

# The Danger Of International Merger-Mania



**By Eustace Mullins**

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The merger of General Electric Corp. and RCA is a landmark event in the rapid consolidation of foreign power in the American marketplace. Arthur Fleischer Jr., a lawyer with Fried, Frank, Shriver, Harris and Jackson handled the legal details of this giant merger. Despite the vast sums involved, there are only three lawyers who have been handling the recent wave of mergers and buyouts of American corporations. They are Arthur Fleischer Jr., Martin Lipton, and Joseph Flom, of Skadden, Arps and Flom. The mergers have been financed by the issuance of so-called "junk bonds", that is, bonds which are not highly rated by Wall Street. The firm which pioneered in the issuance of junk bonds, that inaugurated the era of the giant mergers, is Drexel, Burnham and Lambert of New York, a firm which is affiliated with Banque Bruxelles Lambert of Belgium. Banque Bruxelles Lambert is the Belgian headquarters of the Rothschild family. This is also the reason that Baron Guy de Rothschild has built the World Computer Center in Brussels, to maintain files on the subjects of all the captive nations ruled by the Rothschild interests.

You have probably heard about the European Economic Community, but it is unlikely that you have been informed of its real purpose. The purpose of the European Economic Community is to provide food from the "free" nations of Europe to the Soviet Union. EEC provided the Soviet Union with 621,000 tons of foodstuffs in 1978; 3,000,000 tons of food in 1980; and 6,500,000 tons of food in 1984. This food is furnished to the Soviet Union by EEC at prices far below the market prices at which the inhabitants of the "free" nations can buy these same commodities. Flour goes to the Soviet Union for 20% of the price paid by Europeans; sugar goes for 28% of the European price; butter is furnished to the Soviet Union for 12% of the European price; and wine is shipped to the

Soviets for 2.5% of the European price. In effect, the "free" European nations are engaged in a gigantic effort to maintain the Soviet Union.

But what does this have to do with the merger of GE and RCA ? It has everything to do with it. The program is to reduce American workers to faceless serfs whose mission in life is to provide for the Soviet Union, as the citizens of our European allies are now doing. To achieve this goal, it is necessary to merge our productive capacity into one giant corporation, managed from Rothschild headquarters in Brussels, and to maintain ironbound thought control over the daily lives of the slaves. General Electric gains control of one of the three major networks by this merger; NBC is a subsidiary of RCA. Meanwhile, ***Businessweek***, Nov. 11, 1985, notes that news mogul Rupert Murdoch has allied his group, News International PLC, with Banque Bruxelles Lambert, "Belgium's biggest financial company" according to ***Businessweek***, in a new conglomerate, Media International, which will control most of the television market throughout Europe. Banque Bruxelles Lambert has a major stake in Compagnie Luxembourgeoise de Telediffusion, the largest independent TV broadcaster in Europe. This story was followed a few days later by the announcement that France had given Christopher Riboud the first private TV channel in France. And who is Christopher Riboud ? He is the son of Jean Riboud, the powerful head of the international firm of Schlumberger Inc., the oil field giant, which got its first contract in 1928, as a newcomer in business, from the Soviet Union, and which has been the major fundraiser for the Socialist Party in France for many years, culminating in the Socialist victory of Premier Francois Mitterand. The Schlumberger firm has also been identified as being closely connected with international intelligence operations, particularly the Swiss Secret Service.

Although General Electric is considered to be a major producer of consumer products, television sets, electric irons and the like, in fact, two-thirds of its sales are made to industry and to the federal government. RCA is also a major defence contractor, yet the merger of these two firms, engaged in much the same enterprises with the same customer, brought not a whisper of "monopoly" or conflict of interest from the Department of Justice. General Electric was founded by Thomas A. Edison, the great inventor, as Edison Electric Co. in 1878. When

Edison needed capital to expand the firm, he found that Edison Electric could not raise any funds in the New York money market. J.P. Morgan explained to him that it would be necessary to set up a new firm, which the bankers would finance, and thus General Electric was incorporated in New York on April 15, 1892. From the outset, it was controlled by the J.P. Morgan interests, which in turn were controlled from London by the Rothschild interests. J.P. Morgan Co. of New York had been preceded by the George Peabody Co. of London, established in 1838, which in turn became Junius S. Morgan Co. in 1864. Junius S. Morgan was the father of J.P. Morgan. Although J.P. Morgan became renowned as the pre-eminent American banker, the London firm, renamed in 1910 as Morgan Grenfell, and reincorporated as a private limited company in 1936, has always been the dominant factor. Morgan Guaranty Trust, the Morgan bank in New York, is the bank of General Electric.

