




A HISTORY OF CENTRAL BANKING AND THE ENSLAVEMENT OF MANKIND



Stephen Mitford Goodson



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Enslavement of Mankind

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This book is dedicated to Knut Hamsun, a beacon of light and
hope of the natural world order.

*And you will never understand American history
or the history of the Occident durin' the past 2000 years
unless you look at one or two problems;
namely, sheenies and usury.
One or the other or BOTH. I should say, both.*

- Ezra Pound

By the Same Author

General Jan Christian Smuts: The Debunking of a Myth

Inside the South African Reserve Bank: Its Origins
and Secrets Exposed

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Foreword

This book is bound to be controversial and engender strong reactions and I cannot endorse all of the viewpoints expressed therein.

Why would a seemingly old subject matter such as the history of central banking and of the monetary system give rise to such strong reactions? One must wonder why some will attach to this book the stigma of heresy and argue that Stephen Cloodson has gone beyond the parameters of acceptable historical debate.

Cloodson has the credentials and track record to make a credible presentation of a subject matter which he has researched for decades and which he has lived personally as a non-executive Director of the South African Reserve Bank.

I do not have the expertise to say whether Cloodson's findings are accurate, but I do know that the raw nerves he touches are on account of central banking and the monetary system created hereunder being at the core of the persistent profound and intractable differences in wealth distribution within any given country, and among countries.

For this reason, for several years, my Party and I have argued that South Africa should reform its central banking and monetary system, even if that means placing our country out of step with iniquitous world standards.

Books on economics and banking are generally viewed as being abstract, whose readers are confined mainly to academia and the business world. In this case we have a notable exception.

This work provides not only a broad sweep of the history of economics over almost three millennia, but insights into how the problems of usury have been confounding and enslaving mankind since its civilized existence first began.

Foreword

It may shock some to realise that central banks, not just the world including our own South African Reserve Bank, do not serve our own best interests and are in fact engaged with private banks. This is not only concerning our sovereignty but deprives us of the real possibility of having publicly issued debt free money which belongs to the people as a sovereign asset and interest free means of exchange.

Instead, in our country as in other countries, we use private money produced out of debt by the private banking system. Switching from bank notes to government notes would provide our people with a debt free which is blessed, prosperous and sustainable. But such a simple reform would be a real revelation more difficult to bring about than any other reform or social change imaginable.

Although South African apartheid is freedom in 1994 in all its outward manifestations, inwardly, with the exception of a small minority of black and white entrepreneurs, the general population has neither benefited nor lived and moreover has not realised its latent potential mainly because of the defects in the monetary system. If we are to achieve real freedom, it is imperative that monetary reform be pursued with the same vigour and intensity as was displayed towards political reform during the struggle years. But that requires understanding the complex issues of how money is created, whom it belongs to and whose interests it serves.

In this book, Coakson has not only searched numerous successes of previous states rather than private banking systems, but has also provided us with a blueprint which may address many of our entrenched social problems, such as slow economic growth, high unemployment and declining services.

A bet decidedly controversial, this is a book which thinking South Africans should read as an inspiration for practical action.

A History of Central Banking

In his address before the American Newspaper Publishers Association on April 7, 1961, President John F. Kennedy famously stated: "Without debate without criticism, no administration and no country can succeed — and no republic can survive. That is why the American lawmaker Susan declared it a crime for any citizen to shrink from controversy."

Princess Mangosuthu Buthelez MP
President of the Inkatha Freedom Party,
Republic of South Africa

26 June 2013

Introduction

History is the most crucial subject of any educational system superseding science and the mathematics in importance. Without its fabric, the world recedes into darkness, which is both and reason are necessary for the continued existence of any people. If history is compromised by falsifications and omissions, which are frequently imposed by leaders, then the civilisation will decay and finally collapse, as may be observed in the slow disintegration of Western civilisation since 1945. George Orwell expressed a similar sentiment in 1984 when he wrote: "The most effective way to destroy people is to deny and obliterate their own understanding of their history."

Winston Churchill once made the observation that the further one goes back into history, the clearer the picture becomes. By employing this technique the author is hopeful that any doubts, which leaders may have concerning his analysis and exegesis of modern historical events, will be assuaged if not entirely eliminated.

For any nation's or society's community to have full sovereignty and independence in its affairs, absolute control over the means of employment, exchange of goods and services must reside with the organs, which represent the people, and may not be delegated to private individuals.

Throughout recorded history periods of stable control of the money supply have been synonymous with eras of prosperity, peace, cultural enrichment, full employment and zero inflation. However, when private bankers usurp control of the money creation process, the inevitable results are recurring cycles of prosperity and poverty, unemployment, embedded inflation and an enormous and ever increasing transfer of wealth and political power to this tiny clique, who control this exploitative monetary system. Whenever these private and central bankers have been opposed in the past by nations seeking restoration of an honest

Introduction

money system, these parasitic bankers have invariably invoked a "particular" war in order to defeat the much maligned "enemy". This has been a feature of almost all wars during the past 3000 plus years.

This book provides insights as to how private bankers since ancient times have abused monetary systems, whether they are based on coin, bank notes, cheque or electronic money, by creating money out of nothing as an interest-bearing debt in order to arrogate supreme power to themselves. It also provides a recipe, both ancient and modern, of societies and civilisations which have flourished in an environment free from the burden of usury.

The solution is simple and self-evident. If we wish to obtain our liberation and sovereignty from the enslavement imposed by the private bankers, we must dismantle their fractional reserve system of banking and supporting central banks, or we ourselves shall be destroyed and consigned to oblivion.

Stephen Mitford Goodson

June 20, 3

Chapter 1

How Usury Destroyed the Roman Empire

Money has got out of its proper use, and has become a property, which should be put out to use, and thus the interest of it has been made the purpose of exchange, and not of release. Men can do but little, and it is not made to be put out to use, as if it doing nothing.

– Aristotle, Politics

The monetary systems of the Roman era (53BC – 565AD) may be divided into three distinct periods. There are in fact three different metals were used as the means of exchanging goods and services. Although there is evidence of modern human occupation (Homo sapiens) in the Rome area going back 4000 years (with Neanderthals living there since 43000 years ago), Rome, as a city is traditionally said to have been founded by Romulus and Remus in 753BC in a region surrounding the Palatine Hill, also known as Latium. According to the legend, Romulus (who killed his brother Remus) became its first king but later shared the throne with Itys Tarus, the ruler of the Sabines.

Around 600BC Latium came under the control of the Etruscans. It lasted until the last king, Tarquin the Proud, was expelled in 509BC and the Roman Republic was established. The Etruscans, a people of Aryan origin, created one of the most advanced civilisations of that period and built many temples and numerous public buildings in Rome.

The first money used in Rome was the cow. This was not true money but a barter system. Many early peoples used cattle as a medium of exchange. According to the legend of Heracles and the Augean stables, the cow kept here, over 1000 in number, represented the treasury of King Augeas.

The Copper Age (753 – 267BC)

As time went on the Romans started using instead of cattle regular strips of copper or bronze. These strips were called *aeræ* (rough metal) and had to be weighed for every transaction.

There was an increase in trade and Rome became one of the most prosperous cities in the ancient world. This prosperity was based on mined copper (and bronze) metal which was measured by weight according to a fixed system. A coin was issued by the Roman Treasury in the form of a metal weighing 3.5 lbs (1.6kg) with the 1/4 thickness of the silver coin which was *as* (*as signatus*) stamped metal. It was used if it was stamped by the government with a cow eagle or a plow or other image. Sometimes they were made to resemble a seal or shield. In 289BC these ingots were replaced by a second cast leaded bronze coins (*aes grave*) which meant they represented national money and were paid into circulation by the state and gave was only of value inasmuch as the symbols on which its numbers were recorded were scarce or otherwise. This money was thus based on law rather than the metal itself. It was not although it was uncoined and the coin did have some intrinsic value unlike the coins of today. This can be considered as an early example of the successful use of fiat money.

While fiat money is made and issued in some countries for example by the issuers of Austria, Germany, and Japan. Money here is not only issued by the government but also issued by private bankers and is strictly protected against counterfeits. Note that money in contrast to the silver and gold which it will never set the prices of and are still used by private bankers can control the money supply.

1. *As* was the name of the Roman silver coin. It was the first silver coin to be issued by the Roman government. It was made of silver and weighed 1/4 of a pound (1.6kg). It was used as a unit of account and was the first silver coin to be used in the Roman Empire.

2. *Aes grave* was the name of the Roman bronze coin. It was the first bronze coin to be issued by the Roman government. It was made of bronze and weighed 3.5 lbs (1.6kg). It was used as a unit of account and was the first bronze coin to be used in the Roman Empire.



Roman *aes Grave*, bronze coins 241-235 BC

Up to 300BC there was an unsurpassed increase in public and private wealth of the Romans. This may be measured in the gain in land. After the conclusion of the Second Punic War in 201BC and the defeat of the Carthaginians, the Roman Republic increased in size from 2,35 square miles (5,535 sq km) to 10,350 square miles (26,805 sq km) or 25% of peninsular Italy. In tandem with the expansion of its land area the population rose from about 750,000 to one million with 250,000 persons living in Rome itself.

A partnership was formed between the Senate and the people known as *Senatus Populusque Romanus* (SPQR) the Senate and People of Rome. The political leaders were renowned for their frugality and honesty. The means of exchange was strictly regulated in accordance with the increase in population and trade and there was zero inflation.

Debt bondage was abolished whereby a free man offered his services as security for a loan + interest and where in case of non-payment the debt had to be worked off. This was abolished after *Plebeian* agitation by the *Lex Poetelia* in 326BC.

3. For an unsurpassed increase in the amount of land the Romans worked see the following

The Silver Age (267 – 27BC)

The traditional money system was destroyed in 267BC when the patricians were granted the privilege to mint silver coinage. This change was applied by a patrician who went to the temple at Janus. Money from whence he wore money's descent and converted a sack full of silver *aeris* into five times its original value by the simple expedient of stamping a new value on the coins. He has pocketed a very substantial difference in seigniorage for his own private account.

The early Roman silver coin was known as the *aureum* and was made of an alloy used in the Greek south of the peninsula. It was later replaced with the smaller and lighter *aureus*. There was also a half *denarius* called the *quadrans* and a quarter unit called the *sextans*. Still later the system was supplemented with the *denarii*, somewhat lighter than the *aureus* and probably intended to facilitate trade with Rome's Greek neighbours.

There were very few deposits of silver in the Italian peninsula and as a consequence the Roman army had to be expanded in order to conquer territories to obtain supplies. The Roman peasants who had provided the Republic with its independence were drafted in increasing numbers into the army. Agricultural production, especially corn, declined and the peasant farms were replaced by *latifundia* which were large estates worked by slaves. Wheat had to be imported from North Africa.

Tensions about the age-old tribal pact of co-operation between Rome and Latium dissolved in the Social War (90-89BC). This lack of enfranchisement had led to the fragmentation of Roman society and the alienation of the working class citizens who were created as state slaves who had no responsibilities and were therefore a commitment to the state. Unfranchised as

popularly known as the Social War. The result was a civil war which ended in 90 BC with the defeat of the rebels.



Roman Republican silver *Denarius*

the Second Punic War (218-201 BC) were not far removed from the current situation. For example, the silver mines had been exhausted. The Republic was experiencing more and more debt for the Punic wars, and the provinces were being stripped of resources. As a result of the economic and political situation, the Roman Republic was in a state of decline. There were several consequences of this decline, including the rise of the great generals.

There was a period of economic growth in the Roman Republic, which was followed by a period of decline. The main cause of this decline was the loss of silver mines from North Africa and the loss of the province of Gaul. The Roman Republic was in a state of decline by 133 BC, and the first of a series of wars were fought in 133 BC and 132 BC.

The Jewish Role in the Collapse

The Jewish role in the collapse of Rome is a subject of much debate. The Jewish role in the Roman economy is often seen as a major factor in the decline of the Roman Republic.

