be used for black budget operations. The contractor who completed the Flamingo was Del Webb of Phoenix, who built a similar hotel in Tucson in 1952. During the war he had built entire cities for the military. Henry Crown was "financial adviser" during the 1940s and 50s for the Hilton Hotels, which went public in 1947. Prior to that Hilton's financing came from the American National Bank and Trust Company of Chicago. Other financial assistance came from Horace C. "Hap" Flanigan, chairman of Manufacturers Trust Company of New York who sold the Hotel New Yorker to Hilton in 1953, accepting securities issued by the corporation instead of cash--thus putting Flanigan on the Hilton board. Flanigan's son, Peter, had worked for Dillon, Read since 1947, as soon as he completed Princeton and had served in the Navy. Henry Crown controlled the defense contractor General Dynamics. In 1947 both Dillon, Read and Manufacturers Trust were involved in the creation of Texas Eastern Transmission Co. in Houston, Texas for George and Herman Brown and their friends. Horace Flanigan was a director of Union Oil, which was a client of Dillon, Read, as was Manufacturers and Anheuser-Busch (headquartered in St. Louis), which was controlled by the family of Flanigan's wife. Only two years after joining Dillon Read, Peter Flanigan took a three-year leave of absence to work for the government in London, which in later years gave him many contacts for European placements. This sounds very similar to the training program Minor Cooper Keith went through when he began getting syndicate financing for United Fruit (See Part Two-B).

(9) William Casey's obituary, by Ismail Sloan:

...Nowadays, officials at the SEC distance themselves from Casey and his policies. They say that under his leadership, the initials of the S.E.C. were understood to mean "See Everything Crooked". However, in their heyday, Casey and Sporkin made quite a dynamic duo. Their favorite trick was the "enforcement proceeding". Every day, they read the newspapers for anything unusual or interesting. When they found something, they would bring a suit to stop whatever it was. These suits were actually hardly ever litigated in court. However, they were invariably accompanied by banner headlines about how the public was being protected.

The technique they practiced thousands of times can be illustrated by one fairly random example of this method. In the late 1960s, the Franklin National Bank, a prominent New York financial institution, folded. Although the SEC does not regulate banks, Sporkin, when he read about it in the newspapers, filed suit on the same day. The great genius of Casey and Sporkin was to think up creative theories for new kinds of lawsuits they were constantly inventing. Here, the theory for the suit was that the bank failed adequately to disclose to its stockholders that it was in financial difficulty. Had the bank been regulated by the SEC, this theory would have been reasonable. However, banks and bank stocks were all regulated by the federal and state banking authorities.

The main thing about this was that it was all just a publicity stunt. In accordance with the custom in those days, the same day that the SEC filed suit, its lawyers met with the officials of the Franklin National Bank. They then entered into what was known as a "consent decree". The way this worked was that the bank officials agreed to an injunction "without admitting or denying the charges". In other words, they promised never to do it again, without admitting to whatever it was that they did. They all then walked together into the office of a federal judge, who gave a rubber stamp approval to the deal. By this procedure, more than 95% of the suits which the S.E.C. filed under Casey were "settled" either the same day or the next day. The defendants got an exceptionally good deal. In return for their consent, the SEC promised to close the book on whatever they had done. There would be no further civil or criminal proceedings. The guilty officers would not have to go to jail. They would not even be asked to give the money back. They could even open a new bank. The SEC got, in return, newspaper publicity. Both Casey and Sporkin loved to see their name in the newspaper every day.

This gave Casey and Sporkin the opportunity to get favorable publicity for themselves in the newspapers all around America by claiming that they had taken strong steps to remedy this situation, whereas in reality they had done nothing at all. Needless to say, neither the uninsured depositors nor the stockholders of Franklin National Bank ever got a dime back. ...

Although it was obvious that these suits were often inherently flawed, they were sought solely because Casey and Sporkin were hounds for publicity. These two operated the SEC like a Gestapo. Anybody who criticized their methods became a target for investigation. Sporkin often implied in speeches that anybody who criticized the SEC must be guilty of a crime. "That is clearly a smokescreen", Sporkin would say of anybody who disagreed with his methods. In one speech, Sporkin demanded "double-digit prison sentences" for anybody who disagreed with the SEC.

Worse than that, the SEC was a slipshod operation. It rarely conducted an actual investigation of anything. For example, it hardly ever conducted an audit of a company's books and records. What it actually did was reward lawyers who convinced their clients to turn themselves in. ...

Although Sporkin was deeply involved in the arms for hostages scandal, his name is not often mentioned in this capacity. The reason for this is that just before the scandal broke, Sporkin managed to get himself appointed as a federal judge. The last of this story has not yet been heard. " --Sam Sloan http://www.ishipress.com/casey-ob.htm

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LINKS AND OTHER SOURCES:

(1) United Fruit history--http://www.unitedfruit.org/chronology.html .

(2) *Bitter Fruit*, by Stephen Schlessinger & Stephen Kinser, gives a good picture of the way political power was used during the 1950s through Secretary of State John Foster Dulles and his brother Allen, who headed up the C.I.A. until he was fired by President Kennedy, not long before JFK was assassinated.

(3) The biography of Samuel Zemurray, who died in 1961, is also useful. (See http://www.unitedfruit.org/zemurray.html and http://bananas.agoranet.be/CSR_28.htm) .

(4) The 1899 consolidation between the New York and Boston factions of an investment syndicate can be seen in a brief sketch of the life of Minor Cooper Keith at http://www.unitedfruit.org/keith.html.
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(5) Interesting, if biased, description of banking in Cuba -- http://www.angelfire.com/fl/cubabrains/index.html and in particular: http://www.angelfire.com/fl/cubabrains/menocal.html and http://www.angelfire.com/fl/cubabrains/zayasmachado.html

(6) United Fruit acquisitions and history -- (See http://www.unitedfruit.org/chronology.html and http://www.dole.com/company/about/timeline3.ghtml and http://www.chiquita.com/chiquitacr1/6backgrnd/crp92.asp and http://bananas.agoranet.be/CSR_28.htm and http://www.workers.org/ww/fruit.html) .

(7) Hoffa wars in crime syndicate -- http://www.moldea.com/Hoffa.html

(8) Maurice Stans resume -- http://www.cob.ohio-state.edu/acctmis/hof/stans.html

(9) W.K. Kellogg connection to land donated to Pomona College and control by Bank of New York -- (http://www.csupomona.edu/~library/LibraryInfo/special/historydocs/history.html and http://www.csupomona.edu/~advancement/arabian.html) http://www.bankofny.com/pages/acovdirectorsandofficers.htm and http://media.corporate-ir.net/media_files/NYS/K/reports/k_proxy99.pdf.

