Zionist bankers' conspiracy against Israel

How Hesselbach and Rothschild wrecked Israel's industrialization strategy

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"I never could understand why Walter Hesselbach, this 'great friend of Israel,' could be so bent on ruining the best chance Israel had to receive credit for industrialization," stated a principal in the early 1970s attempt to establish a link between the large West German credit markets and capital goods industries and Israel during the course of this investigation of the collapse of that attempt in 1974. He was commenting on the seemingly implacable rage and relentless effort applied by Hesselbach, then chairman of the board of the German trade union Bank für Gemeinwirtschaft (BfG) and a leading West German supporter of the Zionist lobby, to bankrupt and break that link, a chain of financial institutions stretching from the Tel Aviv-based Israel Corporation through the large, Geneva-based Banque de Credit International (BCI), to the West German Hessische Landesbank (Helaba).

The results of our investigation show that "Friend of Israel" Hesselbach, together with his patron Edmond de Rothschild, mounted a vast financial-political "black operation" to destroy this promising credit link-up and its accompanying industrial and political potential, an operation which was successfully concluded in 1974 — a part of the international "black aristocracy's" campaign for world fascist austerity which also included the 1973 Yom Kippur War and oil crisis, the Watergate coup against the U.S. Nixon Administration, and the financial warfare operation which bankrupted Vatican-linked financier Michel Sindona. By wiping out the sole existing body of Israeli leadership which was committed to a policy of thoroughgoing industrialization, and hence to a policy of peaceful cooperation with the neighboring Arab nations, the Hesselbach operation has contributed significantly to the current Middle East mess.

The Grand Design

To fully grasp the criminality of Hesselbach's actions, which bankrupted Geneva's BCI and liquidated its Israel Corporation sponsors, the reader must keep in mind the early 1970s international political framework, centered around the "Grand Design" for peace and development of Pope Paul VI and France's General Charles de Gaulle.

Beginning with de Gaulle's 1960 proposal for the United States, the Soviet Union, France and the United Kingdom to create an international development fund for Third World industrial development, and its highly articulated formulation in Pope Paul's 1967 encyclical letter *Populorum Progressio*, humanist forces centered around the Vatican organized a grand political design whose central aims were establishment of a sound, gold-based, fixed-parities monetary system, and through this, the effective political destruction of the power of the London-dominated International Monetary Fund and World Bank, and establishment of an era of global development.

By the early 1970s, these forces had successfully recruited into their Grand Design such formidable forces as the President of the United States, Richard Nixon, and such Nixon associates as Secretary of State William Rogers, Treasury Secretary David Kennedy, and related banking and corporate layers in the U.S.; Vatican financier Michel Sindona, who worked hand-in-hand with the Papacy's "finance minister" Cardinal Marcingus; Italy's Premier Giulio Andreotti and those forces in the Arab world who had worked with postwar Italian industrial strategist Enrico Mattei; plus other top political leaders such as Spain's Premier Carrero Blanco. Significant organizational drive was contributed by the France of General de Gaulle and his successor President Georges Pompidou.

The famous "Rogers Plan" — a nuclear energy-centered Mediterranean development policy which would bring together the Arabs and Israelis — was a key component of the Grand Design as it existed in the early 1970s. In Israel, the powerful faction led by Finance Minister Pinhas Sapir was directly linked up with this global effort in its own attempt to free Israel from underdevelopment, regional ostracism, and — the root of Israel's problems — the stranglehold on Israeli policy of Edmond de Rothschild and the British monarchy's "Zionist lobby."

The three strategies for Israel's economy

There are three conflicting approaches for running the Israeli economy. One, consonant with the "Grand Design," is to use the richly developed skills and culture of Israel's population to develop high-technology industry and agriculture, seeking markets and partners in the Arab nations. This policy implies an Israeli peace policy towards the Arabs and, by and large, was the approach being pursued by Sapir.

A second option is the development in Israel solely of those industries which contribute to the country's Zionist lobby-assigned geopolitical "battering ram" mission of controlling the Middle East on behalf of the London oligarchy; for this, only such industries as military/aerospace and related sectors (electronics, metals) are promoted — artificially boosted by foreign "diaspora" funds controlled by the Warburg-Bronfman-Rothschild banking networks. No attention is directed toward broadening Israel's markets or developing its industry as a whole.