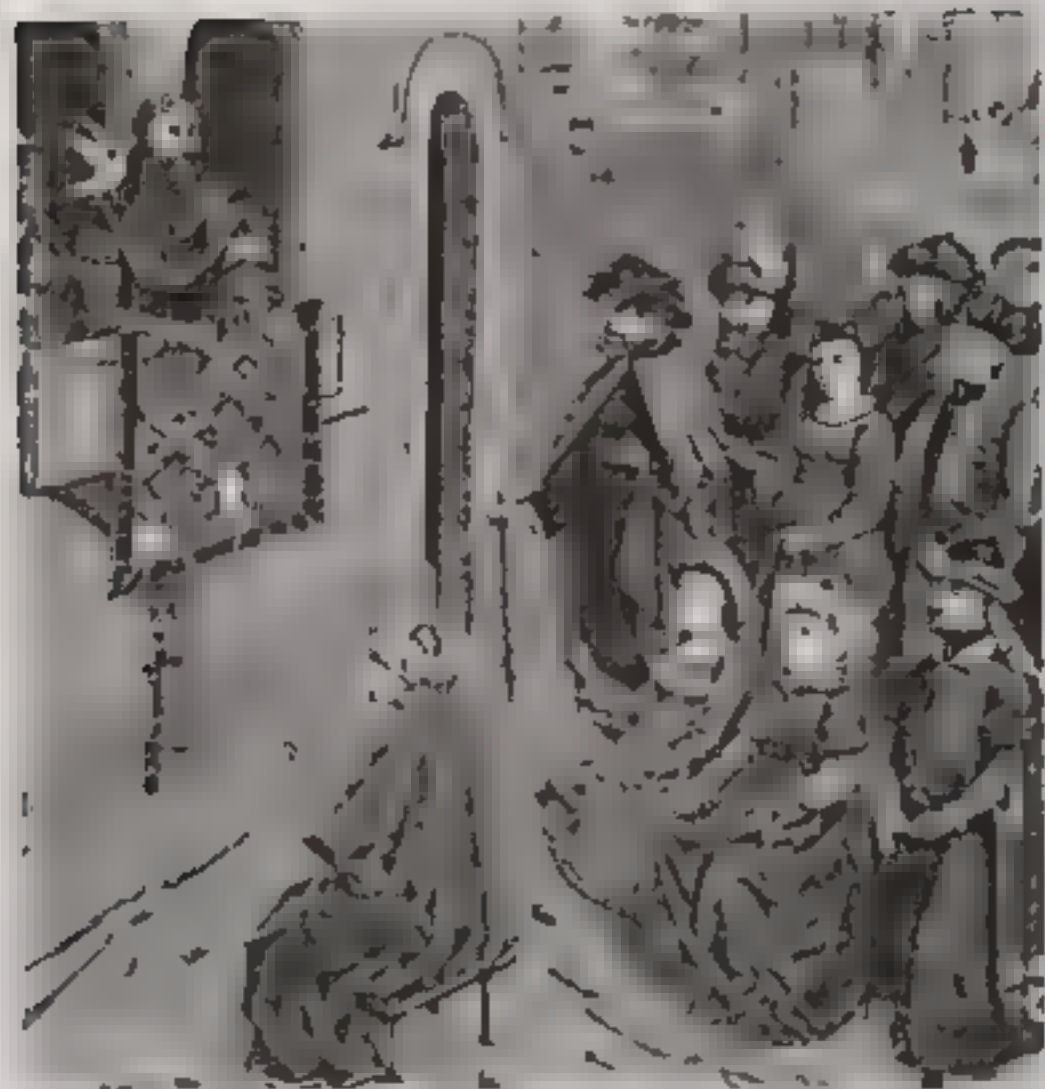


Fig. 1. The Jewish Role in the Collapse

1. The first stage of the collapse was the loss of the Jewish population in the East. This was due to the actions of the Jewish leadership in the East, who were responsible for the deaths of millions of Jews.

2. The second stage was the loss of the Jewish population in the West. This was due to the actions of the Jewish leadership in the West, who were responsible for the deaths of millions of Jews.

AD 1941

3. The third stage was the loss of the Jewish population in the Middle East. This was due to the actions of the Jewish leadership in the Middle East, who were responsible for the deaths of millions of Jews.

4. The fourth stage was the loss of the Jewish population in the Balkans. This was due to the actions of the Jewish leadership in the Balkans, who were responsible for the deaths of millions of Jews.

5. The fifth stage was the loss of the Jewish population in the Caucasus. This was due to the actions of the Jewish leadership in the Caucasus, who were responsible for the deaths of millions of Jews.



Julius Caesar

Julius Caesar (100-44 B.C.) was born in an aristocratic family in Rome in 100 B.C. He was tall and fair-headed and practised briefly as a lawyer before becoming a brilliant military commander who conquered Gaul (France) in 52 B.C. After his defeat of Pompey the Great in 48 B.C. at Pharsalus, Caesar became the undisputed leader of the Roman Republic. On his return to Rome in September 49 B.C., Caesar found the streets and squares crowded with a homeless people who had been driven off the land by usurers and land monopolists. 300,000 people were to be fed daily at the public granary. Italy was flourishing with disastrous consequences.

1. The Roman Republic was a form of government in which the citizens elected representatives to a council of 300 members, the Senate. The Senate was the highest authority in the Republic and was responsible for the administration of the state. The Senate was composed of members from the aristocracy and the middle class. The Senate was elected by the citizens and served for life. The Senate was the only body that could declare war and make peace. The Senate was also responsible for the appointment and removal of magistrates. The Senate was the only body that could pass laws. The Senate was the only body that could appoint and remove judges. The Senate was the only body that could appoint and remove the consuls. The Senate was the only body that could appoint and remove the praetors. The Senate was the only body that could appoint and remove the aediles. The Senate was the only body that could appoint and remove the quaestors. The Senate was the only body that could appoint and remove the tribunes. The Senate was the only body that could appoint and remove the censors. The Senate was the only body that could appoint and remove the pontifex maximus. The Senate was the only body that could appoint and remove the augurs. The Senate was the only body that could appoint and remove the haruspices. The Senate was the only body that could appoint and remove the augurs. The Senate was the only body that could appoint and remove the haruspices.



The Forum Romanum, as it was in the days of Augustus. The temple of Mars Ultor is on the right, the temple of Venus Genetrix in the center, and the temple of Antonine and Faustina on the left. The building in the foreground is the Curia Julia.

The principal cause of the civil wars were the military reforms of Sulla. As Lucius Appian Seneca 43 AD the proscriptions were the result of the military reforms. The proscriptions were the result of the military reforms. The proscriptions were the result of the military reforms. The proscriptions were the result of the military reforms.

At the time there were two main political parties, the *optimates* and the *populares*. The *optimates* were the conservative party, and the *populares* were the reform party. The *optimates* were the conservative party, and the *populares* were the reform party. The *optimates* were the conservative party, and the *populares* were the reform party.

The *optimates* were the conservative party, and the *populares* were the reform party. The *optimates* were the conservative party, and the *populares* were the reform party. The *optimates* were the conservative party, and the *populares* were the reform party. The *optimates* were the conservative party, and the *populares* were the reform party.

whenever the real persecutors were

Caesar had understood the evils of usury and how to counter them. He recognized the profound truth that money is a technical agent created by law for a national purpose and that to classes of men should be withheld from a right to misuse it. Otherwise, in order that speculators could advance the rates of interest or could buy up property at ruinous prices after such panic.⁶

He introduced the following social reforms:

1. Repayment of property was done at the much lower value than which held prior to the civil war (49-45BC)
2. Several remissions of rents were granted
3. Large numbers of poor citizens and discharged veterans were settled on allotments.
4. Free housing was provided to 80,000 impoverished families
5. Soldiers' pay was increased from 123 to 225 *denarii*
6. The corn dole was regulated
7. Provincial communities were enfranchised
8. Confusion in the calendar was removed by fixing it at 365 1/4 days from January 1 (45BC)

His monetary reforms were as follows:

1. State debt levels were immediately reduced by 25%
2. Control of the money was transferred from the patricians (usurers) to government
3. Cheap metal coins were issued as the means of exchange
4. It was ruled that interest could not be levied at more than 1% per month
5. It was decreed that interest could not be charged on interest and that the total interest charged could never exceed the capital loaned (*ut fructus non fructus*)
6. Savery was abolished as a means of settling debt.
7. Aristocrats were forced to employ their capital and not hoard it.

⁶ E. B. Emswiler, *Money and Power in Rome* (The Business Review, Washington DC, 2011, first published in 1908), 84-85



But the building was the Roman Senate house in the Forum which was dedicated by Julius Caesar in 46BC

These measures enraged the aristocrats and patricians whose livelihood was now severely restricted. They therefore conspired to murder Caesar the hero of the people. On that fateful morning of March 15, 44BC, only four years after assuming power, he arrived at the Senate building unarmed, having dismissed his military guard who had previously been in constant attendance. Surrounded by the conspirators he was stabbed to death and received 23 wounds.

The Gold Age (27BC - 476 AD)

In 27BC, shortly after Caesar's death (and his deification), the Romans adopted the gold standard which would have far reaching implications for the financial stability of the empire and lead directly to its demise. Previously, during the days of the Roman Republic, gold coins were issued only in times of great need, such as during the second Punic War or the campaign of

Lucius Cornelius Sulla. There were few gold mines in Europe except in remote places like Wales, Transylvania and Spain and therefore most of the supplies could only be secured from the east. This in turn required a large and expensive army which became engaged in constant conflict at the empire's frontiers.

The gold coin was known as an *aureus*. Also in circulation were the silver *aurearii* and various copper coins, the *aes triens*, *dupondius* and the *as*.

The scarcity of gold or commodity money frequently induced periods of deflation as a result of the lack of a circulating means of exchange. In 133BC a measure of relief was provided when the weight of the gold *aureus* was reduced from 27 to 72 grains and this remained the standard weight until 30AD. However metals continued to flow eastwards in order to pay for luxury items, religious dues and usury payments. Furthermore wear and tear resulted in the loss of one third of total coinage in circulation over a 100 year period.

As gold was treated as a commodity its debasement was not tolerated. Emperor Constantine (275-337AD) personally ordered death for counterfeiting, and the burning of public ministers who committed falsification. Money changers who did not report a counterfeit gold bezant (*solidus*) were immediately flogged, enslaved and exiled. These regulations were effective for the bezant which weighed 70 grains and was slightly more than the bezant that was still circulating in 402AD and weighed 68 grains.

In 313AD Christianity was tolerated by the Edict of Milan and from 380AD was established as the official religion by Emperor Theodosius (347-395AD). From this time monetary power resided in the religious authority of the *pontifex maximus*. A feature of the imperial era was social injustice and the undermining of the middle classes through excessive taxation. The Roman businessman was not a trader but a looter of the provinces, as

Role of Church in the Decline and Fall



Gold coin minted by Emperor Alexander Severus (193-235 A.D.)

the homeland had a weak no industrial production base, which was incapable of providing the required manufactured goods. As the monetarisation of society continued with the non-parasitising of the common man, the plebeians became more like slaves. The abolition of the jury system was symptomatic of the decreasing respect and importance for the common man in Roman society.

Role of Church in the Decline and Fall

The tax-hungry Emperor Constantine decreed that 1% of a man's income had to be tithed to the Christian church, hastening the destruction of the empire. Meanwhile the Church had grown to own one-half of all lands and accumulated wealth. This concentration of wealth produced a great scarcity of money. Money existed but there was no circulation or distribution of goods and services. Instead of receiving the tithed money by means of investment in the community or charitable works such as construction of hospitals, schools and libraries, vast hoards of gold were concentrated behind the 10-foot, 30 cm thick walls of the fortress city of Constantinople and the Vatican fortress in Rome.

In its last years in the fifth and sixth centuries the Roman Empire had become a parasitic organism subject to alternating phases

of inflation and deflation. As economic activity proceeded its political corruption there was no industrial production almost all food had to be imported and slavery was practised on an unprecedented scale. The wealth of the empire that was not held by the Church was controlled by 2,000 Roman families. The rest of the population lived in poverty.

Consequences

The implosion of the western part of the empire in 476AD after repeated military incursions by the Goths and Vandals resulted in the Dark Ages. A prolonged multi-century deflationary depression followed. According to the United States Silver Commission of 1876 the metallic money of the Roman Empire at its height amounted to \$ 8 billion but by the end of the Dark Ages had shrunk to \$20 million. Agriculture was reduced to subsistence level. Large sailing vessels vanished as there was no trade. Commerce stagnated. Arts and science were lost and the knowledge of cement making disappeared.

