Here is a typical case of a Drexel Burnham-funded hostile takeover: In 1987, Drexel floated $50 million in junk bonds for Doskocil, a midwestern meat producer, to complete a hostile takeover of Wilson Foods, an Oklahoma City meat packer six times larger than Doskocil. Doskocil had annual sales of $215 million; Wilson had sales of $1.3 billion; Doskocil had 900 employees, Wilson Foods had 5,500; Doskocil had 5 plants, compared with Wilson's 12.

In January 1989, Doskocil formally took control of Wilson Foods, firing the president, chief executive officer, and more than 100 salaried employees. The huge, high-interest debt that Doskocil incurred to buy Wilson Foods, proved too large for Doskocil. It fired workers, closed plants, and cut wages. Ultimately, on March 5, 1990, it filed for bankruptcy protection.

By 1985, Michael Milken was helping corporate raider Carl Icahn make an $8.1 billion bid for Oklahoma-based Phillips Petroleum, an oil company ten times the size of Icahn's holding company. Milken asserted, with no backup documentation, that he could mobilize the entire $8.1 billion from his pool of "offshore investors" in 96 hours, to secure a hostile takeover. Corporate managers were given the choice: Either cave in to Milken's "friendly" takeover offer, or lose everything via the hostile takeover route.

But who, or what, was Drexel Burnham Lambert? Everybody was told that it was an investment bank run by Michael Milken, but that was a fairy story: Drexel was run by the highest levels of City of London finance, and their own extensive apparatus of organized crime.

In the 1960s, the biggest money-laundering machine in the world was the Geneva, Switzerland-based Investors Overseas Services, whose president was Bernie Cornfeld. IOS was actually owned and run by Baron Edmond de Rothschild, a billionaire, from his Geneva-based Banque Privée. IOS ran hundreds of millions of dollars worth of flight capital weekly, and laundered casino and drug money for National Crime Syndicate boss Meyer Lansky, a patron of the Anti-Defamation League of B'nai B'rith (ADL). During the 1960s and early 1970s, IOS was also the largest single investor in the U.S. stock market.

During this period, IOS's lead investment bank was none other than Drexel investment bank, which was called at the

General Dynamics downsized as stock price soared

In 1991, William Anders assumed the chairmanship of General Dynamics, a Fortune 100 company, and America's second largest aerospace-defense firm. General Dynamics possessed sophisticated technological assets, which could be used either for defense production or conversion to high-technology industries that America desperately needs. Immediately, Anders began asset-stripping the company. His goal: to force up its stock price, and to pay out the cash inflows from the sale of its divisions as huge lump sum dividends to stockholders and himself.

Anders started tearing the company apart in September 1991, when he sold General Dynamics' computer division to Computer Sciences Corp. In 1992, in quick succession, he sold, in January, its Cessna unit to Textron, Inc.; in May, its missile division to Hughes Aircraft Co.; and in September 1992, its electronic division to the Carlyle Group of Frank Carlucci. In January 1993, he sold its jet fighter division, which is anchored by its Fort Worth, Texas factory, which manufactures the radar-evading F-22 and the F-16 fighters, to Lockheed Corp. for $1.525 billion.

In two years, Anders had sold off so many assets, that had he reduced sales revenues from $10 billion to $3.5 billion, a cut of 65%, and reduced its labor force from 55,550 to 20,100, a cut of 64%. One might think that Wall Street would have been horrified.

Quite the opposite. In 1991, when he took over the company, General Dynamics's stock hovered at $25 per share. With each sale, the price went higher. As rewards to himself and company stockholders, Anders paid out huge special dividends, including a one-time payment of $75, tax-free, for each share of General Dynamics stock. No wonder Wall Street wanted to get aboard this ride. General Dynamics stock peaked at $118 per share, a nearly fivefold increase.

Anders was given stock options, some of which would be worth something to him, only if he kept General Dynamics's stock price above a certain level. He did that. Over two years, he pocketed $44 million in base pay salary, and benefits from exercising his options, special share payouts, etc. Two dozen other senior officers benefitted to the tune of $15 million. An additional nearly $700 million was siphoned from the company and paid to stockholders. In early 1993, Anders stepped down as the chief executive officer of General Dynamics, having downsized the company to a nub. Many of the divisions that Anders sold, when merged with the company that purchased them, were faced with the shutting down of capacity, the firing of workers, and other rationalization.

Anders earned the name of "Terminator" while at General Dynamics, but Wall Street rallied to his cause. One executive stated, "If I was a stockholder of Westinghouse and Anders showed up as CEO, I'd buy [more stock]."