RCA has already been linked with GE in its inception, when Franklin Delano Roosevelt, as Assistant Secretary of the Navy, requested GE to create the RCA firm in order to develop radio patents. RCA was incorporated Oct. 17, 1919 in Delaware. It was headed by a Russian Jewish immigrant, David Sarnoff, who demonstrated television at the New York World's Fair in 1939. GE and RCA had ostensibly parted company in 1932 because of anti-trust laws, but the firms continued to have interlocking directorates through the Morgan interests.

During the 1930's and 1940's, General Electric was headed by Gerard Swope. He was a principal architect of the New Deal, including its more stringent controls over the working people of the United States. Supposedly he patterned many of his ideas after Mussolini's Italian fascism. The principal plank of the Swope program, the National Recovery Act, was promptly struck down by the Supreme Court as unconstitutional. Swope was the brother of Herbert Bayard Swope, who had become Bernard Baruch's righthand man at the War Industries Board during World War I, when Baruch boasted that he single-handedly controlled the entire industrial production of America. Also at the War Industries Board was Gen. Hugh S. Johnson who later became Roosevelt's righthand man in administering the New Deal, John M. Hancock of Lehman Brothers, and Eugene Meyer of Lazard Freres who later bought the *Washington Post*. After World War I, Baruch set Herbert

Bayard Swope up as proprietor of the *New York World*. The paper became the mouthpiece for the program of the international bankers.

When Gerald Swope died in 1957, he left his entire estate, some eight million dollars, to the State of Israel to establish the Israel Technion Institute. In order to insure that Israel received his entire fortune, without any tax paid to the United States, he used his enormous influence to have Congress pass a special bill for him just before he died which allowed his entire estate to be transferred to the State of Israel without being taxed.

When General Electric decided to buy RCA for \$6.28 billion, its bookkeepers found a most fortuitous circumstance. It just happened that in the previous three years, General Electric had earned a profit of \$6.5 billion on its domestic operations, on which it had been required to pay no tax. Not only that, but in 1983, General Electric claimed a \$283 million tax refund from the U.S. government ! It would seem, then, that General Electric's acquisition of RCA has been entirely paid for by the generosity of American taxpayers. At the time of this acquisition, a price of \$66.50 a share for RCA was agreed upon. T. Boone Pickens, no stranger to takeovers and mergers, promptly declared that the actual value of RCA shares was \$20 more, or \$86.50 a share. Most Wall Street analysts computed the actual value of RCA at between \$70 and \$85 a share. It is now generally believed that the actual worth of RCA at the time of this transaction was \$90 a share. Thus it would seem that the shareholders of RCA were rocked out of about thirty percent of their payment. The GE offer, undervalued though it may have been, aroused no qualms in the chairman of RCA, Thornton Bradshaw. Not only did the deal include a provision that he be retained by GE as a consultant for the next three years, a largely honorary position, but he will get seven million dollars by exercising his stock options. It was revealed that the directors of RCA only owned 1% of the stock, so they stood to lose little by selling it at an undervalued price.

The directors of General Electric include Silas Catchart, chairman of Illinois Tool Works, and director of Jewel Tea Co., Quaker Oats, Northern Trust Co., and Bethlehem Steel; and Laurence Fouraker, chairman of the Boston Museum of Fine Arts, and George F. Baker Professor at Harvard, where he is dean of the Baker School of Business

(George F. Baker established the Harvard Business School with an endowment of five million dollars in the 1920s; he was founder of the present Citibank, and partner of J.P. Morgan in many enterprises). Other directors of General Electric are Henry Hillman, director of Cummins Engine Co. and the Carnegie Institute; Edmund Whittlefield, who was with Standard Oil of California for many years, and is a director of Federated Dept. Stores, Wells Fargo, and Santa Fe Southern Pacific; Gertrude Michelson, senior vice president of R.H. Macy Co., trustee of the Markle Foundation, trustee of the Helen Rubinstein Foundation, Columbia University, and Spelman College (a Rockefeller family college). She is also a director of Chubb Insurance, Harper & Row publishers, Quaker Oats, Goodyear, Stanley Works, and the Federal Reserve Bank of New York.

