them have knowingly participated, are knowingly participating, or will knowingly participate in any transaction that finances or facilitates the illegal traffic in drugs or in any other illegal activity. In fact, the protest cites no specific facts or laws constituting the illegality which is implied.

"Finally, it should be noted that the representatives of the U.S. Labor Party stated frankly to the Board staff at the meeting on October 18 that a motive in seeking a hearing was to further a larger objective to educate the public, legislatures and public officials at all levels about the above-described world network. Taking into account the broad sweep of the U.S. Labor Party's charges against public and private organizations and individuals around the world and the absence of relevant specific charges against HSBC, Kellett N.V., HSBC Holdings B.V. or their officers and directors, it appears to us that granting the U.S. Labor Party's request for a public hearing by the Board would not contribute to the decision-making process on this application and would result in unwarranted delay of HSBC's application. Furthermore, both section 3 of the Act and the Board's policy of expeditiously acting on applications would be frustrated if the precedent is established that hearings should be held on the issue of whether applicant banks, foreign or domestic, have financed activities that are alleged to be illegal without any substantiated allegation of specific illegal conduct by the applicant.

"It is respectfully requested that the request of the U.S. Labor Party for a hearing be denied and that the continuing presentations anticipated in the October 26 letter not be permitted to delay the processing of the pending application. Successful consummation of the proposed acquisition depends on expeditious approval by the FRB in order that the publicly announced tender offer may proceed as nearly as possible on the anticipated schedule."

Respectfully submitted,

Shaw, Pittman, Potts & Trowbridge

By Steuart L. Pittman

Counsel to

The Hongkong and Shanghai Banking Corporation

## British Intelligence's

Even battle-scarred observers of the long and dirty history of Resorts International and its strongarm subsidiary International Intelligence (Intertel) expressed surprise when New Jersey's state attorney general, Brendan Byrne appointee John Degnan, released the Dec. 4 report tying Resorts to America's best known mobster, Meyer Lansky. New Jersey Governor Byrne, a one-time hired hand of New Jersey's casino gambling lobby, started his career as the executive secretary to Gov. Robert Meiner, who took the New Jersey Statehouse in 1952 with the help of Lansky's lieutenant Abner "Longie" Zwillman. In shorthand, Brendan Byrne is a Lansky punk. Why did his people hit Resorts?

A close look at the Degnan document shows that it does no more than rake over the public record of Meyer Lansky financing of Resorts and connections to the crooked firm's leadership - just as Resorts charged. Part of the answer is that the Byrne gang had to put out their own expose of Resorts because "half of the U.S. government, including a couple of Senate Committees, are going after Resorts and Intertel." A number of hot trails have converged on America's number one laundromat for drug-related and other illegal dirty money. These include a Drug Enforcement Administration task force in southern Florida, including more than a dozen accounting specialists, who have been tracking the proceeds of Florida's \$7 billion a year dope "industry" for months; comparable activity by several other federal agencies and the Florida state and Miami police; and a gung-ho team of investigators attached to the Senate's Permanent Subcommittee on Investigations, which held penetrating hearings into Lansky's Florida activities last summer. Byrne et al. are scurrying for cover, for the little good it will do them.

Around mid-January, this angle will hit the headlines, and the Jersey press will be making mincemeat of the John Degnan "disclosures," actually a form of cover-up. That news is already dated in the law enforcement community. But only a handful of insiders in the "old boys" network of the intelligence community have an inkling of what is really at stake in the burning of Resorts. Elated with the smell of a fresh kill, most investigators haven't stopped to ask themselves who opened the doors at the top-floor offices in Washington for the Resorts investigations from a half-dozen agencies to go through investigations which have been kept in the icebox for over ten years.

#### Diversion, Inc.

A few thoughtful people are asking the right questions. "Watch for a diversionary situation," said a fine old gentleman who served New Jersey well in the House of Representatives until Resorts money bought his seat for the mob. "That's all you see in the headlines. It's starting

**18 SPECIAL REPORT** 

## last Resort

out as a diversion — although it will certainly go out of centrel. Someone wants to bring the case up front right now. But look at what you don't read about. Senator Ted Stevens, almost killed in a plane crash. Young Bill Steiger [the 40-year-old Wisconsin Congressman who died of a reported heart attack the night of Dec. 4 — DG ], who had no previous history of heart disease. I'll bet twenty-to-one these were no accidents. 1979 is going to produce a good crop of men found in the bay with cement shoes."

Three Congressmen dead or nearly dead in the space of ten days, including Rep. Leo Ryan, who died at the hands of "People's Temple" assassins in Guyana, is enough to raise anyone's suspicions. But what do Stevens, Steiger, and Ryan have to do with each other — or Resorts International?

#### Intertel

Those deaths, or Resorts' particular dirty money operations, have relatively little to do with each other. But they are intimately connected to another set of developments, more important, and more hidden, than any of these. One clue involves Resorts' 86 percent owned subsidiary Intertel, the biggest private spook agency in the world. Behind the scenes, much more heat is in evidence against Intertel than against its parent company Resorts. One of the biggest Texas oil outfits, which used to employ Intertel to screen its personnel assigned abroad, just dropped the security firm like a hot potato. When powerful corporate muscle turned on in New Jersey to shut Resorts down — muscle typified by the old Standard Oil of New Jersey networks that go back to the Eisenhower-Nixon Administration and earlier - word came through that the real target was not Resorts but the supersecret private spook agency.