Option three was developed around the turn of the century by the French and British branches of the Rothschild family, and later given theoretical expression by Fritz Naphtali (the mentor of Ludwig Erhard, whose drafts were used by Warburg-controlled Nazi finance minister Hjalmar Schacht in designing Nazism's primitive "bauarbeit" public works and related Keynesian policies). It is the kibbutzim economy: labor-intensive small-scale agricultural output and exports. For all practical purposes, options two and three are harmoniously blended in the Histadrut, Israel's all-powerful trade union confederation. Not coincidentally, Walter Hesselbach happens to be a founder and member of the board of the Tel Aviv Fritz Naphtali Foundation.

When Pinhas Sapir and his close associate Michael Tzur, a top Israeli civil servant and industrialist, resolved to politically break with Rothschild rule over Israel, and launch a massive agro-industrial development boom in the years following 1968 (symbolized by the rapid development of a modern, capital-intensive agriculture, turning its back on the labor-intensive "kibbutz" ideology), they faced a predicament. In the absence of a central international institution for the issuance of development credit, such as that advocated in Pope Paul's *Populorum Progressio* and embodied in today's European Monetary Fund proposal, the capital and credit indispensable for implementing their plans was sorely lacking: London controlled the strings of the IMF and World Bank purse, and that money was not for the industrial development of Israel.

Circuitous routes had to be found to generate that credit. Using the Israel Corporation, which Tzur ran single-handedly against any Rothschild-Warburg interference and whose official assignment was to raise foreign capital for Israeli industrialization, Sapir and Tzur turned to an old acquaintance, Geneva banker Tibor Rosenbaum, owner and chairman of the Banque de Credit International. Sapir and Tzur prompted Rosenbaum to employ contacts he had already established with West Germany's Prof. Wilhelm Hankel, when Hankel served as that nation's Undersecretary of Finance. In 1972, Hankel was serving as chairman of the board of the important Hessische Landesbank. Rosenbaum was to associate his BCI with Helaba, one of the top ten banks in Germany, and create a stable credit line from the vast West German credit markets into Israel. Plugging a German "heavyweight" into Israel meant that Sapir could at last break the financial rule of London and the Rothschilds over Israel.

Sapir's strategy

Sapir's choice of Tibor Rosenbaum and BCI for his credit link was at first glance rather outlandish. Rosenbaum had been an associate of Edmond de Rothschild himself, and had a record of involvement in bizarre and sometimes crooked international financial dealings, notably his early 1960s association with Bernie Cornfeld's I.O.S. swindle linked to the Socialist International and the Rothschilds. But, as a wheeler-dealer, Rosenbaum could be hooked by the prospect of a fast buck and a share of the pie in the event of a Sapir factional victory in the World Jewish Congress, which Rosenbaum served as a board member and treasurer.

Lacking better alternatives, Rosenbaum and BCI were the choice. Helaba and its new chairman were attracted to Rosenbaum's offer in 1972, because at that time, 1972, they were trying to diversify the bank's assets into industrial paper and international markets. To fulfill their goal, Hankel and the Helaba board selected two instruments: the Frankfurt Investitions- und Handelsbank (IHB), a bank with a stormy history, and in which Walter Hesselbach held a double job as head of the credit committee and member of the supervisory board; and BCI, which, unlike Helaba, already enjoyed established international banking connections.

Helaba bought over one-third of BCI's stock, with 50 percent voting rights and corresponding positions in the bank's governing bodies. Albert Osswald, the Prime Minister of Hesse and *ex officio* chairman of the Helaba supervisory board, became chairman of

BCI's international advisory council; Hankel became BCI's deputy chairman, etc. Although insiders knew that Rosenbaum had liberally mixed his own affairs with the bank's, and although BCI was known as a discreet middleman for quiet Israeli purchases of European arms and even Arab oil, the deals between BCI and Helaba were closed by a combination of political motivations, and Rosenbaum's promises to clean the bank's books of his personal business.

In association with Helaba, BCI began to fulfill the role planned by Sapir, and became a nexus for international financial operations associated with the Mediterranean grand design advanced by the Vatican and Mattei-centered forces in Italy. Tzur's Israel Corporation maintained large short- and medium-term deposits with BCI and its affiliates, as well as with banks owned by Vatican financier Sindona.

Brute force financial operations had started to break the Israeli monopoly of the Zionist lobby and the British. Until then, Israeli finances had been the preserve of the Quaker side of the British Order of Saint John of Jerusalem, Barclays Bank which owned (through London's Charterhouse Japhet) the Private Bank Japhet of Tel Aviv, the Israeli Discount Bank, and Bank Leumi Le Israel (formerly known as the Bank of Palestine, founded by 1902 by Theodor Herzl, the Zionist high priest, with money contributed by a top British oligarch, Moses Montefiore). Barclays allowed the "Jews" of the Rothschild family to keep one of the four top banks in Israel in their control, Bank Hapoalim, the Histadrut (trade-union) bank.