(10) William Casey and J. Russell Forgan in the OSS -- Joseph E. Persico's biography, *Casey.*

(11) Pure Oil Co. and the Dawes family-- http://www.library.upenn.edu/webbin/byteserver/etext/lippincott/pureoil/1928/1928.pdf and http://www.pcmpublishing.com/articles/12.html and http://www.google.com/search?q=cache:wGVE5FQeEykC:www.dawesarb.org/TDAHISTORY.pdf+henry-dawes+pure-oil&hl=en and http://www.nobel.se/peace/laureates/1925/dawes-bio.html).

(12) Robert O. Anderson history -- http://www.sunstonepress.com/cgi-bin/bookview.cgi?_fn=SampleChapter&_recordnum=231 and http://www.nmt.edu/mainpage/commencement/c2000/anderson.html

[Donald Gibson, *Battling Wall Street: The Kennedy Presidency* (New York: Sheridan Square Press 1994), p. 94.]
[F. William Engdahl, A Century of War: Anglo-American Oil Politics and the New World Order (Concord, MA: Paul & Company Publishers Consortium, 1992]

(13) Aspen Snowmass development -- http://www.aspenhistory.org/snms.html and http://www.aspenhistory.org/instit.html and http://www.va.gov/vetevent/wsc/2001/Monday.pdf and http://www.aspenhistory.org/walter.html and http://www.aspenhistory.org/friedl.html and http://www.aspenhistory.org/timelink.html#Anchor-1945-14210

(14) Janss Investment's development of Los Angeles and Yorba Linda -- (http://www.dailybruin.ucla.edu/DB/issues/97/02.12/news.westwood.html and www.westwoodonline.com/community/history.asp and http://www.dailybruin.ucla.edu/DB/issues/97/02.12/news.westwood.html and http://www.yournorthvillage.org/P_FRATERNITIES.html and http://www.myoc.com/community/yorbalinda/history/ and http://www.myoc.com/community/yorbalinda/history/ and http://www.csuchico.edu/geop/chr/scehc96.html

(15) Del Webb -- http://members.aol.com/casinonews/lv-flam.htm and http://www.flamingohoteltucson.com/movieart.htm and http://www.delwebb.com/corporate/aboutus/history.shtml and http://www.1st100.com/part2/webb.html

(16) Hilton Hotel history -- Conrad N. Hilton, *Be My Guest* (New York: Prentice Hall Press, 1957), p. 249.

(17) Riklis and Rosenstiel -- Rosenstiel was a cross-dressing friend of J. Edgar Hoover http://www.thebird.org/host/dcdave/article4/011118.html

(18) New York Banking history -- http://www.banking.state.ny.us/histe.txt

(19) Annenberg's washed image -- http://www.ranchomirage.org/history/annenberg.htm and http://www.ranchomirage.org/history/postwar.htm and http://crimemagazine.com/racewire2.htm

(20) Great Southwest Corp. -- http://www.tsha.utexas.edu/handbook/online/articles/view/BB/fby13.html and http://spot.acorn.net/jfkplace/09/fp.back_issues/17th_Issue/rambler3.html and http://spot.acorn.net/jfkplace/09/fp.back_issues/17th_Issue/rambler3.html#N_305_ and http://themeprk.home.texas.net/sfot/history/corptimeline.htm

(21) Macco Realty-- http://www.pe.net/~dilemman/History1.htm and http://www.temelink.com/crallspace/chiniaeff.htm and http://www.lvrj.com/lvrj_home/1997/Sep-19-Fri-1997/news/6089143.html

(22) Arvida -- William Baggs, in "America's Most Amazing Millionaire," This Week Magazine, 22 July 1956, pp. 8 and following, as referenced in Mason Gaffney, *Adequacy of Land as a Tax Base*
(See http://www.google.com/search?q=cache:vmkj0AFksTIC:www.gca.asn.au/Detailed%2520Essays/Mason%2520Gaffney/Adequacy.doc+macco+realty+penn-central&hl=).
http://www.palmbeachfl.com/current/PressRelease/JohnTemple.htm and http://www.bocaresort.com/whatis4.html and http://www.military.com/Content/MoreContent1/?file=au_advisors and http://usembassy.state.gov/kingston/wwwhfamb.html and http://www.businessweek.com/1997/14/b3521116.htm and (http://www.hoovers.com/co/capsule/3/0,2163,41103,00.html

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Part Two-A
Concise History of United Fruit

Over the years, several banana companies were formed by merchant shipping interests, probably the first of which from the Boston area by those families who had profited from the China trade and opium, as well as rum and slaves. (See previous article at http://www.newsmakingnews.com/lmharvardpart3.htm and also http://www.geocities.com/Area51/Shadowlands/6583/secret022.html). These Massachusetts families gained control of Harvard University more than 100 years ago and remain in control of the institution and its endowment today.

http://www.pcmpublishing.com/articles/12.html The primary banana competitor of the Boston group (whose banking was handled through Old Colony Trust) was Minor Cooper Keith (then chairman of the Empire Trust), who lived in the Bronx, New York, though he had traveled the world and had strong ties to Central America, since his wife was the daughter of a former president of Costa Rica. Keith had been sponsored into international development projects by his uncle, Henry Meiggs, a global merchant who built the wharf in San Francisco, railroads in the mountains of Peru, and who also attempted to recover gold-rush treasure from a sunken ship--the *Frolic*, a former opium-runner. (See stories at http://www.sfmuseum.org/hist/meiggs.html and http://www.nps.gov/safr/local/frolic.html).

Around 1899 or 1900 the Boston and New York merchant shippers merged their operation into the United Fruit Co. but soon obtained additional capital from merchant traders within their financial network in London. Keith actually spent about three years in London to learn how to set up contracts for companies with trust agreements to ensure that British investors could circumvent laws in the countries they wished to develop that prohibited foreign ownership of land. (See http://www.unitedfruit.org/keith.html). A more detailed picture of the syndicate which developed into United Fruit can be seen in Part Two-B).