Main factors in the decline of the Roman Empire were the concentration of wealth, the absence of mining deposits for industrial production and the vast importation of non-White slaves with the resultant degradation of the genetic value of the nation. By the 4th century AD as a result of the continuing decline in Roman female fertility slaves outnumbered citizens by five to one. The most important economic reason was an

7. When the Government of England printed a paper £10 the people would give it £10. When the Babylonians printed a paper £10 the people would give it £10. When the Persians printed a paper £10 the people would give it £10. When an Englishman printed a paper £10 the people would give it £10. When the Roman Empire printed a paper £10 the people would give it £10. Then followed the Dark Ages. From which the world did not recover until which was the age of exploration. Thus less than 100 years of the people could have increased the wealth of these three states. As quoted in R. Maguire's Money Made Miserable in the New York City magazine New York, 198. (A. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92.)

Consequences

inadequate supply of an inexpensive circulating medium of money and the false notion that money should be a commodity.

Thus, from an economic perspective, the lessons from the fall of Rome are that a dishonest economic system will inevitably contribute to the forces of dissolution. No society can survive a false economic system. For any society to flourish and prosper, it is absolutely fundamental that the means of exchange be issued free of debt and interest by the legal authority of the state as representatives of the people in perpetuity.

Chapter II

The Hidden Origins of the Bank of England

It is a well-known fact that the history of the monetary system in the early days of England is closely connected with the knowledge and the use of the gold coinage introduced by Benjamin Disraeli, Prime Minister of Great Britain.

Ancient England

King Offa ruled the Kingdom of Mercia, which was bounded by the rivers Trent and Mersey in the north, the Thames Valley in the south, Wales in the west and East Anglia and Essex in the east from 757 to 796 AD. It was one of the seven autonomous kingdoms of the Anglo-Saxon Heptarchy.

Offa was a wise and able administrator and a knowledgeable leader. He established the first monetary system in England. On account of the scarcity of gold he used silver for coinage and as a store of wealth. The standard unit of exchange was a pound of silver divided into 240 pennies. The pennies were stamped with a star. Old English *scilling* from which the word sterling is derived. In 787 King Offa introduced a statute prohibiting usury, i.e. the charging of interest on money, a concept which dates back to the pagan era. The laws against usury were further entrenched by King Alfred (868-99), who decreed that the property of usurers be forfeited, while in 1050 Edward the Confessor (1042-66) decreed not only forfeiture but that usurer be declared an outlaw and be banished for life.

First Jewish Migration and Expulsion

The Jews first arrived in England in 1066 on the wake of William I, the son of King Harold Godwinson, on October 14. These Jews came from Rouen, 75 miles (120 km) from Falaise in Normandy, where William the Conqueror was not illegitimately William the Bastard. Although the historical record does not indicate whether they promoted the idea of a military invasion of England, these Jews had a lot of very hard-earned money on their backs; they were richly rewarded by being allowed to practise usury under royal protection.²

The consequences for the English people were disastrous. By charging rates of interest of 33% per annum, and mortgages by nobles and 300% per annum on the sale of trade or estates pledged by workmen, within two generations one quarter of all English lands were in the hands of Jewish usurers. At his death in 1156 Aaron of Lincoln was declared to be the richest man in England and it was estimated that his wealth exceeded that of King Henry II. Furthermore, the Jewish immigrants undermined the riches of the nobles and exploited the English merchants by selling a large variety of goods and services to them. They also played a prominent role in the clipping of silver coins and the melting of them into bullion and the pouring of it into silver.

The British economist Dr William Cunningham computes the activity of the Jews in England from the eleventh century onward to a sponge which sucks up the wealth of the land and thereby hinders the economic development. He says, "It is the proof that ever, at this early period, the government did everything in its power to make the Jews take up decent trades and honest work, and thereby do the same thing to the nation as with the rest of the population, but with no purpose."³

² See *Medieval Jewish History*, ed. by Michael Toch, trans. by David S. Katz, Cambridge University Press, Cambridge, 2006, pp. 100–101; also *Medieval Jewish History*, ed. by Michael Toch, trans. by David S. Katz, Cambridge University Press, New York, 2006, 359.

³ *A History of the Jews*, ed. by Michael Toch, trans. by David S. Katz, Cambridge University Press, Cambridge, 2006, pp. 100–101.



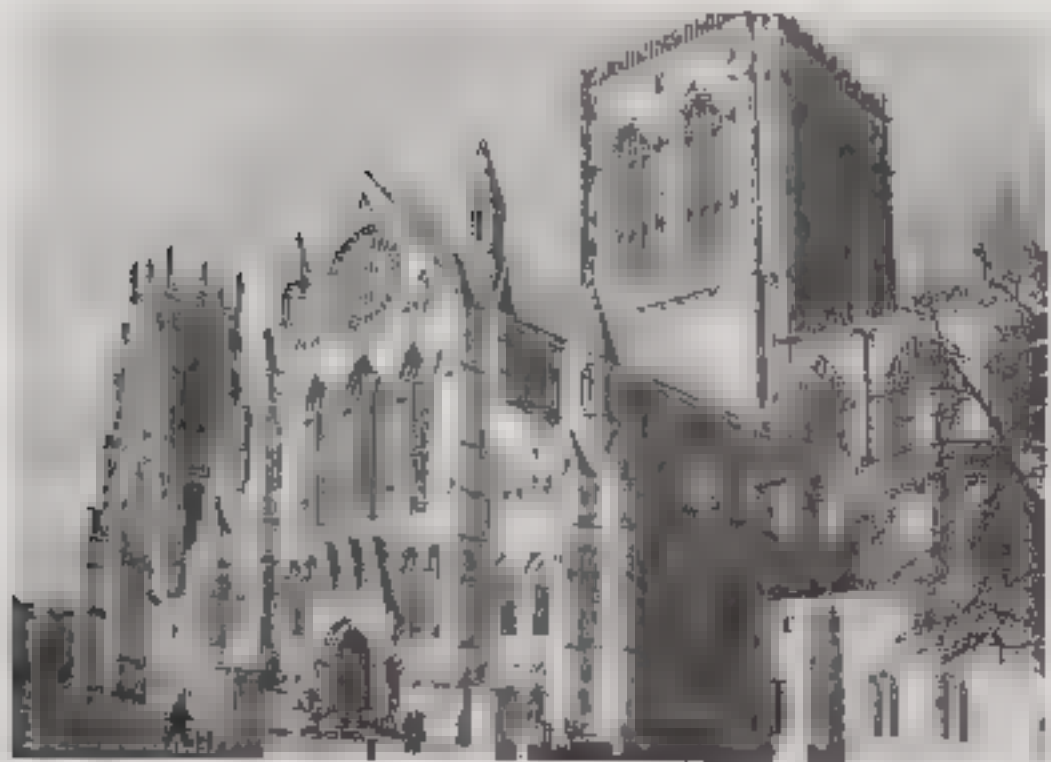
King John and his nobles at Runnymede, 1215. (Illustration by J. S. P. Reid)

By the second half of the 13th century many nobles were in danger of losing their lands or property and so in 1215 an agreement was made that the king was to limit his taxes on the Christian population. The Jewish moneylenders had a somewhat different and more grossly understood notion of a covenant. A heavy tax had been levied from Jewish moneylenders and not the King and his agents had taken their mortgages registered in the Treasury Rolls. As such was an example of a historical difficulty the King would buy the debt from the moneylenders by seizure and for a time the King (1199-1216) was able to recover in part what he had repressed and a somewhat peaceful and was more very profitable. Competent and after that for his eyes.

In 1215 the nobles revolted and forced King John to sign the Magna Carta on June 15, 1215. This document consists of 63 clauses relating to the rights of the nobles and the king and the leading principle of the purpose was to limit the power of the Jewish moneylenders and to add to the nobles and the privileged position of the Jews (1199-1216) King John and Edward was succeeded by his nine-year-old son Henry III who ruled from

5. *English History*, 1215-1216, pp. 121-122.

6. *Ibid.*



With the increase in labor requirements in York or in a week in a year many similar villages were built in England. The largest cathedral in the York Minster was completed in 1472 and has the largest expanse of stained glass in the world.

than it is today. "copyhold" was the rule, so that England, for example, today a seat of landlordism, was even in the thirteenth century almost entirely in the hands of thousands of farmers, who were not only legal owners of their land but possessed in addition far-reaching free rights to common pastures and woodlands.¹⁴

During their spare hours many craftsmen volunteered their skills in building some of England's magnificent cathedrals which reinforces one of the basic tenets of Western civilization that with their leisure time the fostering of culture is not possible. George Macaulay Trevelyan, the English social historian, describes these accomplishments as follows:

14. Copyhold was a form of tenure, an original characteristic of the system of serfdom.

15. H.S. Chamberlain, *The Foundations of the Nineteenth Century*. The Bodley Head, London, 1907, Vol. 1, 354-355.

End of a Golden Era

During the 17th century, gold coins were minted in large quantities by private mints, which could be expected from 1687 to 1702 by Isaac Newton's strict policies. A variety of accounts of his own persistence in enforcing the new metallic standard business practices of the Bank of England. Although the new era was a time of important innovation, private banks' customers sought. At the end of the 17th century, the Bank of England prospered, expanding the operations of the bank, they received a large sum of money for the profits of

During the reign of Queen Elizabeth I (1558-1603), some members of Parliament sought to have the Bank of England established as a national corporation, which would have been a goldsmiths' accepting deposits from the public, keeping the money and issuing certificates to the public, and receiving a profit on the business. These receipts, which were used in the traditional fractional reserve system of banking, were used by the Crown as Treasury notes, and were used to finance the war against Spain. Pepys, the first and Secretary of the Admiralty, in 1694, was said to have said as much as 10% and even 30% per annum. The Bank of England's merchants paid an average of 10% per annum, and the Bank of England was a 10% per annum. Workmen in the port paid more the rate of these certificates, and the Bank of England was a 10% per annum. Account of the Bank of England, the nation's principal bank, had been established in 1694, and the Bank of England had been established in 1694, and the disappearance of their clerks.²²

²⁰ *Journal of the Bank of England*, 1701, p. 10.

²¹ *Journal of the Bank of England*, 1701, p. 10. The Bank of England was a national corporation, which would have been a goldsmiths' accepting deposits from the public, keeping the money and issuing certificates to the public, and receiving a profit on the business. These receipts, which were used in the traditional fractional reserve system of banking, were used by the Crown as Treasury notes, and were used to finance the war against Spain.

²² *Journal of the Bank of England*, 1701, p. 10. The Bank of England was a national corporation, which would have been a goldsmiths' accepting deposits from the public, keeping the money and issuing certificates to the public, and receiving a profit on the business. These receipts, which were used in the traditional fractional reserve system of banking, were used by the Crown as Treasury notes, and were used to finance the war against Spain.

²³ *Ibid.*, 24.

²⁴ *Ibid.*, 47.

²⁵ *Ibid.*, 24-25.

Cromwell and the English Civil War

In 1534 by the Act of Supremacy the Church of England was established as the official religion of England by King Henry VIII. During the 16th and 17th centuries Puritan beliefs based on the teachings of John Wycliffe and John Calvin gained an increasing number of adherents. The Puritans considered the Bible to be the true law of God and emphasised Bible reading, prayer and preaching and the simplification of the ritual of the sacraments.

The Stuart King Charles I (1625-49), who wished to maintain the pre-eminence of the Anglican Church, came into intensified conflict with the Puritans, who were making great progress in proselytising the population. After the assassination of Charles's trusted friend and adviser, the Duke of Buckingham in 1628, he gradually became more isolated.

The growing religious division provided a perfect opportunity for exploitation by the Jewish conspirators. As Isaac D'Israeli, the father of prime minister Benjamin D'Israeli, wrote in *The Fables and Rites of Charles I*: "The nation was artfully divided into Sabbatarians and Sabbath Breakers."²³

In 1641, one of the leaders of the London Jewish community, Fernandez Carvajal, a merchant and spy who was also known as the Great Jew, organised an armed militia of about 10,000 operatives who were used to intimidate the people of London and sow confusion. Large numbers of pamphlets and leaflets were also distributed.²⁴

23. V. I. N. Kuntze, *The Jews of London in the Seventeenth Century* (London 1952), p. 10. Carvajal fled to France where he was active in spreading a conspiracy to capture King Charles II. He is mentioned in Puritan records as "one of those who were of the Jewish persuasion" and was assumed to have been a Jew by Cromwell.