A good way to describe Intertel is as the entity that, if unraveled, would take with it almost everything dirty and corrupt in the American intelligence community. And the intelligence community is now at war. Even the surface indications are startling. Up in front, Israel's foul secret intelligence agency the Mossad, and its collaborators in the American Anti-Defamation League of B'nai B'rith, are trying to shove the old stalwarts of the Central Intelligence Agency out of position. The public has not picked up on this, or wondered what a death-battle inside America's covert services might have to do with dead Congressmen, or the Jonestown shock headlines.

At this point a confession is in order: we *know* who is putting the squeeze on Resorts, and through what means, and have no intention of leaking information that would tactically enhance the position of the Mossad gang against any American political group. But we can give the reader sufficient indications to understand what is important to him in this case.

### The rundown

Consider, first, what Intertel is. Its president is Robert Peloquin, who went from the National Security Agency (NSA) into the Kennedy Justice Department, and headed the first Organized Crime and Racketeering section the Justice Department ever had. Peloquin supervised the 1965 "Operations Tradewinds" farce that allowed Meyer Lansky to grab Paradise Island in the Bahamas through the "ocean" Resorts International Front. Peloquin brought much of his staff with him to Intertel, including Walter Sheridan, another NSA veteran who went on to head Robert Kennedy's "get Hoffa" squad. Sheridan went on to NBC news, where he conducted the hatchet job against New Orleans District Attorney Jim Garrison's nearly successful investigation of the John F. Kennedy assassination. Israeli Intelligence's most important "mole" in the Central Intelligence Agency, former CIA counterintelligence chief James Jesus Angleton, now works for Intertel.

The full story on Intertel's filthy activities as a cover for the Israeli Intelligence-Zionist Lobby-British Special Operations-Mafia gang who murdered JFK and RFK appears in the book *Dope*, *Inc.* published this month, by Konstandinos Kalimtgis, Jeffrey Steinberg, and this author. Suffice it to say that exposing Intertel would also wreck the Mossad's attempt to take over American intelligence, and do a great deal to stabilize Iran and the Persian Gulf, now the subject of an Anglo-Israeli destabilization effort.

#### Indonesia

Rep. Leo Ryan was the victim of the same British-Zionist lobby subversive group. According to wellinformed sources in the California Republican Party leadership. Ryan went to his death in Guyana as part of a well-coordinated effort to bust up Gov. Jerry Brown's links to Israeli intelligence and its American friends. That little operation included the use of kooky Jerry Brown as a totem pole around which to gather every cult group in the state of California. As it happened, the noble objection of severing Brown's links to the Mossad - typified by New York financier Arthur Krim, a moving force inside Transamerica Corporation, the funder of the Project One brainwashing center that produced Jimmy Jones' "congregation" - was not conducted through noble means. Someone screwed up the Brown family's 10-cent-abarrel rakeoff on Indonesian oil sold in California, and used the financial pressure to obtain political concessions!

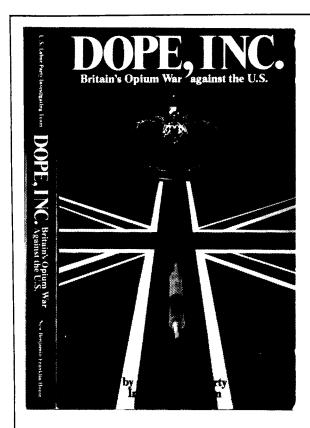
The Indonesia story is not exactly a detour: it is a good example of what forces are at work. Former Gov. Pat Brown and his son Jerry got the Indonesian rakeoff through Arthur Goldberg's influence in the management of Indonesia's oil company Pertamina. Goldberg's agent was a Mossad-linked shipowner named Rapaport. Pertamina's bankruptcy in 1976 — inspired by Brown's and Goldberg's enemies in the U.S. — began a chain of events which, earlier this year, promised to wipe the Brown interests out, along with Arthur Goldberg's London-based Great American Investment Company.

Goldberg, one of the worst thugs in American politics, financed his 1970 gubernatorial race against New York Governor Nelson Rockefeller through the same Mossad creeps who bankrolled the brainwashing operation that produced Jonestown, including Transamerca's Arthur Krim. That group stood to lose a lot when Jerry Brown's financial antagonists forced him to dump Lieutenant Governor Dimely, Brown's liaison with the kooky cult groups, earlier this year. They stood to lose everything when some of the "old boys" got Leo Ryan to knock over their little dope- and gun-running operation at Jonestown. So they murdered Ryan and accelerated the selfdestruct scenario of the People's Temple.

Broadly speaking, the interests who wanted to clean out the Augean stables of the Brown Administration in California were the same ones who had tangled with Brown's environmentalists over the importation of Alaskan oil into California, and the same interests who object to the destruction of America's link to its allies Iran and Saudi Arabia. That reflects on the motive for the apparent sabotage of Alaskan Sen. Ted Stevens' plane last week; Stevens was the most popular opponent of the environmentalist crazies, and also Republican Whip in the Senate. Young Rep. Steiger, who had already made his reputation as the sponsor of a promising piece of legislation for capital gains tax cuts to stimulate capital investment, was closely tied, as a matter of business, to the same interests.

A dirty-tricks war fought behind the scenes, through violence and scandal, isn't the best thing for the country. It is the case in the present situation that the Anglo-Zionist group has gone overboard, and pushed even some of their old friends and collaborators in the business, political, and intelligence community into fierce opposition. The old "Anglo-American" alliance is breaking up. But these issues must be fought out before the public view, the way the book Dope, Inc. presents them. What is most important in the Resorts International case, finally, is that the honest law enforcement officers who have been waiting for years to get these criminals - the same people, in some cases, who helped make Dope, Inc. possible - now have their chance. The "fight at the top" should be seen as an opportunity to wipe out the corrupt and subversive element in America's guardian agencies. as well as the policies behind such elements.

— David Goldman



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