Following the first world war another competitor arose on the scene. By then Keith was elderly (he died in 1929 at the age of 82), and the Boston group were not noted for their business acumen, but for their attempt to make money from political power. This power had no impact on Samuel Zemurray, from a Russian Jewish family which immigrated to Selina, Alabama in 1892. Zemurray bucked the established order in Central America overseen by the Morgan Bank and used gangsters with machine guns to bring about a coup in Honduras, in order to avoid payment of the taxes. After Keith's death, United Fruit merged with Zemurray by giving him a controlling interest in the new company stock. Thereafter, the weak Boston and New York management teams did his bidding. (See http://www.unitedfruit.org/zemurray.html).

Not surprisingly, Zemurray became an impressive donor to Harvard before his death, and his daughter Doris (Radcliffe '30) became an anthropologist/sociologist in Central America (living in Costa Rica) and married into Boston's elite money-laundering fold when she married Roger Thayer Stone. The Stones were also donors to Tulane in New Orleans, where Samuel Zemurray had taken over the docks with the help of the Macheca gang. (See http://www.peabody.harvard.edu/maria/bois.html and http://www.harvardmagazine.com/archive/01ja/ja01_dept_treasure.html).

Samuel Zemurray had hired Sullivan & Cromwell in the 1930's (where John Foster Dulles was managing partner) to enforce the secret trust agreements and financial investment documents that had been devised during Keith's tenure. These documents had to remain secret because the lawyers knew the whole system had been devised as a subterfuge to avoid the laws against foreign land ownership. (See Part Two-B for further detail on how this system worked.)

Under the terms of the investment syndicate's secret documents, legal title (which appeared to be vested in local banks as trustees) was actually in the trust beneficiaries--the original British investors who had joined with the Boston and New York banana companies in implementing the agricultural production, engineering and railroad projects. Through these documents the beneficiaries had claims to the assets required to be held as security for the capital that had been invested in those projects. Because the London bankers taught the same methods of financial documentation to many other businessmen besides Minor Keith, the same secretive arrangements for capitalizing development investments were scattered worldwide.

The biggest challenge for the syndicate was to maintain centralized control of the accounting of the expenses and profits arising out of the proliferation of overlapping networks of global investments through both debt and equity models, without disclosing the confidential details of each transaction. Operating through various banks knowledgeable about how the syndicate accounting schemes worked, the syndicate--through the years, from time to time--changed agents, as skilled and innovative men arrived on the scene. One such man was Hjalmar Schacht, an American of German origin, who worked for the Morgan-controlled Equitable Trust in New York. It was during his tenure that loans were made to finance the Bolsheviks in Russia and the Nazis in German--along lines similar to those used in documenting the loans to United Fruit.
(See http://reformed-theology.org/html/books/wall_street/introduction.htm). In 1930, however the Equitable Trust merged with the Chase Bank, and control shifted from the Morgan bank to the Rockefellers. A few years later, Dulles was chairman of the board of trustees of the Rockefeller Foundation. (http://www.rense.com/politics6/jfkcastro_p.htm). The syndicate's investments have exploded exponentially since those days. Knowledge management is even more necessary today. To h elp with data control, Harvard developed a course of study in statistical control within its mathematics department to train men such as Robert McNamara, Tex Thornton and Pug Winokur.

Once Zemurray turned his legal matters over to Dulles (the New York faction*) and the Boston bankers who also ran Harvard, the syndicate selected Thomas E. Sutherland to manage United Fruit, until his retirement to Phoenix in 1968. By that time Zemurray had died, both Kennedys had been assassinated, and Richard Nixon was getting ready to take office.

It was also in 1968, if you recall from Part One, that Zapata Norness began advertising its tender offer to buy stock in United Fruit. On September 24, 1969 Eli Black became the largest shareholder of the company by acquiring 3/4 of a billion shares in a single day. (Chronology at http://www.stanford.edu/~mbucheli/chronology.html). Black had already acquired AMK, a company that made caps for milk bottles, when he expanded the company in 1966 by acquiring the stock of John Morrell meat packing, intending to finance the purchase by selling assets. He repeated this process once he had gained control of United Fruit. It is possible that someone in the syndicate did not care for his management style or in his choices of assets being separated from the company. Charges were brought against him for bribing the President of Honduras--leading to a military coup in that country. The Costa Rican president then threatened the company with a cancellation of all contracts if the bribery scandal was not resolved. In 1975, after an SEC investigation into the bribes, a federal grand jury brought criminal charges against United Brands. In 1978 United Brands admitted it had paid $2.5 million to the former Honduran minister of economy, Abraham Bennaton Ramos. The company was fined $15,000 and the case closed. *(*See excellent coverage in *THE CINCINNATI ENQUIRER* Sunday, May 3, 1998 (at http://bananas.agoranet.be/CSR_28.htm). It should be pointed out here that during these years, William Casey was head of the SEC, and Stanley Sporkin was his deputy in charge of enforcement.

NOTES:

*Empire Trust was eventually merged into Bank of New York--see http://www.banking.state.ny.us/histe.txt)

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PART TWO-B

THE OCTOPUS IN MICROCOSM

In my research--though it is in no way complete--I have only found two references to what I would consider a good description of the day-to-day workings of the "real" syndicate that I've traced back to around 1900, which I believe is still in control of the basic power structure in America today. It is in control because it is how the money works.

The term "syndicate" means:

1. An association of people or firms authorized to undertake a duty or transact specific business.
2. An association of people or firms formed to engage in an enterprise or promote a common interest.
3. A loose affiliation of gangsters in control of organized criminal activities.

(http://www.dictionary.com/search?q=syndicate). Our world is definitely within the clutches of these people, firms and gangsters today.

Tentacle in Texas in 1912

In 1970 B.R. Brunson published one of the most boring books ever written, called The *Texas Land and Development Company: A Panhandle Promotion, 1912-1956*, (University of Texas Press, Austin and London.)
(See http://www.rra.dst.tx.us/c_t/buisness/TEXAS%20LAND%20AND%20DEVELOPMENT%20COMPANY.cfm) Brunson was familiar with the Texas Panhandle lying north of the city of Lubbock near Plainview which had been developed into irrigated farms beginning in 1912 by an intricate web of entities set up as trusts. He was able to pore over records kept by the daughter of a long-time general manager of one of the trusts, as well to as examine legal files made available by the trust's local attorney and interview various people who were still alive and remembered relevant details about the operation of the development company. The result was a year by year description of how outside capital was brought to Plainview and captured there for the full term of the project. What Brunson's work makes clear is that, because of the design of the original documents setting up the trust, the land and assets were completely tied up until the project was completed according to the terms of the trust.