24. *Ibid.* 11.

25. *Ibid.* 12-3.



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 generous, y arranged."

26 Ibid., 13

27 A. M. Andreadēs, op.cit., 30

The Regicide of King Charles I

The treachery of which Cromwell descended is revealed in correspondence between himself and the Synagogue of Mulheim, Germany

June 16, 1647

From O.C. (Oliver Cromwell) to Ebenezer Pratt

"In return for financial support will advocate admission of Jews to England. This however impossible while Charles living. Charles cannot be executed without adequate grounds for which do not at present exist. Therefore advise that Charles be assassinated but will have nothing to do with arrangements for procuring an assassin though willing to help in his escape."

Reply was dispatched the following day.

July 12, 1647

To O.C. by Ebenezer Pratt

"Will grant financial aid as soon as Charles removed and Jews permitted. Assassination too dangerous. Charles should be given an opportunity to escape. His recapture will make trial and execution possible. The support will be liberal and assent to discuss terms and trial commences."

78. A. J. M. de Cassa, op. cit. p. 48. According to other published in *Life of Cromwell*, September 4, 1647, the "The Duke's" existence of a long period of time, they have perhaps assisted M. friend M. de Cassa, in the execution of a... (The following is a transcription of the text in the image, which is very faint and partially obscured by a watermark. I have transcribed what is legible.)



House of Commons, London, 1649. Temporary capital of the Commonwealth

King Charles was being held as a virtual prisoner in Hamby House, Northamptonshire. On June 4, 1647, 500 revolutionaries seized the King but then allowed him to escape to the Isle of Wight where he was subsequently arrested. In December 1648, the House of Commons declared that the King's concessions were satisfactory to a settlement.¹²⁹

Cromwell then urged the House of Commons to take assistance of Common Prayer until there was a full complement of 80 members left who then decided that the King be put on trial. Not a single English lawyer was prepared to show up to take the oath against the King. Eventually, it was provided by a Dutch Jew, Isaac Dorislaus, that the King was forced to participate in a show trial in a High Court of Justice in which two-thirds of its members were Levellers from the army. Charles refused to plead but was found guilty and executed on January 29, 1649. As the procession approached the scaffold large numbers of the crowd shouted, "God save the King!" After the deed had been done there was an enormous grin of anguish.

¹²⁹ Ibid., 6.

¹³⁰ In the 1930s, the Communist Party of Great Britain published a pamphlet, *The Communist Party of Great Britain and the Jacobins and Bolsheviks*.



TO THE
Parliament, The Supream Court of
ENGLAND,
*And to the Right Honourable the Coun-
cell of State, Menasseh Ben Israel, praves
God to give Health and a Happine.*

It is not one case alone nor renewe I Prayers which altho to move the same was before by your Meditations to benefit Mankind, and to make the people further in pursuit to desire your Favors to grant Me the same and those the same are not only Covetous that they may get money by some piece of Plate of gold or silver for times that they may obtaine their Votes, and I think to get some piece for themselves or their wives, which are more thereto by meere and pure covetousness that to they may possibly to be that I see and shall know when they see them whole names they profess other things with the one and the other side they have agreed on as they fight in the reason of the Declaration whether it be good or bad for my selfe I believe them who in things to say round that they may not commit themselves or be bound what is for publick good

As for me my selfe I have no money desire

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re-admission of the Jews to England

Second Jewish Migration

From December 7, 1655, a committee was established. The Protector held a conference at Whitehall, London, in order to obtain approval for the large-scale migration of Jews in spite of the ecclesiastical and popular opposition. The committee, after a lengthy and unanimous deliberation, were ready to permit lawyers and merchants to bring the Jews should not be permitted to enter England. In October 1655 the first Jews were surreptitiously allowed to enter the country in spite of strong protests having been lodged by the subject matter. The Council of State was declared that these Jews would be a grave menace to the state and the Christian religion. The merchants, however, except to speak against the admission of the Jews. The Council, therefore, proposed that any would be mainly harmful to the State and that their admission would entail a ruinous and expensive effort.

Cromwell died on September 3, 1658, and was succeeded by his son-in-law Richard Cromwell, the Marquis Charles I. Cromwell (1661-85) succeeded his excellent father. Although he would have the English monarch to issue an executive order notes, Cromwell's acceptance of the title of Protector of the Commonwealth in August 1659 he possessed the powers which would be Act for the encouragement of trade, which gave the export of all foreign coins to the value of ten shillings free of duty, and regulated the duties that had to be paid on the same. He had the Earl of Arundel's presence. I observed that it was dangerous in the presence of the kingdom when it still had the power of a half a dozen or so of these kind of rich and well educated men.

45. H. S. G. [?], *Journal of the Proceedings of the Council of State*, 1655-56, *Reviews*, Vol. 4, No. 4, Jul. 402-653-697.

32. A. H. M. Ramsay, *op. cit.*, 16-17.

33. *Journal of the Proceedings of the Council of State*, 1655-56, *Reviews*, Vol. 4, No. 4, Jul. 402-653-697, 1936, 2-5.

34. D. Astle, *op. cit.*, 44.

persons to make a bank on account of their own coin and be taken beyond the seas and give us now what of money when we shall put our order in the king's power to prevent it.¹⁵

Three years later by means of an Act of the Parliament of England he permitted private persons — the bankers and goldsmiths — in the consent of the realm, the Royal Mint and thereby acquire the considerable benefits of the seigniorage — the difference between the face value of coins and their production costs — some for their own private account. Furthermore it enabled them to increase or diminish the supply of money in circulation and to raise or lower prices as well to the great detriment of the general population.

His brother James II (1685-88) reigned only three years. He was a victim of unscrupulous pamphleteering and propaganda which emanated mainly from Holland. A military expedition undertaken by Prince William of Orange eventually deposed him. Although James's army was numerically superior he was discouraged from attacking after Lord Churchill — first Duke of Marlborough — suddenly deserted him. According to the *Encyclopaedia Britannica* subsequently received and suspended of £60,000 from the Dutch East India Company in payment for his treasonous conduct.¹⁶ These vast sums of hard money enabled Churchill to proceed with the construction of Benjamin Franklin which was completed at his death in 1727.

William of Orange's military campaigns like that of the other William the Conqueror in 1066 was aided by Jewish bankers. In return for their support William III (1689-1702) would surmount the royal prerogative of issuing England's money free of debt and interest to a considerable extent as The Governor and Company of the Bank of England. A. N. Hedden, *The Jews*

¹⁵ A. N. Hedden, *The Jews in England*, London, 1906, pp. 100-101.
¹⁶ *The Encyclopaedia Britannica*, Chicago, 1966, (first published in 1891), 66.

¹⁶ A. H. M. Bartsch op.cit., 8.

the dying John of Gaunt

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Like to a tenement or pelting farm

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- Richard II Act II Scene I

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37 A & Field op cit 218

Establishment of the Bank of England

The need for a privately owned central bank was fronted by a retired pirate – William Paterson, when he wrote a pamphlet in 1693 entitled *A Brief Account of the projected Bank of England*. He would state that this Bank had the benefit of interest on all moneys which it creates out of nothing.³⁸ On Thursday June 21, 1694 subscription lists for the Bank, which had a capital of £1,200,000, were opened. By the following Monday this amount had been fully subscribed.

The ostensible purpose of the bank was to lend King William unlimited sums at 8% per annum to enable the prosecution of war and in particular the conflict against Louis XIV of France whose country was not on the usury system.³⁹ The Bank would thus receive from the Crown interest of £100,000 per annum, the additional £1000 being an administrative fee. The Bank also acquired the right to issue £1,200,000 in bank notes without any gold cover.

Prior to its listing, the byelaws of the Bank were carefully scrutinised by Serjeant Levynz in order to ensure that the Bank complied with its hidden purpose, viz. to fleece the English people in perpetuity by allowing the creation of the nation's money and means of exchange out of nothing and interest. All this fake money was to be accompanied by compounding interest. Levynz was a Jew from Amsterdam who practised as an advocate.

There was much opposition to the establishment of the Bank. The most vocal opponents were the goldsmiths and moneylenders who correctly

38. A. M. Anderson's opinion of Paterson's character as a commission-balance-er was not deemed to be disreputable.

39. *Ibid.* 66.

40. J. E. Simpson, *The Bank of England*, London, 1962, pp. 103-104. Interest compulsion was New York, 1775, p. 7.

41. *Financial History of South Africa*, by J. E. Simpson, London, 1962, pp. 103-104. Whereby Cape South Africa, 1980, 5.

42. *The Bank of England*, by J. E. Simpson, London, 1962, pp. 103-104. Clarendon Press, Oxford, 1887, 4.



Form of the Bank of England passed by an Act of Parliament
 describing it as "An Act for granting the said Majesty severall Rules and
 Directions upon Linnage of Shipping and Vessells"

It is clear that it would bring an end to their usurious racket of fractional reserve banking based on their gold receipts. Landowners and country gentlemen feared an escalation in interest rates as the Bank would control the nation's money supply. There were allegations that the Bank would favour certain merchants with low rates of interest. The biggest fear was that "the Bank would grow so powerful and would become the keystone of the commercial world." Unfortunately, this is exactly what happened, as the Bank of England became the model to which all subsequent central banks were replicated.

At that time the House of Commons had 514 members consisting of 243 Tories, 24 Whigs and 28 members whose allegiance was unknown.⁴³ About two thirds of the members were country gentlemen and it is believed that of the 514 members approximately 20% were literate. The bill was passed in July

⁴³ A. M. Andreadēs, *op.cit.*, 69

⁴⁴ House of Commons, information on the House of Commons, London

694 the high point in summer when most of the Court members were engaged in summer pursuits and the harvesting of the crops.⁴⁵ On that fateful Friday, July 27, 1694 when the Charter of Incorporation was granted only 42 members were present, and of them Whigs as the Tories opposed the bill (who all voted in favour of it. This begs the question as to what a court then consisted of in those days)

The title of the bill made no mention of the proposed Bank of England which is only described in one might say secret way towards down in the unintelligible verbiage - to the layman that is - of the bill.

The opening sentence of the bill reads as follows: "We, William and Mary by the grace of God King and Queen of England Scotland France and Ireland defenders of the faith etc. To all to whom these presents shall come greeting. The third sentence which contains 242 words states: "Whereas in and by a certain Act lately made in Parliament entitled an Act for granting to Their Majesties severall rates and duties upon TONNAGE OF SHIPS AND VESSELS and upon beer ale and other liquors for securing certain recompenses and advantages in the said Act mentioned to severall persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war with France it is amongst other things enacted"⁴⁶

The gist of the first two thirds of the bill details the necessity to levy a comprehensive array of new rates, duties and taxes on ships, beer, ale and other liquors. The true purpose of these taxes was that they were needed in order to fund the interest on a £1.3 million government loan. Shortly thereafter further taxes were

45 Similarly the stat. in for the proposed Bank of England referred to by Astie in his book on page 77. It was not until a year or so later that the Bank was established. For further details see the following pages in the same book. See also the book by S. Keynes on the Bank of England in his *Money and Banking* page 300.

46 D. Astie, op.cit. 45



Interior of the Bank of England. Water engraved print circa 1800.

introduced including a land tax, paper tax, poll tax, salt tax, stamp tax and a new tax which replaced the hearth or chimney tax. Other taxes initiated were a tax on pedlars, a tax on hackney coaches, a tax on births, marriages and deaths and lastly a tax on excise. However the most punitive tax introduced was an income tax levied at a rate of 20%⁴⁷. This was applied not only to companies, but labourers too.⁴⁸

47 A. M. Andreadēs, op. cit. 55

48 J. E. T. Rogers, op.cit. 06-107

War and Debt Slavery in Perpetuity

Henceforth a pattern would emerge where unnecessary wars would be embarked upon which simultaneously increased the national debt and the profits of the bankers. Significantly most of these wars were started against countries that had implemented interest free state banking systems, as was the case in the North American colonies and France under Napoleon. This pattern of attacking and enforcing the bankers' system of slavery has been deployed widely in the modern era and includes the defeats of Imperial Russia in World War I, Germany, Italy and Japan in World War II and most recently, Libya in 2011. These were all countries which had state banking systems which distributed the wealth of their respective nations on an equitable basis and provided their populations with a standard of living far superior to that of their rivals and contemporaries.