How and why Hesselbach destroyed BCI

Walter Hesselbach and Edmond de Rothschild were enraged by the developments. According to workers' banker Hesselbach, the slave-labor Histadrut represents the most perfected embodiment of workers' organization, and his own Bank für Gemeinwirtschaft had numerous joint ventures with Hapoalim, through the Israeli Continental Bank and Basel's Handelsbank. All the more alarming to Hesselbach and Edmond de Rothschild, Sapir — who served as both Finance Minister and as chairman of the powerful Jewish Agency — enjoyed broad popularity and a political following in Israel, at the expense of the Dayanesque "hawks" who are committed to the Britain-defined "geopolitical" role for Israel.

Hesselbach and Edmond set out to destroy Sapir and Tzur and bankrupt BCI, their key move in this effort being the removal of Helaba chairman Hankel, who adamantly stuck by his accord with BCI despite increasing signs of the "German Rothschild's" displeasure.

The method used by Hesselbach et al. to mop up both the BCI and Helaba managements is closely parallel to that used by the same forces to wreck the financial empire of the brilliant Vatican financier Michel Sindona.

Hesselbach set out to discover and leverage the "soft spots" which would allow him to politically recapture the Helaba management, and thus mop up BCI. His first weapon was Helaba's purchase of a majority stake in the Frankfurt IHB. As a leading figure in the IHB, and still a part owner, Hesselbach was well acquainted with the dismal state of IHB's assets. Many IHB investments were hopelessly rotten, and the bank was throwing good money after the bad in an effort to rescue its debtors from a chain of bankruptcies that would have wiped out the lender as well. These facts were kept hidden from Helaba until the takeover of IHB was complete.

Hesselbach first intervened to block efforts to rescue and reorganize IHB debtors. The case of the Meyer Corporation of Dinstlaken (North-Rhine Westphalia) is exemplary. IHB had lent close to DM300,000,000, more than its own capital, to Meyer, and Meyer was in the process of collapsing. At the point that Helaba took over IHB, Meyer was finished, as a rescue plan had not been worked out quickly, and especially as the Bundesaufsichtsamt für das Kreditwesens, the banking regulatory agency, had forbidden IHB to lend any more of its money to Meyer.

Both the management of IHB and its Helaba sponsors were puzzled to discover that the state of North-Rhine Westphalia, its prime minister — Jerusalem Foundation member Heinz Kühn — and its finance minister Wertz, systematically refused to provide state guarantees to aid whatever form of consortium IHB and Helaba proposed to rescue the company. This was all the more incomprehensible because the liquidation, in 1973, of a company employing 2,500 workers, would raise hell on the social front. Why was Social Democratic prime minister Kühn so uncooperative?

Walter Hesselbach, contacted by Hankel in his capacity as BfG chairman, rejected every proposed solution, including a common bailout of IHB by past and present owners. This despite the fact that Hesselbach's personal reputation was heavily involved in the affair, in his role as a high-ranking IHB official whose personal word had counted heavily in defining the risks that Helaba was willing to take in acquiring IHB, which it had fancied was on relatively sounder footing.

Albert Osswald, the Hessian prime minister and *ex officio* chairman of Helaba's supervisory board, vetoed a lawsuit against Hesselbach around the case. Faced with an impossible job, Hankel resigned from Helaba. Weeks later, the state of North-Rhine Westphalia granted full guarantees to another company to take over Meyer. . . . Along with Hesselbach, did Ludwig Poullain, chairman of North-Rhine Westphalia's Westdeutsche Landesbank, a rising star of the German Zionist banking world, Hankel's sworn enemy, and also a member of IHB's credit committee, perhaps have something to do with Heinz Kühn's sudden *volte face*?