What initially caught my idea when perusing the book in the library was a familiar name in the index--"Minor Cooper Keith"--and the company called "Empire Trust." I had seen these names before while researching the United Fruit Co. in which Keith was intimately involved. My familiarity with the Empire Trust, however, first arose while studying the JFK assassination. In Dick Russell's book, *The Man Who Knew Too Much* (New York: Carroll & Graf Publishers/Richard Gallen, 1992), at pp. 614-615, under a section called "Origins of the Cover-up" there is a description of a group of Dallas men who surrounded Marina Oswald as soon as her husband had been arrested, but before he was killed by Jack Ruby. These were intelligence operatives seeking out Russian speakers. Ilya Mamantov spoke Russian. A geologist with Sun Oil, he received a call five hours after the assassination from Jack Crichton, who was at that time the president of Nafco Oil and Gas, Inc. and a former Military Intelligence officer then attached to Army Reserve Intelligence. In the footnote following this information (found at pp. 792-93 fn. 14), Russell states:

> Crichton background: The 1963 Dallas City telephone directory lists Crichton as president of Nafco Oil and Gas, Inc. A short article on Page 26A of the Dallas Morning News (February 16, 1975) identified him as a "millionaire oilman." Researcher Peter Dale Scott's unpublished 1971 "The Dallas Conspiracy," pp. III-16-17 notes that Crichton until 1962 "was also a Vice-President of the Empire Trust Company, a firm whose leading shareholders, the inter-related families of Loeb, Lehman and Bronfman are said by Stephen Birmingham to have mainted 'something very like a private CIA ... around the world' to protect other investments such as in Cuba, in Guatemala, and in General Dynamics." One of Empire Trust's directors was, Scott notes, Lewis W. MacNaughton--the employer of George Bouhe, one of the first members of Dallas's Russian community to meet Oswald.

By the time I picked up the Brunson book, I had followed Russell's lead and learned more about Lewis MacNaughton, whose partner in Dallas had been Everette DeGolyer, a director of Dresser Industries in Dallas from 1954 until his death in 1956, when he was replaced on the Dresser board by MacNaughton until 1969. Prior to moving to Dallas, DeGolyer, an Oklahoma native, had worked for Amerada Petroleum in New York (where the Empire Trust was located), leaving there to start a geological consulting firm called DeGolyer and MacNaughton. [source: Darwin Payne, *Initiative in Energy: Dresser Industries, Inc. 1880-1978* (New York: Simon and Schuster, 1979), pp. 232 and 388.] DeGolyer's death was reported in a December 15, 1956 *Houston Post* article, which stated that he "shot himself to death Friday in his Dallas office.... His death was ruled a suicide…."

I then underwent a long chain of research into the background of Everette DeGolyer and his career. Part of that research appears at http://www.davidicke.net/tellthetruth/coverups/bronfmanbush.html

DeGolyer founded Amerada in 1919 for Lord Cowdray, real name Sir Weetman Pearson, who had extensive oil interests in Mexico. In 1969 Amerada **(1)** would merge with the Hess Oil Co. (founded in 1925 by Leon Hess in New Jersey). Hess' wife, Leota, was the daughter of a long-time Houston banker named Joseph F. Meyer and is mentioned in Pete Brewton's book, *The Mafia, the CIA and George Bush* in connection to the Meyerland Plaza development which Brewton connected to massive financial fraud of the 1980s--much of which he connected to George Bush's friend in Houston, Walter Mischer. In following those clues, I learned that Mischer had acquired his group of banks in Houston from a supposed "wildcatter" oilman named Michel Halbouty. This led me to another new wheel of intrigue, which I hope will serve to enlighten rather than to add more confusion.

The most illuminating book about Halbouty is by Jack Donahue called *Wildcatter: The Story of Michel T. Halbouty and the Search for Oil* (McGraw-Hill Book Co., 1979). At p. 135 thereof he indicates that Halbouty's funding for his wildcatting exploration came from the Empire Trust in New York. Empire paid 100 percent of the cost of the first well in a new area where Halbouty had explored and acquired leases at his own expense. After discovery, costs of other wells were split evenly; profits were divided fifty-fifty after payout. Both parties, for example, put up about three million dollars for the 1956 exploration program. Empire Trust had the option of non-participation in the drilling of any new area. In another separate venture, Halbouty went to New York to discuss with Empire Trust whether they wanted to participate in that deal on the same terms. They agreed and made a lot of money as a result.

Michel Halbouty was one of the initial investors of Continental Bank, later sold to Mischer. Biographer Donahue at p. 171 described the founding of the bank as follows:

> Halbouty . . . was walking down Main Street when he bumped into W.P. (Willie) Wells. Wells was a pretty fair country-boy promoter with heavy banking experience. He was trying to put together the Continental Bank. There on the sidewalk he sold Halbouty a sizable interest. Hardin and Noel also got a piece. Halbouty added to his interest as time passed and owned 30 percent, which turned out to be the largest single chunk, and he became chairman of the board.
>
> Halbouty didn't enjoy his role at Continental Bank. He was in constant disagreement with the other board members who could, by voting together, win all arguments. Halbouty sold his stock to Walter Mischer and Howard Terry, a couple of Houston's entrepreneurs who would place their marks on a dozen profitable enterprises. [See footnote to this footnote--below at **(2)**]

Finding this out, I was confused about who controlled the Empire Trust, since the footnote in Russell's book tied control to the Loeb, Lehman and Bronfman family in New York. So I went back to Stephen Birmingham's *"Our Crowd": The Great Jewish Families of New York* (New York: Dell 1967), pp. 444-45, and found the following:

> Thanks to antennae around the world that amount to something very like a private CIA, he [John L. Loeb--the son of Carl M. Loeb, Jr.] completed the sale of the firm's major Cuban sugar holdings the day before Fidel Castro took over. In 1945 the Loeb and Lehman millions received a new infusion of wealth when Clifford W. Michel joined Loeb, Rhodes. Michel was married to the former Barbara Richards, one of the granddaughters of Jules Bache, and therefore related to the Cahns and the Sheftels and, by marriage at least, to the Lewisohns (to whom the Lehmans, of course, were already related). Another Bache granddaughter was Mrs. F. Warren Pershing, wife of the son of the World War I general, and head of J. Pershing & Company, a rich brokerage house. Then in 1953 John Loeb's daughter, Ann, married Edgar Bronfman, elder son of Samuel Bronfman, the founder and chief executive of Distillers Corporation—Seagrams, Ltd., undoubtedly the richest man in Canada and among the wealthiest in the world. Bronfman money is not formally a part of Loeb, Rhoades capital, but one of the firm's partners has said, "He's a kind of partner who is awfully important." . . . The Bronfman millions, however, have joined Loeb-Lehman and Bache holdings to make up the largest single holding of stock in New York's Empire Trust Company, **** which has assets of some $300 million. Edgar Bronfman, now [1967] in his middle thirties, and head of his father's American subsidiary, Joseph E. Seagram & Sons, joined the board of directors of the Empire Trust Company in 1963. . . .**(3)**