Perhaps the most influential financier on the board of General Electric is Lewis T. Preston, who for many years has been chairman of J.P. Morgan Co. and Morgan Guaranty Trust, the bank for General Electric. He is also trustee of the Pilgrims, the Committee for Economic Development, and the Guggenheim Foundation. Preston was an heir to the Baldwin locomotive fortune, one of the Morgan interests, and later married the heiress to the Pulitzer fortune. Interestingly enough, whenever financial writers mention General Electric Co. of England, they hasten to point out that it has no connection with the American Company. However, the list of directors of General Electric of England lists the name of Lord Catto. Lord Catto is chairman of Morgan Grenfell Co. of London, which is the London branch of the Morgan interests. If we recall that J.P. Morgan organized the present General Electric Co. in 1892, it may be of more than passing interest that both the American and English companies have a chairman of a Morgan bank on the board of directors.

Other directors of General Electric include Henry L. Henley Jr., chairman of Cluett Peabody, and director of Bristol Myers, Olin Co. (the munitions firm), Home Life Insurance, Manufacturers Hanover Bank, and Manufacturers Hanover Trust (Manny Hanny, as it is known on Wall Street, was identified as one of the principal Rothschild banks in the United States by Congressional investigations); Ralph Lazarus, chairman of Federal Dept. Stores, director of Chase Manhattan Bank and Chase Manhattan Corp.; George M. Low, born in Vienna, married Mary

McNamara, now president of Rennselaer Polytechnic Institute, director of Committee for Economic Development, and recipient of the Rockefeller Public Service Award; Andrew C. Sigler, chairman of Champion Paper, director of RCA and the Cabot Corp. Wriston is also director of Bechtel Corp., a firm closely identified with the CIA, J.C. Penney, Reuters Holdings, the international news firm, and the supposedly rightwing American Enterprise Institute in Washington. Also on the board of General Electric is Barbara Scott Preiskel, the legal counsel of the giant entertainment holding company, Music Corp. of America since 1959; she is also a director of Jewel Co. and Textron. She is chairman of the board of Wiltwyck School, which was one of the late Eleanor Roosevelt's favourite charities, and a director of the Yale Corp. Her husband is professor of law at Yale, and also practices law in New York.

Although General Electric Co. of England is advertised as having no relation with the U.S. firm, it also boasts of a board of directors with stellar connections. It is reputed to have some \$2 billion in cash at the present time, and is one of the largest operators in the United States. It wholly owns A.B. Dick Co., Hotpoint, and White Motor Co. The chairman of General Electric Co. of England is Lord Carrington, who is related to the Rothschild family. The first Lord Carrington was Archibald Primrose, whose son became Viscount Rosebery. In 1878, the 5th Earl of Rosebery married Hannah Rothschild, daughter of Mayer Rothschild. Lord Carrington is chairman of Australia New Zealand Bank, director of Rio Tinto (one of the three firms which comprise the Rothschild family fortune), Barclays Bank, Cadbury Schweppes, Amalgamated Metal, British Metal, and Hambros Bank. In the 1985 *British Who's Who*, Lord Carrington dropped all of these business listings from his entry. He had a long career with the British Government, serving as First Lord of the Admiralty (a post also held by Winston Churchill), Secretary of State for Defence, and Minister of Foreign Affairs from 1979-1982.