Hesselbach was ready for Phase Two. He had politically recaptured Helaba; now the noose began to tighten around BCI's neck. Given the ambivalent nature of Rosenbaum's operation, Edmond de Rothschild could use his many personal agents within the BCI's councils to gather intelligence to determine the precise timing and course of action. Edmond's personal assistant, Pierre Uri (a controller of French Socialist leader François Mitterrand, research director of the Atlantic Institute, former partner at Lehman Brothers, and the theoretician behind Jean-Jacques Servan-Schreiber, the "sub-Kennedy" of French politics whose 1969 Lorraine electoral campaign had been funded by . . . Hesselbach's BfG) adorned the BCI advisory council, along with Ernest Japhet, a fully owned property of Barclays; Ronald Brown, a British Labour MP and the brother of Prime Minister Harold Wilson's Foreign Secretary Lord George Brown; and Swiss oligarchist-fascist Denis de Rougemont. These were Hesselbach's friends at BCI, in contrast to the prodevelopment Israelis around Sapir.

A run on BCI's deposits was organized; vulnerabilities in Rosenbaum's operations (such as the strange piece of real estate near Rome, the "Roma Marina" tract in Capocotto) were exploited; rumors were soon planted in the press that BCI was in trouble; a flight of capital from Israel weakened both BCI and the Israel Corporation; banks severed their credit lines with BCI. By mid-summer 1974, Rosenbaum knew he was doomed unless Helaba helped. A major hole had been punched in his "pyramided" financial structure, and BCI was in deep trouble. In despair, he turned to Helaba.

Under the "very strong and pressing advice of Walter Hesselbach, who had recovered all his influence, the new Helaba management rejected any help," a witness to the events recalls. Instead, it demanded publicly that Rosenbaum repurchase the 36 percent interest held by Helaba in BCI. For Rosenbaum, forced to swallow paper against cash, the blow was fatal. On Oct. 8, 1974, BCI was shut down. In May 1975, Rosenbaum was jailed.

Target: Israel's Sapir

But BCI had never been the *real* target; Sapir was. As the *New York Times* reported, "In early September 1974, Edmond de Rothschild received a telephone call from a business associate(!) in West Germany, telling him that the Israel Corporation had deposits in the financially troubled BCI, without the authorization of the (Israel Corporation — ed.) board of directors." Hesselbach, the "German Rothschild," did not forget Edmond's phone number; as it was not until the middle of September that the first semi-public rumors surfaced that there was anything wrong with BCI, Hesselbach was giving the green light to Edmond for Phase Three, having himself first made sure that BCI would be in financial trouble.

Phase Three was an emergency board meeting of the Israel Corporation, held in Paris at the instigation of Edmond de Rothschild, which used "insider" information to show that Tzur had made IC deposit $23 million with BCI affiliates. On the strength of this — and of the adverse balance of political forces that had developed in the meantime — Tzur was kicked out as chairman of IC. Edmond later initiated a lawsuit against Tzur and Rosenbaum for criminal fraud, which resulted in an incredible 15-year jail sentence being imposed on Tzur, which Tzur is still serving. Sapir was undermined and soon broken as a political power, and the Israeli warhawks recaptured their unchallenged position of rule. Sapir had been destroyed by the Order of St. John and the Zionist Lobby just as the prodevelopment "Mapam" of the late 1940s and early 1950s had been.

Needless to say, Sapir's option for peaceful economic cooperation and peace with the Arabs has been *persona ingratissima* with all subsequent Israeli governments. Today's mess triggered by the Camp David "separate peace" accords and the ensuing threat of a global thermonuclear confrontation stemming from a Middle East crisis is to be ascribed in no small degree to the ugly operation described here.

Table I: Zionist lobby financial warfare against Israeli and world development

June 1974:	Collapse of Gerling's Herstatt
July 1974:	Collapse of the BCI-connected Wm. Stern Property Group, London
July 1974:	Shutdown of the Sapir-linked Israeli-British Bank of London
August 1974:	Resignation of President Nixon
Early Sept. 1974:	Mysterious phone call from Germany to Edmond de Rothschild concerning shaky condition of BCI.
Mid-Sept. 1974:	First press leak (in the *Platow-Brief* newsletter) of trouble at BCI.
End of Sept. 1974:	Emergency Board meeting of Israel Corp. Tzur ousted.
End of Sept. 1974:	Collapse of Sindona's Franklin National and Banca Privata Italiana
October 1974:	BCI shuts down
May 1975:	Rosenbaum jailed

It is parenthetically useful to note that the Gerling-owned I.D. Herstatt Bankhaus was pulled down in the same "dirty" way for the same purpose: destroying a facet of the Vatican-led Grand Design. The German Zionist lobby, the associates of SPDer Kühn, top Christian Democratic Union official and former Thyssen chairman Kurt Birrenbach — an interesting cross-party combination — Walter Hesselbach, Jerusalem Foundation contributor and press baron Axel Springer, et al., could not tolerate positive, pro-industrial, prodevelopment German intervention into Mideast and Israeli affairs. This they saw as their own private *domaine reserve*. Similarly, Michel Sindona's banking empire was deliberately mopped up by the British, American and Italian Black Maltese associates of the Order of Saint John. The sequence of events in Table 1 remarkably illustrates our assertion.