Before Minor Keith's death, in April of 1924 one-third of Empire Trust stock had been sold to another group--the Brotherhood Investment Co.--made up of the union funds of the Brotherhood of Locomotive Engineers (BLE)--a union founded in the 1860's which quickly established a mutual life insurance arm to provide assistance to disabled members. The first contract the union made was with the New York Central Railroad, in 1875. Therefore, after the merger between New York Central and the Pennsylvania in 1967, this mutual insurance company, which was a railroad subsidiary, controlled the pension funds of many of the employees of the Penn Central Railroad. **(4)** The pension funds were being controlled in 1924 by the National City Company of New York (now Robert Rubin's Citigroup) and an affilated bank called "Brotherhood of Locomotive Engineers Co-operative National Bank of Cleveland," which had purchased bonds from Speyer & Co. and J. & W. Seligman & Company, advertised for resale in 1924.

The BLE which refused to join the A.F.L., created three parent companies through which it controlled more than 35 banking and investment businesses. The long-time president of the union was Warren S. Stone. **(5)** In 1922 the BLE established the Brotherhood Holding Company and in 1923 the Brotherhood Investment Company, and later a realty corporation, which investments allegedly fell apart when Stone died in 1925. However, it seems more likely that these funds had already been channelled out into other areas before Stone's death

The All-America Anti-Imperialist League was formed in 1925 by the Worker's (Communist) Party while Jay Lovestone was its national secretary. Lovestone, born Jacob Liebstein, was forced out of the Comintern in 1929 by Stalin's political maneuverings. By the end of the Depression, Lovestone broke cleanly with the Soviets and, after World War II, founded the Free Trade Union Commission, an AFL-backed movement that organized noncommunist labor unions outside of the United States. He also developed an intelligence-gathering unit within the organization that traded information with the CIA until the mid-1960s. During WWII, Lovestone became a spy in the OSS working with labor groups in Germany to feret out Communists, and he became great friends with James Jesus Angleton, according to Persico, in his biography of Casey. Lovestone was working independently under Donovan, along with Arthur Goldberg and William Casey. Ted Morgan notes in his biography that Lovestone had a lover named Louise Page Morris, a Boston Brahmin who performed espionage for Lovestone and James Jesus Angleton. Morris, a Lucky Strike model was sharing a bed not only with Lovestone but with America's ambassador at the United Nations, Henry Cabot Lodge.

But back to Minor Cooper Keith's connection to the Empire Trust, which helps to explain the Syndicate. It appears the link between the two seemingly disparate phases of the trust was the Pearson interests, since the major source of funding for the Plainview project was an engineer named Frederick Stark Pearson, who was contacted by a Texas realtor prior to the company's charter in 1912. Pearson, an American from Boston, no doubt had family ties to Lord Cowdray of England because the American was also involved in mineral exploration in Mexico even before DeGolyer went there to work for the Mexican Eagle. More information about F.S. Pearson is available at http://www.tsha.utexas.edu/handbook/online/articles/view/PP/fpe6.html .

According to Brunson's short bio of Minor Keith, he became an investor in the land development company in the Plainview, Texas area through Empire Trust Company. Another director was Frederick Stark Pearson, who was born in Lowell, Mass. in 1861 and graduated from Tufts College and M.I.T. Pearson started the development project in 1912 after being a trustee of Tufts in Boston in 1900. His son, Ward Edgerly Pearson (1915-19), who was born in Boston and educated at Yale, was the treasurer of the Empire Trust.
Brunson listed the original investors of the company in 1912 for the Texas Prairie Lands, Limited and its subsidiary trust. Among many others, the holders of securities in the company included the following:

American Investment Trust Co.;
Anglo-Austrian Bank;
Bank of Scotland;
R. Benson & Co.;
British Investment Trust Ltd.;
British Linen Bank;
M.J. and R.C. Brown;
H.B. Cabot, individually and as trustee;
Cabot, Lyman, Putnam & Bradley, trustees;
Norman W. Cabot;
Caledonian Trust Co., Ltd.;
Canadian Bank of Commerce (a/c Dr. Pearson);
William Carey;
Dominion Securities;
J.H. Dunn;
Dunn, Fisher & Co.;
Dunn, Fisher & Co. (a/c Demme);
Empire Trust Co.;
W.H. English;
First Scottish-American Trust Co., Ltd.;
R. Fleming & Co.;
Isabel C. Forbes;
C.J. Hambro & Son;
Goldsmith, Kahn & Teitsch;
A. Hecksher;
Minor Cooper Keith;
Kleinwort Sons & Co.;
Morgan, Grenfell & Co.;
National Bank of Scotland;
P.W. Palmer, individually and trustee;
F.S. Pearson, Executors of and J.H. Dunn;
F.H. Prince & Co.
Lord Revelstoke (Baring Bank); and
S.G. Schermerhorn;
Seligman Brothers.

The book gives a detailed account of how the investment capitalized the original company, as well as the numerous permutations of stock and bonds in reorganized companies. It shows how real estate was held in the names of nominees in the Plainview area who had no ownership interest, in order to avoid Texas laws against land ownership by foreign persons. Brunson states at p. 37: "After the issue of the first mortgage bonds, which brought investments from New York and Boston in addition to those from Britain, the backers were consistently divided into the original three groups--the British group, the Empire group, and the Boston group. The personality of the groups varied from investment to investment, but the three nuclei were stationary. ... The New York group of backers, which included the Empire Trust Company, controlled the new company." He also indicates that the Boston group was primarily controlled by the Old Colony Trust.