Within two years of its establishment in 1696 the Bank of England had £15,000,000 worth of bank notes circulating with a gold reserve of only 2% or £360,000.⁴⁹ In May 1707 the union between Scotland and England was established not so much in the usual way by the necessary seizure of control of the Royal Mint in Edinburgh which took place in 1709.

By 1720 after the conclusion of the War of the Spanish Succession in 1701 the national debt had risen to £37 million with the war itself having cost £5 million. After the American War of Independence in 1783 which had been fought after the colonists had been forced to repudiate their debt and largely merged free coinage script with English money and had resulted in 50% unemployment the national debt soared to £16 million.

In 1786 Prime Minister William Pitt the Younger introduced his hereditary debt sinking fund which targeted a general increase in

49. F. J. Inghier, op cit., 5.

50. A. M. Anandās, op cit., 119.

£1 million pounds per annum to repay the debt. His scheme was soon abandoned because of the extremely large increase in loans incurred to finance the war (to 1.14 billion in 1897) in order to pay for the huge and increasing interest on a system of graduated income tax had to be introduced which by 1895 was yielding £70 million per annum.⁵¹

The war against France lasted from 1870 to 1871. Among the principal objectives of his policy of borrowing was to desist from Napoleon's gold and interest free system of finance (See Chapter 10). During this period England also waged a war against the United States (1812-1814) as was the case with the war against France (1803-1811) by England at the behest of banker Mayer Anselmo Rothschild to renege Bauer after the United States congress refused to renew the charter of the Rothschild controlled Bank of the United States which had been the central bank of America from 1791 until 1811. Nathan Rothschild's famous cry was "a trading said 1815. Give me control of the economies of a country and I care not who makes the laws. The only who understand the system will either be so interested from the profits or so dependent on its favours, that there will be no opposition from the class." British Prime Minister Spencer Perceval (1804-2) directed his optically complete future war but was assassinated on May 1812 in the lobby of the House of Commons by John Bellingham, a political radical who had been seduced by Rothschild.

⁵¹ *See* H. S. Giddens, *The Economics of the Nineteenth Century* (London, 1937, 29).

⁵² A. M. Andreadès, *op. cit.*, 62.

⁵³ *See* the Bank of England's *Annual Report* (London, 1900), p. 11.

⁵⁴ *See* President Grant's "Fourteen Days and the New Bank of the United States" by Andrew Ross, *Financial and Commercial Review*, 1863, p. 11. The article also dealt with the US stock and the US government the balance.

⁵⁵ *See* the *Financial History of the United States*, Part 1, p. 45. *See* also the *Financial History of the United States*, Part 2, p. 104. *See* also the *Financial History of the United States*, Part 3, p. 104. *See* also the *Financial History of the United States*, Part 4, p. 104. *See* also the *Financial History of the United States*, Part 5, p. 104. *See* also the *Financial History of the United States*, Part 6, p. 104. *See* also the *Financial History of the United States*, Part 7, p. 104. *See* also the *Financial History of the United States*, Part 8, p. 104. *See* also the *Financial History of the United States*, Part 9, p. 104. *See* also the *Financial History of the United States*, Part 10, p. 104.

By 1815 the national debt had ballooned to £885 million. This completely unnecessary war resulted in approximately three million military personnel and at least one million civilians losing their lives in order to destitute Napoleon's state bank. It cost the deuded British public a staggering £83 million⁵⁶ of which over £2.5 billion were still outstanding in 1914. The principals of £504 million had over the intervening period increased five fold as a result of the compounding effect of interest.

An astute agrarian and parliamentarian William Cobbett (1763-1835), at that time perceived what was afoot and wrote as follows. "I set to read the Act of Parliament by which the Bank of England was created. The investors knew what they were about. Their design was to mortgage by degrees the whole country – lands, houses, property, labour. The scheme has produced what the world never saw before – starvation in the midst of abundance."⁵⁷

In 1800 a member of parliament Sir William Pakeney proposed the formation of a national bank after having made vigorous attacks against the Bank.⁵⁸ In 1814 another member of parliament David Ricardo submitted a detailed plan⁵⁹ to convert the Bank of England into a national bank. Both attempts failed. The affairs of the Bank of England remained secret and it was not until 1833, 34 years later that a sanitized version of its accounts was presented to parliament by means of the Act of 1833.⁶⁰

At the start of World War I in 1914, the national debt stood at

⁵⁶ was not a static debt. As noted in the introduction and see the commentary of Norman Rothchild, *The New England Debts*, 1977, pp. 10-11. *See also* *Journal of Applied Geography*, 1975, vol. 10, no. 1, pp. 1-10. *Principles of Banking*, 1970, pp. 499-501. Professor Ferguson is an author who believes in the 1914 war being a conference held in the Virginia, USA.

⁵⁶ W.D. Bowman, *op.cit.*, 290

⁵⁷ W. Cobbett, *Parliamentary Register*, 1800, p. 185. *See also* *Parliamentary Register*, 1800, p. 185.

⁵⁸ *Ibid.*, 207

⁵⁹ W.D. Bowman, *op.cit.*, 278 and A.M. Andreadēs, *op.cit.*, 427

⁶⁰ A.M. Andreadēs, *op.cit.*, xi and 26

£65 million. On March 3, 1949 it had increased to £7434 million of which £3 billion was still outstanding after 45 years at an interest rate of 3.5% per annum. In the 1920s, 40% of expenditure was allocated to the payment of interest. In World War II the national debt rose by almost 300% from £7.3 billion in 1939 to £30 billion in 1945. As at June 20, 1946 it stands at a most £3 billion⁶¹ however if one includes all liabilities including state and public pensions it exceeds £5 billion.

Nationalisation

On February 1, 1946 the Labour government nationalised the Bank of England. The shareholders received Treasury Notes to the value of £105 million which were redeemable after 20 years. This nationalisation which supposedly placed the bank under public control did not introduce any change to the privately run system of fractional reserve banking and was undertaken purely for propaganda purposes as part of the Labour Party's nationalisation programme of certain financial and industrial concerns.

On April 6, 1974 the Bank of England established the Bank of England Nominees Limited company registration No. 307478 a wholly owned subsidiary with private shareholders holding 15,100 £1 shares, of which 90% were sold. There is a suspicion that this rearrangement of the bank's affairs represents a reverse

61. A few outstanding £1000 debentures issued August 1, 1944 were merged together to form £10000 notes. Bradbury pointed out that nominalisations of £10000 notes were issued to redeem £10000 debentures which were soon replaced by war bonds. Netherland called Professor Friedrich Study's views on the present machine which he designed were raised in 1948. The Bank's long and steady increase from 3 per cent to 7 per cent became necessary to secure wage rises upon which the employer was a profit of 4 per cent. Several for each pound of 12 pence contributed the bank would receive 10 pence and the big 40 pence share. The bank took 10 pence for each unit and the new scrip as a national security for the national debt. The debt was restructured. F. Study, *Journal of Applied Economics*, Vol. 1, No. 2, London, 1948, p. 219.

62. A. N. Field, *op.cit.*, 164-65.

63. See national debt's effects on the United Kingdom, *ibid.*

takeover of . by private shareholders in view of the fact that certain aspects of the Bank of England's operations are protected by its Royal Charter. Section 27(9) of the Companies Act of 1976 and the Official Secrets Act of 1989 and are therefore not subject to public and parliamentary scrutiny. There may well be substance to this allegation.

Chapter III

Napoléon and the Banque De France

The death of Napoleon was a dramatic event both in terms of money and state. It is a dramatic event. Napoleon Bonaparte on 26 Dec 1804 gave an interest table

Napoléon the Monetary Reformer

Napoleon who was Emperor of France from 1804-1815 was very mindful of the fact that money always remains in hiding and only acts through agents who are often unaware of the aims that they are pursuing. He realised that international money stood behind every foreign enemy, every monarch and every political party including the Jacobins stating on one occasion that "The hand that gives is above the hand that takes. Money has no motherland, financiers are without patriotism and without decency, their sole object is gain." He had very clear ideas as to how he wished the French economy to be run. He defined his system as being for the application of the resources of government including finances for the benefit and use of his people for the greater glory of God. His system was for the maintenance of spirit as against material values, the nation as against political parties, patriotism as against greed, loyalty as against fear.

Jacobins were original members of a revolutionary extreme left political movement that supported the first French republic. During the revolution they implemented the Reign of Terror. The Jacobin Club was located in Rue de la Harpe Paris.

1 R. McNair, *Money and Banking in France*, E. & Spon, London, London, 1934, 92.

The system of 1816 must be viewed by France as a system of work family fatherland.



Napoleon establishes the Banque de France November 1800

The bedrock of the economy was to be agriculture – for that is the soul of the people – the foundations of the Kingdom.⁴ Next in importance was industry which ministers to the comfort and happiness of the population.⁵ A poor third came foreign trade which only consists of the surplus of agriculture and industry. In his opinion, foreign trade ought to be the servant of agriculture and home industry, these last ought never to be subordinated to foreign trade.⁶ Napoleon's ultimate objective was to ensure not only financial independence, but self-sufficiency in the production of goods for domestic consumption.

Napoleon would not allow loans to be employed for current expenditure whenever it was possible – in any and every circumstance. On the subject of debt he had this to say:

4 R. McNair Wilson, *op. cit.* 97

5 *Ibid.* 97

6 *Ibid.* 97

One has only to consider what banks can do in order to realise their danger – therefore I would never have anything to do with them and take always sides against them. At one time people asserted that I did not see banks because I possessed no credit and could find nobody who would lend me anything. That is quite false. That surely implies a very scanty knowledge of human nature and an ignorance of stock exchange methods if people imagine that I could find no one ready to lend. It was not part of my system.

The State Bank of the French Empire

Napoleon's first act on assuming power as First Consul on November 9, 1799, was to establish the Banque de France on January 8, 1800 as a joint stock company which commenced operations on February 27 of that year. This Bank replaced the 15, mainly Jewish, private banking houses which had been deeply involved in the events leading up to the French revolution (1789-1799). These banks had charged rapacious rates of interest on loans of the French crown to the extent that prior to 1789 it was allocating over 50% of its budget expenditure to interest.

The Bank was set up with a share capital of 30 million francs divided into 30,000 shares of 1,000 francs each, of which a portion was subscribed by Napoleon, his family, and members of his entourage. The dividend of the shareholders was initially limited to 6% per annum, but was increased in 1806 to two thirds of the bank's profits, with the remaining one third being allocated to the Bank's reserves. The two hundred largest shareholders elected 15 regents or directors, who sat on the General Council administering the Bank and three Censors or inspectors, who supervised management of the Bank.

⁷ Ibid. 96

⁸ See Quigley, *op. cit.* pp. 110-111 and *The Money Game*, The Macmillan Company, New York, 1966, 315

⁹ www.banque-france.fr/en/history/creation-of-the-banque-de-france.htm

The General Council returned elected a central Committee consisting of five members, one of whom was chairman. Napoleon made himself president of the Bank, declaring that "The bank does not belong to the shareholders only, it also belongs to the state since the state has entrusted to it the privilege of issuing money. I wish the bank to be an sufficient measure in the affairs of the state but not too much so."¹

On April 4, 1803 by means of an Act of parliament Napoleon abolished the right of two rival banks, the *Caisse de France* and *Caisse de Commerce* and the *Comptoir Central* to issue bank notes. As he remarked at that time:

Have you not told me that in order to preserve order it is a general practice that a fiduciary money like that of the Bank of France shall issue from only one source? I adopt that idea. A single bank can be more easily watched than several concerns both by the Government and the public. With a view to emergencies I cannot see any virtue in competition of this kind.

On April 22, 1806 a new Act was passed which replaced the three member Central Committee with a Governor and two Deputy Governors. These appointments were personally vetted by Napoleon. The new Act also increased the Bank's capital to 90 million francs. Napoleon was so suspicious and distrustful of bankers that he personally supervised the operations of the Treasury lest the secrets of its monetary policies leak out and be exploited by speculators. He was thus his own banker who controlled both the creation and distribution of money and credit to the entire empire. He intimidated bankers, particularly

1. For a detailed study of the central bank, see Nicolas, *op. cit.* pp. 39-40. For the history of the bank, see the *Encyclopedie Britannica*, 9th ed., Vol. 3, pp. 32-33. For the history of the bank, see the *Encyclopedie Britannica*, 9th ed., Vol. 3, pp. 32-33.