Meanwhile, the concluding phase of Watergate against President Nixon, a significant force in the Vatican-French "Grand Design," marked a decisive shift in the international political atmosphere. Edmond de Rothschild and his German crony Hesselbach could breathe a sigh of relief: the process leading from Kissinger's Black September massacre of 1970 through the October War he engineered in 1973, the ensuing oil embargo, the financial collapses of financial opponents and opportune assasinations (such as that of Spanish Prime Minister Carrero Blanco) had for the time being successfully blocked the Grand Design.

Who is Walter Hesselbach really?

But, if Walter Hesselbach is no real "philosemite," nor the "friend of Israel" he claims to be, what is this powerful and secretive financier really?

Whose friend is he? A clue appears in his definition of *"Gemeinwirtschaft,"* a corporativist, Naphtali-inspired conception whose motto, in Hesselbach's own words of a few years ago, is, "we can also live with lesser growth rates," and, more recently in the BfG Annual Report for 1977, that there exist "alternatives to growth policies, which burden the environment and are themselves limited in scope. . . . Labor idled by technological progress(!) must not be re-employed into expanded production, but through the shortening of labor time" and the institution of a "leisure society."

To the reader wondering at the aroma of Herbert Marcuse, it will perhaps come as no surprise to learn that Hesselbach for years chaired the Frankfurt Institute for Social Research. It will come as no surprise that this "socialist Zionist" (according to the description of Hesselbach's friend Shlomo Aronson) entertained, along with IG Metall chairman Otto Brenner, that son of a top Zionist lobby lawyer Daniel "Danny the Red" Cohn-Bendit. Hesselbach also has exclusive political control of the daily *Frankfurter Rundschau*, via Israeli intelligence officer Moshe Hess, a BfG director, and their joint political ownership of journalist Gerhard Löwenthal.

Such is the man who sits on top of the German trade union federation's bank, BfG, and right in the middle of West Germany's trade union apparatus. Hesselbach's loyalties are not to the German workers' movement, nor to the German republic, nor to Israel; body and soul, Hesselbach is Edmond de Rothschild's man.

Hesselbach, as the Christian Democratic Union Bundestag questioned in a rare moment of political courage, represents a formidable concentration of personal political-financial power. Sitting on the boards of no less than 60 banks, insurance companies, leading corporations, foundations and other entities — including his chairmanship of the Deutsche Bundespost — and pooling all the trade union money, Hesselbach represents an invaluable asset for the London-centered Black Guelph oligarchy.

It is no accident that the Hesselbach-chaired Bundespost recently played a major role in the European side of the Order of St. John's financial warfare "dirty operations" against the Labor Parties, in an effort to shut down through bankruptcy the leaders of today's resurrected Grand Design.

German trade union leaders and members should look more closely into the BfG's financial affairs. For one, BfG's name recurs too often in "asset-stripping" operations (for example, the Gloeggler collapse case) conducted against German industry, with one invariable modus operandi: a corporation in financial straits is "rescued" and bought at bargain basement prices by BfG. BfG then places its own men at the helm, strips the assets of its corporate victim, and adds to its political-economic might in the process. As BfG proudly says of itself: "It is not profit that matters for us." Indeed, it is political power. BfG is not a bank, but the financial instrument of the "Swedish model" aspects of the Order of St. John's "Fascism with a Democratic face," and increasingly with no democratic face at all, as the murdered banker Jürgen Ponto did not live to know. Also questionable are BfG investments of workers' savings, frequently placed in dubious assets at below the going Frankfurt rate.

Hesselbach's financial policies are feudal, not industrialist. It was Hesselbach, along with Ludwig Poullain, who advised his friend Willy Brandt to float the deutschemark in 1969, a decision vigorously opposed by German industry, and one which has proved ruinous for the country's industrial potential. The same Walter Hesselbach is a leading advocate of the so-called "European Currency Union" of Britain's Roy Jenkins, and Willy Brandt's "Marshall Plan" slave labor schemes for the Third World and southern Europe.

If asked, who really is Walter Hesselbach? Edmond de Rothschild could answer: "The faithful house servant of us, hofjuden bankers and moneyed aristocrats."

— Laurent Murawiec