The agricultural project was of interest to Pearson, an engineer, primarily because of its experimental nature in seeing whether almost useless land of little value in West Texas could be made profitable by drilling water wells and placing pumps on them to irrigate and produce more valuable crops--a worthy endeavor from the outset. However, as the decades progressed the project may have seemed like an albatross to the descendants of the original investors, who were losing money and could not find buyers for their investment. There was a continual change of control back and forth between New York and Boston, though the British group could not intrude because it was acknowledged that their were not legally allowed to own land under Texas law at the time--thus their subterfuge of using trustees and nominees to hold title under unrecorded trust agreements.

Pearson died when the Lusitania was sunk during World War I, and Keith died a decade later, an old man in 1929 (See http://www.unitedfruit.org/keith.html). This could be when the shift in power occurred. Keith was also in control at his death of the United Fruit Company in the same convoluted financial structure used in this Texas scheme. When Keith died and the depression began, United Fruit's chief competitor Samuel Zemurray began taking up a big part of United Fruit's profits (See http://www.unitedfruit.org/zemurray.html). Zemurray's Cuyamel Fruit Company went into a fierce price war, until United Fruit decided that the best option was to acquire Cuyamel. In 1930 Zemurray sold Cuyamel to United Fruit for 300,000 shares of the latter's stock, making him United Fruit's largest shareholder. He was also given a seat on the board of directors. By 1938 Zemurray had control of the entire company.

In *Dope, Inc*., written by Lyndon LaRouche's Executive Intelligence Review group, it is stated that Sam Bronfman's father, Yechiel, arrived in New York in as an emigrant from the same provience in Bessarabia from which Zemurray had lived. This information is confirmed in the *Jerusalem Post*, in an article written by CALEV BEN-DAVID on June 29, 1999, which stated:

> The foundations of the Bronfman family fortune were laid at the beginning of the century by Yechiel Bronfman, who after immigrating from Bessarabia (southwest Ukraine) to Canada in 1890, built up a successful chain of hotels.
>
> In the 1920s, Yechiel's son Samuel - Bronfman's father - went into the liquor business, acquiring control of a local distillery, Joseph Seagram and Sons Ltd., which he later turned into a global enterprise.
>
> His success during the US Prohibition years, when the production and sale of liquor just south of the Canadian border was illegal, has long given rise to the charge that he was a principal supplier to American mobsters. Bronfman, in his typically forthright fashion, doesn't hesitate to discuss this side of his legendary father's past.
>
> "I have no idea what went on in the old 'rum-running' days," he says. "I do know that my father operated within the laws of Canada, although how stringent those laws were I can't tell you.
>
> "There was a very good book written about him recently by a very worthy fellow from the University of Toronto, and although we helped with the research on it, he had total carte blanche in writing it up. And you know what his conclusion was? Dad was legal.
>
> "That is to say," adds Bronfman, "he was legal on our side of the border. Whether his colleagues on the American side of the border were legal, I don't know. Nor do I find it terribly important. What *is* very important to me, is how I found him as a human being."
>
> Samuel Bronfman and his wife Saidye had four children: the late Minda, who as the wife of Baron Alain de Gunzberg became a leading figure in France's Jewish community; Phyllis (Lambert), well-known as an architect and historical preservationist; the flamboyant Edgar, who succeeded his father as head of Seagram, led the World Jewish Congress for decades, and is today a major figure in the fight for restitution to holders of Holocaust-era Swiss bank accounts, and Charles.
>
> "Mr. Sam," who died in 1971 after handing over the family business to his two sons, has often been portrayed in the media (and in fictionalized form, in such novels as Mordecai Richler's *Solomon Gursky Was Here*) as a domineering, hard-driving, larger-than-life character.

Dope, Inc. also says that Zemurray had bought up the shipping interests of the Machecha gang, which included Sicilian Charles Matrenga, who died in 1943. (Also see http://www.totse.com/en/religion/the_occult/nazihist.html part of which is set out below at **(6)**)

Although not mentioned by name, it is clear from reading a biography of Lord Beaverbrook, that he was a friend and partner of F.S. Pearson in many American engineering projects similar to that studied by Brunson. A book by Anne Chisholm and Michael Davie, called *Lord Beaverbrook: A Life* indicates that the syndicate studied here was operating in Canada, as well as in Texas and in United Fruit--all at the same time. According to Chisholm and Davie, at pp. 34-36:

> The first Canadian venture was the construction in 1897 of a hydro-electric plant to supply light and power to Kingston, Jamaica, and to electrify a tramway there. It was a small project, but successful enough quickly enough to encourage others to take the hint. Stimulated by a restless, grandiose-minded genius of a Yankee engineer named F.S. Pearson, Canadian money also financed an extremely profitable operation that replaced the mule-drawn public transport of Sao Paulo, Brazil, with an electric railway--so profitable indeed that the promoters' main worry was that the Brazilian government would find out how much money they were extracting from the country. That project was largely financed from Toronto. ....
>
> London had put money into one of F.S. Pearson's biggest schemes, in Rio de Janeiro, but was much less inclined to take a flier on the profitability of tramways in Trinidad being built by a company in Nova Scotia. This is where the young Aitken stepped in; and so did James Dunn and another future milti-millionaire, Izaak Walton Killam--all three of them players in the West Indian fund-raising business that became 'something of a school for budding capitalists'.
>
> ... The Aitken masterstroke was to contribe to get in with the dominant Halifax group led fby John F. Stairs. The Stairs family,

> from northern Ireland via Philadelphia, was rich. When one member of the family died, leaving $900,000, Aitken described the estate as 'very big' for Canada.... John F. Stairs, a slight figure with a neat beard, was universally respected and known throughout Atlantic Canada: the dominant figure in the Union Bank of Halifax, the largest ship-chandler in Halifax, and the president of the most important industrial company in the region, Nova Scotia Steel and Coal....
>
> By 1902, Aitken's link with the Stairs group was solidly forged. The circle included B.F. Pearson (not to be confused with the American F.S. Pearson), a company promoter and well-connected lawyer whose law firm employed two young men of outstanding talent, ... R.E. Harris .. and C.H. Cahan ... [who] were also looking at a much more ambitious F.S. Pearson project in Mexico. At first they used Aitken as an odd job man....
>
> ...F.S. Pearson's... ambition was to harness a spectacular waterfall to a powerhouse that would transmit electricity to Mexico City, a hundred miles away; the scheme envisaged the diversion of a river and the construction of a tunnel through remote and rugged country, quite apart from the need to reach agreement with the Mexican government. He secured an option on the waterpower concession only on 11 March 1902.