As Foreign Minister, Lord Carrington worked closely with his American counterpart, Henry Kissinger. On leaving this office in 1982, Lord Carrington formed a partnership with Kissinger called Kissinger Associates, an extremely high-priced lobbying association. Lord Carrington was recently appointed head of NATO, the Brussels office of

which is in effect the governing body of Europe. His mother was the daughter of Viscount Colville, who was financial secretary of the Treasury from 1936-38. The Colvilles have also played a prominent role in recent English history. One of Lord Carrington's Colville cousins, David Colville, was with Lloyds Bank and later became a partner of N.M. Rothschild & Sons of London. David Colville was also the first partner of N.M. Rothschild who was not an immediate member of the Rothschild family. David's younger brother, Sir John Colville, is now a director of the Ottoman Bank, and also Grindlay's Bank. The former chairman of Grindlay's Bank is Lord Aldington, director of Citibank and now chairman of the Rothschild firm Sun Alliance Assurance. Sir John Colville was a page to King George V from 1927-1931. He was appointed private secretary to Prime Minister Neville Chamberlain in 1939, and became private secretary to Chamberlain's successor as Prime Minister, Winston Churchill, whom he served from 1940-45. In 1945, Sir John Colville became private secretary to the new Prime Minister, Clement Attlee. He was then named private secretary to the then Princess Elizabeth (now Queen) from 1947-49, and also served as private secretary to the Prime Minister from 1951-55. Thus we can see that General Electric of England not only has direct connections to the Rothschild interests, but also to the throne itself.

The directors of General Electric Co. of England include Lord Catto, previously mentioned as chairman of Morgan Grenfell Co., the Morgan bank of London, Lord Aldington, also mentioned as director of Citibank, and the Rothschild firm, Sun Alliance Assurance; Sir Robert Clayton, who has served since 1983 as chairman of the prestigious government Monopolies and Mergers Committee; Lord Nelson of Stafford; Lord Weinstock, managing director of GE of England; Sir Robert Telford, chairman of the Marconi Co.; and Sara Morrison, daughter of Viscount Lang and the Duchess of Marlborough. She is a director of the influential program, 4th Channel TV, and one of the principal organizers of the Conservative Party. She is a close confidant of the present Prime Minister, Margaret Thatcher. She is married to Charles Morrison, son of Baron Margadale.

General Electric Co. of England recently merged with Plessey Co., a giant defence supplier which is also controlled by the Rothschilds. In



1984, General Electric Co. of England earned \$985 million profit on sales of \$8.2 billion.

In 1985, Drexel Burnham Lambert Co. of New York, a Rothschild controlled firm, issued some \$15 billion in junk bonds. The results of this operation of leveraged buyouts and deductions of interest costs will force U.S. taxpayers to pay billions in increased taxes. Our lawmakers are now frantically trying to load this additional burden onto the backs of taxpayers through "tax reform", a program which is intended solely to recoup for the U.S. Treasury the billions of dollars lost by these cleverly managed financial operations on the part of the Rothschilds and their American subsidiaries. The *Wall Street Journal* recently reported that in 1984, \$113 billion worth of stocks were retired because of these mergers; in 1985 another \$114 billion worth of stock was retired. The recent upsurge in the stock market reflects these operations. There has really been no increase in the values of the stocks which have gone up, because their profit picture remains dim. Institutional buyers, needing to invest a certain amount in stocks, have been buying from a diminishing supply; thus the law of supply and demand has forced up the Dow Jones average; thus, there has been no real increase in stock values.

The Wall Street Journal also reported an increase in corporate debt of some \$360 billion in 1984 and 1985. This means that American corporations must pay some \$36 billion a year in added interest charges. This effectively relieves them of paying taxes, and again increases the burden on the American taxpayer. The corporations are increasingly being placed in the position of Third World countries such as Mexico and Brazil; their gigantic debt, which they probably will never be able to pay off, renders them technically bankrupt. It also reduces American citizens to the status of Third World denizens, and the United States in the hands of the international financiers has now become merely another Banana Republic. Like other Banana Republics, the United States faces a bleak future of steadily increasing taxation, rebellion, military dictatorship, and civil war. It is estimated that some 24,000,000 Americans will be killed before we can throw off the chains of the occupation government.

To forestall this day of reckoning, the foreign occupying power tries to steadily increase its control of the thought processes of all Americans.