1. *Encyclopedie Britannica*, 9th ed., Vol. 3, pp. 32-33.

2. *Encyclopedie Britannica*, 9th ed., Vol. 3, pp. 32-33.

3. *Ibid.*

The Rothschilds were the only ones to withdraw from everything in connection with the Napoleonic wars. They had the most stable currency in Europe. At the time and thereafter the markets of the City of London and the depression of the 1810s were the only ones to survive. They were the only ones to survive the depression of the 1810s. They were the only ones to survive the depression of the 1810s. They were the only ones to survive the depression of the 1810s.

England was the first to have her international markets protected against Austria, Prussia, Russia, Spain and Sweden and her colonies were in France. Her colonies exceeded those of Napoleon. The British Empire was the largest and most powerful in the world. They have been compelled to see the world as a whole and not just as a collection of islands. On December 20, 1812, he defeated the winners by sending Louisiana to the United States of America for \$15 million. A brief period of peace and prosperity ensued. However, it was a new coalition consisting of Prussia, Russia and Prussia at the expense of the British. The only ally of the British was the United States. They were defeated at sea and on land. Napoleon was forced to produce a series of peace and senseless wars for the next five years in order to protect France and her colonies. He dispersed the profits of the Continental Blockade whose effect was to cut off the British export trade. It was decided that England could not finance her empire and that her colonies were to be sacrificed.

The Treaty of Tilsit signed on July 7, 1807, was a total triumph for Napoleon. It was signed between Prussia, Napoleon and Tsar Alexander I.

1. The Rothschilds were the only ones to withdraw from everything in connection with the Napoleonic wars. They had the most stable currency in Europe. At the time and thereafter the markets of the City of London and the depression of the 1810s were the only ones to survive. They were the only ones to survive the depression of the 1810s. They were the only ones to survive the depression of the 1810s.

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Treaty of Tilsit—Napoleon and Tsar Alexander I sign the treaty on a raft on the Neman river

agreed to an alliance which made them the masters of continental Europe. Alexander agreed to join Napoleon's Continental Blockade of England and to provide each other with mutual support in the event of disputes with other nations, and in particular the British Empire. At that time France and Russia were the only two countries in Europe which were not on the usury system and were furthermore not indebted to the Rothschilds. They were therefore the only free and independent nations. However a few years later Russia started to violate the blockade. This action was premised on the fact that Russia was a producer of many raw materials, had very little industrial capacity and had been dependent on England for the importation of industrial products. Alexander was only prepared to continue with the blockade subject to France supplying him with the industrial goods, which he had previously imported from England. France could not supply these goods as England commanded the seas and there was no road or rail infrastructure in Europe at that time. Therefore in order to enforce the blockade Napoleon decided to invade Russia on June 24, 1812 with an army of over 600,000 soldiers. Although

... at Fontainebleau.

... with the Wrangle family in Brussels. He g...



with the Wrangle family in Brussels. He g...



DECRET IMPERIAL

Concernant les Juifs par rapport à leur nom de famille et de prénoms fixes

À Bayonne le 20 juillet 1808

NAPOLÉON, EMPEREUR DES FRANÇAIS, ROI D'ITALIE ET PATERNE DE LA CONFÉDÉRATION DU RHIN;

Sur le rapport de notre ministre de l'intérieur

Notre Conseil d'État entendu,

Nous ayons décrété et décrétons ce qui suit

ART PREMIER

Les Juifs de tout l'Empire qui au lieu de leur nom hébreux et qui ont adopté un nom par lequel ils se distinguent de leurs frères, auront à l'avenir le droit de publier ou de faire publier de notre présent décret, et d'en faire à cet effet par-devant l'officier de l'état civil de la commune où ils sont domiciliés.

As per Napoleon's proclamation to the French people, we stated a decree that the Jews should adopt surnames and use those names in all documents. Napoleon believed that the German people were not fit to be ruled by the Jews, and that the Jews were a very great burden on the state. He believed that the Jews were a very great burden on the state, and that the Jews were a very great burden on the state. He believed that the Jews were a very great burden on the state, and that the Jews were a very great burden on the state.

Achievements of the French State Banking System

As part of the Code Napoleon *Code de Commerce* *Code de Commerce* Napoleon introduced a new commercial code in March 2, 1804. These economic reforms which included substantially reduced taxes, quickly turned the French economy around and resulted in increased trade and the development of new industries, such as cotton making and sugar beet which were assisted by tariffs against foreign goods and low interest rate loans. The infrastructure was upgraded on a vast scale not only in France but throughout western Europe with the construction of 25,000 miles (32,186 km) of imperial roads and 12,000 miles (19,312 km) of regional roads, a massive 1,000 miles (1,609 km) of canals, bridges, the dredging and expansion of harbours such as Cherbourg and Dunkerque, waterworks and public buildings, such as the gallery at the Louvre – all financed with interest free money from the Banque de France.

Napoleon also established an *Industria Beura* which provided data and information to French industry, the Imperial University which administered French education, specialised schools or *lycées* for the study of engineering, science and technology and professional schools devoted to law, few obstetrics and veterinary science.

Napoleon described these accomplishments to his Irish doctor Barry O'Meara on the island of St Helena and said that they were his most enduring monument. "The allied powers cannot take from me hereafter the great public works I have executed, the roads which I made over the Alps, and the seas I have

monetary reform. They are preserved. I have a seal in my hand of old America, which was Warren's Harbinger and John F. Kennedy. President Richard Nixon's "I have a message from the President of the United States, Richard Nixon, which is that and nothing else. It has been a contributing factor to his downfall."

→ Simpson Pass. One of the principal reasons why Napoleon's military success was due to the transportation of his armies was

anted. They can replace their fee to improve where mine have not been before. They cannot take from the code of laws which formed and which will go down to posterity.

In conclusion we may consider some of Napoleon's achievements which he communicated to his former chamberlain and constant companion for 18 months on St Helena, Comte de Las Cases:

"Inspired France and Europe with new ideas which will never be forgotten. France's finances are the best in the world. To whom does she owe them? If I had not been overthrown, we should have made a complete change in the appearance of commerce as well as of industry. The efforts of the French people were extraordinary. Prosperity and progress were growing immeasurably. Enlightenment was making giant strides. New ideas were everywhere heard and published. For I took pains to introduce science among the people. If I had been given time there would soon have been no more artisans in France, they would all have become artists."

20. *Las Cases, op. cit.*, pp. 190-91. See also *Las Cases, op. cit.*, New York, 1895, Chap. 1, Napoleon as Statesman and Lawgiver. For the industries which were to be started during Napoleon's reign.

21. *Las Cases, op. cit.*, pp. 190-91. See also *Las Cases, op. cit.*, pp. 190-91. For the various Napoleonic "inventions" which were later published in the *Mémoires de Sainte-Hélène*.

22. *Las Cases, op. cit.*, pp. 190-91. The author has visited the house where Napoleon fell in the storm which he had planned in 1818. Napoleon died in the house on October 5, 1821. The name of the house was changed to honor Napoleon by Napoleon III.

Chapter IV

A Century of Struggle (1815-1918): Rothschild versus the People

*I do not see how the Rothschilds can sign
the Congress which has just declared
the right of the people of America
I do make Europe's great banks together
I do see the world's gold and silver upon
the altar? We make not a republic
I do see the British people's blood
In Rome's ancient streets, as it has been*

- Lord Byron, Twelfth Canto

Central Banking in the United States

As this section will show, all previous encounters with the United States has experienced with central banking have been very negative.

During the colonial period, the American colonies created their own paper money. The first colony to do so was Massachusetts in 1709. Pennsylvania, New York, Delaware and Maryland soon followed suit. They called their currency either a script or bills of credit. It freed them from the control of the English banks and enabled them to run their financial affairs in an inflation-free environment with few taxes. Throughout the colonies, sustained stable economic growth and prosperity were achieved, which would not have been possible under a privately run banking system based on usury.

In 1763, American statesman Benjamin Franklin (1706-1790) visited London, where he was shocked to observe sum-



First Bank of the United States building in Philadelphia in 1795. The principal shareholder of the bank was Mayer Amschel Rothschild. (144 x 2)

conditions and the wide prevalence of poverty. When the British parliament asked Franklin to explain the source of prosperity of the American colonies, he replied as follows:

“That is simple. In the colonies we issue our own money. It is called colonial script. We issue it in proportion to the demands of trade and industry to make the products pass easily from the producers to the consumers. In this manner creating for ourselves our own money, we control its purchasing power and we have no interest to pay anyone.

The following year in 1764 the Bank of England introduced a Currency Bill which severely restricted the colonies' right to issue their own money and forbade its legal tender status for the payment of private and public debts. Instead the bank ordered them to issue bonds at interest and sell them to the Bank of England in exchange for English money. In the event, only half

The currency was re-issued. As a consequence of this law the economy of the United States collapsed and within one year more than half the population became unemployed in the United States. The Stamp Act of 1765 was the first law by the parliament of the second currency was the primary cause of the revolution.

One of the first tasks entrusted to the Second Continental Congress which convened for the first time in May 1775 was to issue its own currency. It was financed by borrowing. A total of \$24,852,788 was issued during the currency's existence. The Bank of England quickly responded. Hundreds of workmen were recruited in the United States to produce counterfeit bank notes were coming off the printing presses in the United States. The Continental Congress retained much of its purchasing power during the first two years of its issuance but once the English counterfeited bank notes started to increase in circulation, the value of the Continental dollar was worth only 25 cents.

Fifteen years later in 1790 the Bank of England managed another similar operation when it employed over 400 workmen in factories in southern and central England to print the assignats which was the currency of revolutionary France. The assignats were backed by central banks was in its initial stages successful. It replaced the old coinage and as an important portion of the National Debt was repaid. However, by 1792 the massive increase in counterfeit notes soon caused the assignats to plummet in value and thereafter there was a brief period of hyperinflation. On April 4, 1803 Napoleon Bonaparte introduced the government issued franc which acquired the status of legal tender in 1808.

Already in 1781 before the declaration of the war of independence on April 4, 1783 Robert Morris (1734-1806) the Superintendent of Finance introduced a bill to create the new state to get started with the establishment of the Bank of North America. This bank commenced operations on January 4, 1782 and acted

large deposits of silver and gold coins and vast quantities of exchange obtained through the Bank of France and the Netherlands were made of the issue paper currency on the spot and these reserves. Between 1791 and 1800 inflation surged by 77%. In 1795 the State of Pennsylvania was declared insolvent on account of the rampant and gross inflation and debt created.

On February 25, 1791, the Bank of North America was succeeded by a second central bank which was authorized as the First Bank of the United States. It was proposed as a result of the proposals of Alexander Hamilton, Secretary of the Treasury, whose actions indicate that he was working hand in glove with the directors of the Bank of England as it was handed over that bank. The new bank had a capital of \$10 million, of which 20% was held by the US government and the balance by private investors. The bank was strongly opposed by its one predecessor John Adams, James Madison and Thomas Jefferson. The Secretary of State was also a strong opponent.

The Central Bank was established in the most deadly hostility existing against the principles and fundamental constitution. I believe that the banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a moneyed aristocracy in this set of the Government at defiance. The issuing powers should be kept from the banks and reserved to the people whom the paper belongs to. The American people everywhere want banks to control the issuance of the currency, first by inflation and then to withdraw the banks independence and give parliament a complete check upon the people. The property and the currency will wake up a million men and women for their rights accepted.⁴

⁴ States, H.C. Sleight 183-48-90

⁵ *Journal of the Proceedings of the Convention of the Representatives of the People of the State of New York, 1791*, p. 100. The author has visited the island and the Hamilton tombstone.

4 Letter to Major John Cartwright June 5, 1824

The following year the bank organised the first crash known as the Panic of 1837. By flooding the market with cheap loans and steadily reducing most of them, the bank precipitated a slump. This resulted in much economic and social misery and the stock market plummeted.