Sir James Dunn and Max Aitken (aka Lord Beaverbrook) were friends for 75 years, but Beaverbrook claimed that they were not in business together. However, Dunn's name is shown as an investor in the Texas Land and Development Company. On p. 31 of Brunson's book he states that "Texas Prairie Lands sold a complete bond issue to Messrs. Dunn, Fisher and Company, a London banking and investment firm. The London company acquired first mortgage 6 per cent bonds against the assets of the Texas Prairie Lands to mature in five years.... From 1912 through 1914, Dunn, Fisher and Company was to make installment payments ... to the account of Texas Prairie Lands in the Bank of Scotland." Dunn's firm apparently resold the bonds at 9% commission paid by Texas Prairie Lands--which was the original investor in the project and solely made up of British investors. In this transaction, the trustee for the bondholders was the Empire Trust Company of New York and London.

CLICK - BACK TO MAIN TEXT.

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NOTES:

(1)According to F. Lundberg in his *The Rich and the Super Rich,* 10% of Amerada Hess stock was owned by the British government.

(2) Willie Wells reputedly had ties to organized crime. The "Hardin and Noel" referred to were George Hardin, Halbouty's exploration manager, and James Noel, Halbouty's general counsel, who had previously worked for Houston law firm, Butler & Binion. Halbouty had also been "a founding director" of the Bank of Texas (senior partner George Butler later became president of this bank, as well as being chairman of the Post Oak Bank in the Houston Galleria area, reputedly connected to W.S. Farish III. See also http://www.tarpley.net/bush12.htm, http://www.pir.org/cgi-bin/nbonlin1.cgi?BUTLER_GEORGE_A and http://www.nara.gov/research/oic/cctf.html). According to Donahue:

> Halbouty had invested about $5,000,000 in banks in the mid-fifties. They had made him money. Now he sold North Side Bank, the First National in San Angelo, and the First National in Paris for about $13,000,000. He kept the West Side National Bank he had built in San Angelo. His stock in the Bank of Texas, through a merger and other transactions, now was in Allied Bancshares, a holding company, and he retained it. He paid off his debts.

One of Halbouty's early partners in the oil business was Glenn McCarthy, who later built Houston's famous Shamrock Hotel. During their partnership, they officed in the Sterling Building, but when Halbouty walked out in 1937, he moved to the Shell Building across the street, at 607 Fannin, between Capitol and Texas. It had also been built by Ross Sterling to house the Houston Post Dispatch, but had been leased to Shell Oil in 1928 and later sold, subject to the Shell lease, to Glenn McCarthy. When McCarthy liquidated his holdings to pay off $52 million in debts, he conveyed the Shell Building to the M.D. Anderson Foundation, which then conveyed to an insurance company, then to Del E. Webb, the Mafia-connected contractor who had built the Flamingo Hotel in Las Vegas for Bugsy Siegel, allegedly with money laundered through real estate in Arizona. Ross Sterling, one of the founders of Humble Oil (now Exxon) with W.S. Farish and others, became insolvent during the 1930's and, at the instigation of tycoon and fixer Jesse Jones, sold his banking interests to Joseph Meyer. His sons continued operation of the bank for many years and also were the first suburban real estate developers in Houston. The Meyerland Plaza was one of the first shopping centers in the Houston suburbs--located in the upscale Jewish area developed by the Meyers through their associates Walter Mischer and Howard Terry.

According to James Presley [source: James Presley, *A Saga of Wealth: The Rise of the Texas Oilmen* (New York: G.P. Putnam's Sons, 1978), p. 189], McCarthy's creditors were the Equitable Life and the Metropolitan Life Insurance Companies. McCarthy also owned a $700,000 mansion, a chain of neighborhood newspapers, the Beaumont Natural Gas Co., a steel plant in Detroit, a 15,000-acre ranch in West Texas and a chemical company. According to his friend Jim Clark, who authored several books with Halbouty, McCarthy could drill a well cheaper than anyone else, and "the Gulf Oil Company got into every deal they could with him, just for that reason." (p. 190.) He was also a close friend of oilman Harry Sinclair (of Teapot Dome fame) who had tried to buy him out for $50 million at one time.

Halbouty also had Mafia connections, a fact he blames on friend and investor Lenoir Josey, who was said to have

> ... associated frequently with such underworld gambling figures as 'Dandy Phil' Kastel of New Orleans; Al Smiley, who was Bugsy Siegel's running mate on the West Coast; and others from New York, Boston, and Chicago. Reports had it that Josey was putting underworld money into the oil business, but his friends insisted that Josey simply was fascinated by the hoodlums.

To come up with his share of the investment, Josey:

> ... brought into the partnership an interesting mix of solid citizens and some of the state's most notorious gambling figures. One was Jakie Freedman, who ran an elaborate gambling layout in an elegant mansion near the end of South Main Street. From the mid-forties until mid-fifties, Houston ran wide-open to gamblers who made payoffs to city and county officials through 'Fat Jack' Halfen, a hefty hustler known as the 'Big Fix.' Josey had apparently assigned an interest in his oil holdings to Freedman during a gambling bout where he came up short of cash. Freedman brought in gaming operator Herman Williams and Fort Bend County's "gambling czar," B.C. McKnight.
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Freedman was a Russian Jewish emigrant who, in addition to being the gambling boss in Houston, was in partnership with Sam Maceo in Galveston. Jakie kept his money at First City National, and the lawyer who drafted and witnessed his will was Wharton Weems, a partner at Vinson & Elkins. Weems, Elkins and other members of the elite business community of Houston were known to accompany Jakie each year to the Kentucky Derby.

(3) I have since discovered that Loeb's company was also a contributor to the Council on Foreign Relations in 1960-61. It's an impressive list of companies. (http://pages.ripco.net/~retief/Chapter1.html). Carl M. Loeb, Jr. in 1958 was chairman of the New York City Board of Corrections, planning new prison construction and awarding contracts. (http://www.correctionhistory.org/html/chronicl/bdofcorr/bdofest2.html and http://www.correctionhistory.org/html/chronicl/bdofcorr/2ndrpt60.html).

(4) In 1924, it was revealed that while the union pension funds owned one-third interest in the Empire Trust, the Empire Trust Company held more than half the total capital of the Central News Limited of London--an energetic enemy of all working class movements in Europe. (See http://www.boondocksnet.com/ai/ailtexts/loveston_g.html).