Many television programs are distributed under the aegis of a firm called Viacom International. This company was a spin off from CBS in 1970. It has recently been expanding rapidly, due to the huge revenues resulting from its control of so many television programs. It recently bought MTV for \$694 million. It also purchased the other half of Showtime, having previously bought half of this firm several years ago. Viacom owns eighteen cable television systems. It is planning to buy half of the MGM distribution network being auctioned off by Ted Turner, who is in desperate need of cash to pay for his purchase of MGM-United Artists. Viacom had originally offered to put up \$300 million to help Turner buy this network; suddenly the offer was withdrawn. Turner also had expected Drexel Burnham Lambert, the Rothschild junk bond specialists, to put up a billion dollars to finance this purchase. Apparently he was suckered in a classic squeeze play, the goal being to gain control of his independent TV network. Meanwhile, Viacom continues to expand; it recently bought the Group W Cable System from Westinghouse, and it bought St. Louis station KMOK for \$122.5 million. During the first nine months of 1985, Viacom showed a profit of \$28.5 million, up 38% from the previous year.

Because of this built-in profit structure, Viacom has become an attractive prospect for takeover specialists. The \$1 billion company, JMB Realty Co. bought 11.47% of Viacom. JMB Realty's president is Neil C. Bluhm; vice president is Judd D. Malkin; directors are Bruce Block, Selden T. Swope, and Morris Spector.

The present chairman of Viacom is Ralph M. Baruch. Baruch was born in 1923 in Frankfurt, Germany, legendary home of the Rothschild family. He left Germany in 1933, and became a naturalized U.S. citizen in 1944. He is also chairman of the International Rescue Committee. Viacom's president is Terrence Elkes. Directors of Viacom include Leo Cherne, a longtime leftwinger who is now director of the Research Institute of America. Cherne was with the radical New School of Social Research in New York in 1952. He is now chairman of the liberal stronghold, Freedom House. He is also a director of the Oppenheimer Fund, and trustee of the Wilkie Memorial. Gen. William Draper of Dillon Read sent Cherne to Japan in 1946 as fiscal adviser to General Mac Arthur. The Japanese "economic miracle", usually attributed to

Gen. MacArthur, actually was directed by Gen. Draper with Cherne as his emissary. Cherne is also well known in Washington for another reason; he gave William Casey his start in intelligence work. Casey is now director of the CIA. Cherne has been chairman of the President's Foreign Intelligence Advisory Board since 1973. He has been a director of the Centre for Strategic and International Studies since 1975. This is the supposedly "conservative" Georgetown University group set up by Evron Kirkpatrick, veteran intelligence operative and husband of Jeane Kirkpatrick.

Other directors of Viacom include Nancy Reynolds, a member of the DuPont family who is said to be related to William Bradford Reynolds, assistant U.S. Attorney General; Joseph F. Conon, a Fulbright scholar who studied at the London School of Economics, now vice president of Combustion Engineering, a firm founded by Gen. Draper of Dillon Read; and Harry Plotkin, a show business legend for many years. Plotkin has been a lawyer with the Washington lobbying firm of Arnold, Fortas and Porter since 1951. He is generally considered to be the man to hire if you want something passed on Capitol Hill affecting the TV and movie industry. He is currently with the firm of Arent, Fox, Kintner, Plotkin and Kahn in Washington, which is the chief movie lobbying firm.

It would be a mistake to believe that this is merely a recounting of sharp practices and clever financial manoeuvres by a small group of ruthless men. What we have described here is the looting of a nation; the reducing of the proud inhabitants of our great republic to the status of serfs, waiting for their lords to increase the demands for a greater share of their slender resources. Technically, the United States is already bankrupt. The actual land value of the United States is estimated to be about \$600 billion. We have an actual national debt of somewhere between one three trillion dollars. Figuring in long term obligations, it comes to about six trillion dollars, or some ten times the actual worth of the entire nation. The first American Revolution was triggered by taxation approximately one tenth of that presently paid by most American citizens. No one can seriously believe that the international criminals, who have attained their goal of enslaving us forever by their long term program of debt and thought control, will give up their gains by any type of negotiation or arbitration. Lexington is still there, and soon it will be time to once again cross the bridge.

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