By the end of 1837 the bank had lost \$6 million of government or public deposits capital. As the bank was allegedly concerned about the stability of government finances it demanded partial repayment of its debt. The government did not have the funds available and was therefore forced to sell its shares. During the 1840s the bank was the focus of the years 1846 and 1852. By means of its steady rise the bank became 100% privately owned, of which 75% of the shares were held by foreigners.

In 1841 the bank's charter came up for renewal. The bank was concealing its profits, operating in a clandestine manner and was believed to be anti-constitutional. It was designed primarily to serve the business interests of the north at the expense of the agricultural development of the south, while the Democrats/Republicans (Jeffersonians) wanted to abolish it.

Former president Thomas Jefferson was one of those who violently opposed renewal of the bill. What particularly irked the legislators was the fact that the bank was now 100% in the ownership of foreigners. The press variously described the central bank bill as 'a great and noble enterprise', 'a paper and a cobra'. Furthermore they contended that it was the constitutional right of Congress to regulate weights and measures and issue coinage money. The bill was defeated by a water-tight margin of 65 to 64 votes, which was an achievement as there is a strong belief that many of the yes votes were bought. On March 3, 1838, the bank finally ceased to exist.

4. R. S. Lyell, *The Bank of America: A History of the First National Bank of California, 1792-1836* (first published in 1935), 38.

6. *Ibid.*, 38-39.

US Constitution, Article I, Section 8, Clause 5.

7. *The Constitution of the United States: A Study of its History and Principles*.

When the principal shareholder—the First Bank of the United States—Major Amos C. Risser—died, the Bank's head, about the deep disservice regarding the renewal of the bank's charter, he flew into a rage and declared that either the application for renewal of the charter's grant for the United States would not be approved in a timely fashion as was usual, he would send each those impacted Americans a message and bring them back to normal status. Risser did try to influence the British Prime Minister Spencer Perceval in order to wage war on the United States in order to resurrect his private-owned central bank.

In 1817 Perceval joined the cabinet as Chancellor of the Exchequer. At that time England was at war with France and one of his principal tasks was to raise money in order to finance the war. In view of increasing taxes he raised a number of loans initially from Baring's Bank and hereafter from the Rothschilds. Perceval's secretary was John Charles Herries who had been appointed to that position five years previously. Herries was an intimate of Nathan Rothschild and on 18 September 1821 he had served the Rothschild cause in the various positions he held in the British government as First Lord of the Treasury, Comptroller General to the Army and Chancellor of the Exchequer.

Meanwhile the Rothschild activities in America were working up discontent in North America. In 1812, to provoke the Americans, the British started to interfere with US trade with France, which had imposed a continental blockade against England. As the Royal Navy was starting to take revenge against the French, there were impressment of American sailors, which also supplied the British and a part of the Shawnee chief Tecumseh with arms in order to harass and dominate the settlers westward expansion. The Americans in their part decided a course to seize parts of Canada.

¹ *Journal of the American Bankers Association*, Vol. 1, No. 1, p. 10.

² *Journal of the American Bankers Association*, Vol. 1, No. 1, p. 10. Penguin Books, London, 1999, 86.

Concurrently Perceval was facing increased pressure from Napoleon Bonaparte to make a declaration of war on the United States. He refused. The British Army was a total hogged down in a stalemate situation in Spain and Portugal. The Peninsular War 1808-1814 was Napoleon's mess and he did not desire to commit more troops and troops re-financed by the interest bearing bank loans simply to react to some distant and sinking banking interests in America.

The assassin Spencer Perceval (son Benjamin) was born about 1769 in St Neots, Huntingdonshire. From 1800-1802 he worked in Archangel as an agent for importers and exporters. He returned to Russia in 1804 and in November of that year he was falsely accused of having reneged on a debt of 4800 roubles which subsequently led to his imprisonment of 100 years. On his release Benjamin took his residence in Duke Street, Liverpool. He unsuccessfully petitioned the government for compensation.

A bitter and aggrieved man Benjamin for many company with the merchants Thomas Wilson from America and an American Jew Francis Peck who were both keen to have Orders in Council which the other nations from trading with France cancelled. These Orders in Council had been introduced by Perceval in response to Napoleon's Continental Blockade which the latter had initiated in 1806 and prohibited trade with Britain and Ireland. Their continuation was due to be debated in parliament on that very evening. Thus we observe a confluence of interests and disturbed and resentful many two greedy merchants and the puppet master Bonaparte pulling the strings in the background.

At 5.5 pm on May 11 1812 as Perceval entered the lobby of the House of Commons Benjamin stepped forward and shot him in the heart. Perceval collapsed uttering "Murder".

<http://www.ancient-history.com/1812/spencer-perceval-010112.html>
<http://www.ancient-history.com/1812/spencer-perceval-010112.html>



Figure 10. Bankers in the 1830s, by John Bel.

of the time, and it was not until the late 1830s that the
 idea of a central bank was first seriously considered. The
 early 1830s saw the passage of the Bank of America
 Act, which established the first central bank in the
 United States. The bank was to be a national bank,
 with a capital of \$35 million, and was to be
 organized on a plan similar to that of the Bank of
 England. The bank was to be a corporation,
 with a president and directors, and was to be
 authorized to issue currency, to receive deposits,
 and to discount bills of exchange. The bank was
 to be a national bank, with branches in every
 State, and was to be subject to the control of
 Congress.

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 State, and was to be subject to the control of Congress.

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 State, and was to be subject to the control of Congress.

in England Perceval's successor Lord Liverpool was an enthusiastic supporter of the war. However, neither he, nor anyone else was able to do anything to stop it, except Nathan Rothschild who realised he had an opportunity to set up the Second Bank of the United States on April 10, 1816. When hostilities ceased over two years later on August 24, 1814 over 74,000 lives had been lost. The war was very costly to the United States in financial terms. It incurred a huge war debt of \$65 million and a severe loss of population of eight million. As a result thereof the National Debt increased by 182% from \$45 million in 1820 to \$827 million in 1825. Peace was signed in Ghent, Belgium on December 24, 1814.

The Second Bank of the United States had an enlarged capital of \$35 million. The bank immediately established a large number of branch banks to lend fiat money at compound rates of interest. In 1822 President James Monroe appointed Nicholas Biddle president of the bank.

Biddle had first made contact with the Rothschilds while on government business in Paris in 1814, while acting as secretary to United States minister to France, John Armstrong. As president of the bank he acted as point man to James de Rothschild, who was the bank's principal investor.

The artificially induced recession of 1819-21, which was very profitable for the bankers who were able to buy up assets at depressed prices, convinced the leader of the Democrats, Andrew Jackson, that the only way to terminate these abuses was to close down the central bank. In his re-election campaign in 1832 he declared that the monster money power had and his chief slogan was VOTE ANDREW JACKSON NO BANK. He stated that "If Congress has the right under the Constitution to issue paper money, it was given to them to be used by themselves not

1. Public Contract History Site: <http://www.history.com/interior/mon/mon.html>
 2. <http://www.fedreserve.org/mon/mon.html> 998. See also <http://users.ohio-state.edu/~myers/money-masters.html>

3. R.V. Remond, *Money*, New York: Basic Books, 1966, p. 58.



the public's president Andrew Jackson, who survived an assassination attempt prior to his re-election, was able to renew the charter of the Richmond-owned Second Bank of the United States.

to be delegated to individuals or corporations. He also said that if the American people may understand the rank and justice

* R. E. Search, op.cit. 43

“If our banking and money system here would be a revolution before morning”

Newly issued by a failed issuance attempt on January 3, 1835 by a presumed Rothschild agent, Richard Lawrence, with the 20-year charter of the Second Bank of the United States came up for renewal in 1836 Jackson collapsed the bank by withdrawing all government deposits. He promptly repaid the National Debt in its entirety leaving a surplus of \$60 million in the Treasury. The central bank was replaced by an independent Treasury System based on redeemable paper and specie.

During President John Tyler's term of office (1841-45) two attempts were made by Congress under the sponsorship of the former Speaker of the House of Representatives, Henry Clay to renew the charter of the Bank of the United States. Clay who had in 1825 become Grandmaster of the Kentucky Lodge⁸ was another agent deemed to be under the influence of the Rothschilds. Tyler vetoed both of these bills and was subsequently inundated with hundreds of letters threatening him with assassination.

For the next 77 years the United States developed without the need of a central bank. Its means of exchange were funded primarily by debt and interest-free Treasury “greenback” dollar bills first issued by President Abraham Lincoln in 1862 in order to finance US military expenditure during the Civil War and gold and silver coins. Up to 1873 gold and silver could be coined at any US mint free of charge. After having received offers by

8. For a complete reference to see F.H. Brown, *The Rothschild Bank*, London, 1929, pp. 44-45, 107-108. E. F. Schattschneider, *Party Government in the United States*, New York, 1935, pp. 102-103. See also the book by the author, *Henry Clay: The American Statesman*, New York, 1964, pp. 124-125.

9. F. H. Schattschneider, *Party Government in the United States*, New York, Russell & Russell, 1964, pp. 124-125.

10. The exact number of government issues in 1835 is not known because the records of the issue of 1835 and 1836 were destroyed in the 1930s.

11. RE Search op.cit, 67

private bankers of one money to the United States government at interest rates varying between 24% and 36% per annum. Lincoln had given his advice. First, he and General Dick Taylor issued \$37 million of currency and was to be American paper except for the expense of printing and distribution. Lincoln's denunciation of Lane, Rainsford and his uncle James resulted in his assassination on the night of April 9, 1865, in Wakees. Booth's real name was Barrat, at the behest of the Rainsford's secret agent named Rothberg.

The American Civil War (1861-1865) left the US government with a war debt of \$5 billion. As interest rates rose, these bonds had declined in value to \$2.5 billion. Large quantities of these bonds were bought up by Rainsford's agent August Belmont. The topic of realising them at their face value was good for the 1868 presidential election. The Democratic Party candidate George H. Pendleton pledged payment only in paper. He was soon replaced by Horatio Seymour in the campaign. Belmont was had assumed chairmanship of the Democratic National Committee in 1860. Seymour promised payment in specie. However, when the Convention passed a resolution in favour of paper, Belmont was forced to switch sides and thereafter secretly supported the Republican candidate General Casses Seymour and used as part ownership of the New York Herald newspaper in order to denigrate and undermine the chances of Seymour. Grant was and on assuming office in 1869 he promptly introduced the Public Credit Act which provided for the face value of the \$5 billion worth of bonds to be paid. This resulted in the Rothschilds and their associates making a 100% profit.

20 *Appleton Cyclopedia*, 8: 50

21 *Journal of the American Historical Association*, 1904, 13: 100-101. Belmont has wonderful idea. See Appendix.

22 Belmont's plan was to issue currency in the form of bonds, the speaker of the House of Representatives, William L. Chapin, said, "It is a very good idea."

23 *The American Historical Association*, 1904, 13: 100-101. Belmont's plan was to issue currency in the form of bonds, the speaker of the House of Representatives, William L. Chapin, said, "It is a very good idea."

The silver exchange was abolished and replaced by a gold standard by means of an Act keeping and Amending the Laws Relative to the Mints, Assay Offices, & to the Coinage of the United States. On January 7, 1873, this act was passed by the Senate. According to a sworn affidavit of Mr. Frederick A. Lucke, dated May 9, 1892, he had learnt from Mr. Ernest Seyd in London that the demonetisation of American silver had been expressly ordered by the Governors of the Bank of England who had furthermore paid £100,000,000 in order to have a sufficient number of committee members of the US Congress dealing with financial matters bribed.²⁵ This nefarious deed became known as the Crime of '873.

The forced abandonment of the people's money silver was also instituted in the German Empire when the government inexplicably ceased to mint silver coins in 1871. There seems to be little doubt that this was part of a state-trusted scheme co-ordinated by the Rothschilds in order to further entrench the gold standard.²⁶

The gold standard wrought havoc on the American economy and enabled private bankers to withdraw loans and restrict the money supply widely. There followed a series of unmitigatedly created panics (Panic of 1837, 1847, 1857, 1873, 1893, 1897, 1907).