(5) From a letter dated Oct. 10th, 1931, from Roy F. Bergengren to Dr. J.J. Tompkins in Canso, Nova Scotia: "...Warren S. Stone, who was then Grand Chief of the Brotherhood of Locomotive Engineers, our most powerful labor organization of railroad men. This particular union had at one time very great resources, and under Mr. Stone's leadership they organized a large bank in Cleveland, Ohio, bought a bank in New York, built a great office building, controlled a coal mine, went into a land development in Florida, etc., etc. I expressed to Mr. Stone my opinion that if men who work for a living were going to learn how to run banks successfully, they should first learn how to run credit unions successfully in order to get some preliminary training. He laughed at the notion. When he died, as you know, all of the projects which he had fathered went to smash, and the Brotherhood was in such bad financial condition as the result of the crash, that members of the Brotherhood are still paying monthly contributions in an effort to make up the deficit." (http://collections.ic.gc.ca/co-op/roy.htm).

While Stone was head of the locomotive union during the early 1920s, there were several strikes called against the Atchinson, Topeka and Santa Fe and the Union Pacific http://www.ausbcomp.com/~bbott/cowley/Oldnews/PAPERS/TRAV16.HTM

(6) http://www.totse.com/en/religion/the_occult/nazihist.html

[I believe the following quote is taken from David Leon Chandler's book *Brothers in Blood* (New York: E.P. Dutton Co., Inc., 1975), which is the source cited in Dope, Inc. for the information above.]

> Joseph Mazzini, founder of Italian Scottish Rite Freemasonry, sent two of his Sicilian "Young Italy" proteges, Joseph Macheca, Charles Matrenga and Guiseppe Esposito to New Orleans to take over the port facilities after the failure of the British financed and armed Confederacy, as an entry point for post war black market commodities and anti-Reconstruction espionage networks. Esposito then traveled through the United States, pulling together Italian-speaking secret societies and establishing intercity communications where none had existed before. From Esposito's tour onward, the Sicilian-speaking secret societies became crime syndicates. The vehicle for the New Orleans mob's conversion to "legitimate" business came to New York from Bessarabia, established his organization in ten years and moved his headquarters to Canada. Samuel Zemurray, obtained financing from Boston and New York banks, and bought out the Macheca Gang's shipping interest. Joe Macheca's shipping line merged with four others to form the United Fruit Company, recently rechartered as United Brands. When Charles Matrenga died in 1943, the entire board of United Fruit turned out for the funeral. The power ruling the banana republics of Central America is and has been the United Fruit Co. Every coup in the region has been backed by Uited Fruit, which ran the nations of Cntral America as slave-labor plantations. For forty years the United Fruit Co. stood behind the regime of Anastasio Somoza in Nicaragua.
>
> The link between organized crime, banking and international intelligence is rarely observed since little is written in traditional academic history that reveals these links. Cnsequently, law enforcement and always concentrates on the "little cheeze" and pulls back whenever it approaches connections which break past derivative cutouts and point to the financial elite. The link between organized crime and banking received a jolt in the early 1980's with revelations about the Banco Ambrosiano, the P2 masonic lodge, the Papacy and the Bank of London. This link remains unprobed and unreported even now in the heat of the savings and loan scandals and the BCCI investigations.

OTHER LINKS AND SOURCES:

(1) About Jay Lovestone and the Communist Party: from Lovestone, Jay. "American Imperialism: The Menace of the Greatest Capitalist World Power." (Chicago: Workers Party of America, n.d. [1925]). http://www.fabw.org/histcp/15.pdf ; http://www.boondocksnet.com/ai/ailtexts/loveston_b.html and http://www.weisbord.org/Reviewed.htm. One interesting union squabble Lovestone was involved in is described in http://www.plp.org/pamphlets/flintstrike.html.

(2) Ted Morgan's biography is the first to draw on both Lovestone's personal papers and extensive FBI files about his activities. (http://www.boondocksnet.com/cb/biography.html and http://hallbiographies.com/leaders/132.shtml and see Ted Morgan's book, *A Covert Life : Jay Lovestone Communist, Anti-Communist, and Spymaster*). Also see http://www-hoover.stanford.edu/publications/digest/991/danielson.html and http://larouchein2004.net/pages/pressreleases/2001/011118aflcio.htm).

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Victor Henry Palmieri

Born: February 16, 1930 in Chicago, Illinois, United States
Occupation: lawyer, business executive
Source: *The Complete Marquis Who's Who* ®. Marquis Who's Who, 2001.

Source: *The Complete Marquis Who's Who* TM . Marquis Who's Who, 2001.

Family: s. Mario and Maria (Losacco) P.; children: Matthew B., John W.; m. Cathryn Connors, July 6, 1990. **Education:** AB in History, Stanford U., 1951; JD, Stanford U., 1954. **Certification:** Bar: Calif. 1954 **Civil/Military Service:** Chmn. Am. Learning Corp., 1970-85; dep., exec. dir. Nat. Adv. Commn. on Civil Disorders, 1967-68; ambassador-at-large, U.S. coord. Refugee Affairs, Dept. State, 1979-81; trustee Rockefeller Found., 1979-89; pres., bd. dirs. Lincoln Ctr. Theater, 1985-89; chmn. Overseas Devel. Coun., 1985-91; mem. Coun. on Fgn. Rels.; bd. trustees The Police Found., 1996. **Addresses:** Office, Palmieri Co, 9 W 57th St Fl 34, New York, NY, 10019-2701.

Positions Held: chmn. bd., Palmieri Co., N.Y.C., 1969; chmn., Pennsylvania. Co. and its subs. Great S.W. Corp., 1969-77; pres., Janss Investment Corp., L.A., 1963-68; exec. v.p., Janss Investment Corp., L.A., 1959-63; assoc., O'Melveny & Myers, L.A., 1955-59. **Career-Related:** chmn. PHL Corp., Inc. (formerly Baldwin-United Inc.), Phila., 1983-87; trustee, CEO Colo.-Ute Electric Assn. Inc., 1990-92; spl. dep. rehabilitator Confederation Life Ins. Co., 1994-98; dep. rehabilitator, CEO Mut. Benefit Life Ins. Co., 1991-94; pres., CEO MBL Life Assurance Corp., 1994-95; chmn., AlixPalmieri Assocs., 1997; dir. William Carter Corp., 1992-95, Outlet Comms., Inc., 1993-95, Broadcasting Ptnrs. Inc., 1994-95, Mullin Cons. Inc., 1990; vice chmn. M Fin. Holdings, 2000.

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