²⁵ The *London Times* reported the charges as described in a novel by W.H. Forster, *The Crime of '873*. The author's name and the name of the novel are not to be mentioned. A review of the novel appeared in an issue of the *London Standard* by the name of "The London Standard," dated July 25, 1892. The review is contained in the *London Standard*, dated July 25, 1892, in which the speaker of the charge is given the name of "The London Standard," and it is said that the general idea which had occurred to the author of the novel is the Rothschilds. The reviewer also expresses his opinion that the novel is a masterpiece of fiction and that it is a masterpiece of fiction. The reviewer also expresses his opinion that the novel is a masterpiece of fiction and that it is a masterpiece of fiction.

²⁶ See *The London Standard*, dated July 25, 1892, in which the speaker of the charge is given the name of "The London Standard," and it is said that the general idea which had occurred to the author of the novel is the Rothschilds. The reviewer also expresses his opinion that the novel is a masterpiece of fiction and that it is a masterpiece of fiction.



President James Abram Garfield (left) is surrounded by Secretary of State James Blaine (center) and two women. The photograph was taken in Washington, D.C., in 1881.

and 907.⁶ These artificially created bank runs so incensed President James Abram Garfield that shortly after he took office on March 4, 1881, he issued a statement in the middle of June of that year that he intended to master the problem when he said the following:

“Whoever controls the volume of money in any country is absolute master of that country and commerce. And when you realize that the entire system is very easily controlled one way or another by a few powerful men at the top, you will not have to be told how periods of inflation and depression originate.”

Two weeks later Garfield was gunned down by “long-ass-ass n”

⁶ E. A. Tamm, *The Life of James A. Garfield*, New York: The Century Company, 1907, pp. 100-101. The *Garfield Papers* is a New York University publication, 1933-1934.

⁷ J. P. Brown, *The Life of James A. Garfield*, New York: The Century Company, 1907, pp. 100-101. The *Garfield Papers* is a New York University publication, 1933-1934.

Charles G. Coffey who had a grudge because he had not been received a diplomatic posting, crafted and executed the assassination but as a result of improper medical care, some possibly done so deliberately, he died on what his death certificate says September 9, 1887.

At his trial the hidden hand of K. R. Schickel was revealed when Coffey admitted that important men in Europe paid him up to the task and had promised to protect him if he were caught.

The 1890-7 panic had the worst effects. In early 1897 Jacob Schiff (CEO of Kuhn, Loeb & Co.) warned that unless we have a Central Bank with adequate control of credit resources, this country is going to undergo the most severe and far-reaching money panic in history. In October of that year JP Morgan, another Rorschach front man, set the panic in motion by circulating rumours that its rival, the Knickerbocker Bank and Trust Co. was insolvent. In the ensuing crash shares listed on the New York Stock Exchange lost 50% of their value. Further consequences of this socially induced panic were a 10% drop in industrial production the following year, a 26% rise in imports and an increase in unemployment from under 3% to 8%. It was these conditions plus the fact that artificially created boom and bust inflation and deflation which provided the motivation and pretext to set up a central bank which would attempt to solve these never ending problems for a time.

Establishment of the United States Federal Reserve Bank

In order to mislead the public two alternative plans were proposed. One was advanced by the National Monetary Commission under leadership of Senator Nelson Aldrich (grandfather of Nelson A. Rockefeller) and known as the Aldrich Plan. The other plan adopted by the Special Currency Committee of the New York Chamber of Commerce was under

8. http://en.wikipedia.org/wiki/Charles_G._Coffey

9. <http://www.nycc.com/pressroom/pressroom.cfm>



In the US House of Representatives Swedish-American Charles August Lindbergh attacked the Banking and Currency Bill as being "a complete negation of all laws."

the effect of the proposed bill was to "take away from the people the right to issue their own money." The Reserve Bill was also attacked by Bruce A. Wilson, Republican of New York, who stated that the bill would "take away from the people the right to issue their own money." Wilson also stated that the bill would "take away from the people the right to issue their own money."

On November 22, 1910 the banking conspirators including among others Assistant Secretary of the Treasury Frank Vanderlip president of the National City Bank of New York Henry P. Davidson senior partner P. M. Morgan and Company Charles D. Norton president of the National Bank of New York Benjamin Strong vice president Bankers Trust of New York and Paul M. Warburg partner Kuhn, Loeb & Company sneaked into New York in Arthur's Pass on their way to the island of Jersey in the New Jersey rail way station to Jersey Island, Georgia. At the very exclusive Jersey Island Hall Club owned by J.P. Morgan the face of the American people and indeed the entire world be determined over the next ten years by the his group of criminals, the real financiers who were also known as the Five Name Club. Only his names were used so as not to reveal their identities to the staff.

The bill to establish the Federal Reserve Bank was vehemently opposed by Congressman Charles August Lindebergh who said that

The act establishes the most gigantic class in earth such as the Sherman Anti-Trust Act and disallow if Congress did not do this act expressly created by that act prohibited. When the president signs this act the money government by the money power power to exist by the [Paul Money Investigation] the legalizes. The greatest crime of Congress is its currency system. The schemes, legal crime of a ages is perpetuated by this act, the money and currency bill.

The bill was bitterly opposed in the Senate with Senator Robert M. La Follette being one of its most vocal opponents. It

30 H.S. A. Nathan, *The Money Trust*, New York: The Century Company, 1908, pp. 92-99.

31 *Ibid.*, 94.

32 *The Senate*, Vol. 51, November 1912.

33 *The Money Trust*, pp. 92-99. See also *The Money Trust*, Chednoy Press, New York, 1968, 52.



Senator Robert La Follette, who introduced the original proposal for the establishment of the Federal Reserve Bank and supported the establishment of the American people

was passed in January of December 23, 1913 and of the members of the Senate have been threatened by the thoroughly disreputable President Woodrow Wilson—who was as devoid of ethics and principle as he was unscrupulously—that he would keep them in session until the bill had passed or they would deny them their rights as recess. Only a narrow vote of 43 Senators supported the bill with 25 voting against it, 27 refusing to vote and 5 members absent. The promoters of the bill promised that the new United States dollar would become a stable currency and that business cycles and recessions would be a thing of the past.

In the event since the inception of the US Federal Reserve Bank in 1914 the US dollar has lost 92% of its purchasing power and there have been 19 recessions—the great depression of the 1930s and the current great recession which started in 2008—and notwithstanding main stream media propaganda to the contrary appears to have all the symptoms of a depression. Since 1910 the National Debt has increased from \$2.65 billion to \$17.5 trillion in 2014 with unfunded liabilities exceed \$240 trillion³⁴.

The United States Federal Reserve Bank instead of functioning as the people's banker of the bankers has operated solely as a private bank for the benefit of private bankers. It comes as no surprise that in its 100 years of existence its accounts have never been submitted to public audit³⁵.

34. John F. Kennedy was so concerned about the US budget that he signed the Tax Cuts and Employment Act of 1961. An American Society for the Betterment of Washington in I. J. A. News, 2 March April 2010, p. 2.

35. <http://www.federalreserve.gov/about/press/pr20090513.htm> the best-paying entry-level job in 35 states.

36. In 1975, 200 a proposal by Congressman John P. Rodgers, Republican Texas, to make the Federal Reserve Bank subject to full transparency of public audit was passed by 77-195 votes. A vote of 100-100 was taken on the bill to force the Federal Reserve to release its records to the public and a 100-100 vote was taken on a bill to require the release of the records. "A bill is introduced that more hazard." *USA Today*, Op Politics.

The following list reveals the bank's principal shareholders:

- Rothschild Banks of London and Berlin
- Lazard Brothers Banks of Paris
- Israel Moses Soff Banks of Italy
- Waring Bank of Hambourg and Amsterdam
- Shearson American Express
- Goldman Sachs of New York
- JP Morgan Chase Bank⁴

The State Bank of the Russian Empire

Meanwhile across the Atlantic a different system of finance and state banking had been adopted. From September 1814 to June 1815 the Congress of Vienna was held in order to settle the issues arising from the French Revolutionary Wars, the Napoleonic Wars and the dissolution of the Holy Roman Empire. Behind the scenes Nathan Mayer Rothschild proposed the formation of a new world order concentrated around central banking. All the major powers, with the exception of Russia, were indebted to the Rothschild banks. Tsar Alexander I (1801-25) refused to comply with Rothschild's devious scheme and derailed it. Instead he established the Holy Alliance between Austria, Prussia and Russia which was signed on September 26, 1815 by Emperor Francis of Austria, King Friedrich Wilhelm III of Prussia and Tsar Alexander. He also rejected Rothschild's offer to set up a central bank in Russia. Whether it was because he was tired of Rothschild's banker or was aware of the perils of central banking is not known, but he wisely declined. However, his prudent behaviour triggered the speculative and speculative trading wealth of the Rothschild's and according to Myra Cohna Cohen

⁴ "The Rothschild Bankers and the Russian Empire," *Journal of American Studies*, 58 (2024), 1-15. Available at: <https://www.jstor.org/stable/53111111>. Accessed: 10/10/2024. The Rothschild Bankers: A History, by Myra Cohna Cohen, Stanford, Virginia, 1993, 47-62.

⁵ "The Rothschild Bankers and the Russian Empire," *Journal of American Studies*, 58 (2024), 1-15. Available at: <https://www.jstor.org/stable/53111111>. Accessed: 10/10/2024. The Rothschild Bankers: A History, by Myra Cohna Cohen, Stanford, Virginia, 1993, 47-62.



The State Bank of the Russian Empire in Moscow. The building has the same building number as the Central Bank of the Russian Federation.

Cherep-Spiridovich were responsible for the assassination of the last five Tsars and would seek to obtain their Tyrodic vengeance in special at Dushan 2 years later

On June 2, 1860 The State Bank of the Russian Empire⁴⁰ was founded with the aim of boosting trade turnovers and the strengthening of the monetary system. Up to 1864 it was an auxiliary institution under the direct control of the Ministry of Finance. In that year it was transformed to being the banker of the bankers and operated as an instrument of government's policy: it minted and printed the nation's coins and notes, regulated the money supply and through commercial banks provided industry and commerce with low interest rate loans. Its vast gold reserves, the largest in the world, exceeded the bank note issue by more than 100% except for the year 906. By 914 it had become one of the most influential lending institutions in Europe⁴¹.

40. V. G. Gerasimov, "The History of the State Bank of the Russian Empire," *Journal of Economic Surveys*, Vol. 28, No. 4, 2014, pp. 700-720. The author also discusses the history of the State Bank of the Russian Empire in his book "The History of the State Bank of the Russian Empire," published in 2014. See also V. G. Gerasimov, "The History of the State Bank of the Russian Empire," *Journal of Economic Surveys*, Vol. 28, No. 4, 2014, pp. 700-720. Washington, DC: American Economic Association, September/October 2014, 38-40.

41. A. De Vries, "The History of the State Bank of the Russian Empire," *Journal of Economic Surveys*, Vol. 28, No. 4, 2014, pp. 700-720. The author also discusses the history of the State Bank of the Russian Empire in his book "The History of the State Bank of the Russian Empire," published in 2014. See also V. G. Gerasimov, "The History of the State Bank of the Russian Empire," *Journal of Economic Surveys*, Vol. 28, No. 4, 2014, pp. 700-720.

42. The State Bank of the Russian Empire. The Central Bank of the Russian Federation.

The State Bank of the Russian Empire

Not unexpectedly Russia had the smallest national debt in the world. The following table reflects the number of rubles of debt per inhabitant:

France	Great Britain	Germany	Russia
2880	1698	356	88 ²

By 1914 85% of the interest and amortisation on the national debt of which less than 2% was held abroad, was funded by the profits of the Russian State Railways. In 1914 the carrying capacity of the main lines was 100,817,000 verst or kilometres. Russian commercial and emigration tonnage of 11,300,000 in 1914 exceeded British mercantile tonnage of 10,750,000.

In 1861 Tsar Alexander II (1855-1881) introduced serfdom which at that time affected 30% of the population. By 1914 very little remained in the possession of the Russian estate owners, who were mainly the nobility. 80% of the arable land was in the hands of the peasants, which had been freed of them for a very small sum. This land was taken in trust by the village community or mir. However, after the passing of the Stolypin Act in 1906 peasants could obtain freehold title with hereditary rights. By 1914 two million families had availed themselves of this opportunity to acquire what became known as Stolypin farms. Nearly 100,000,000 acres (7689,277 hectares) were allotted to these new individual peasant proprietors by the "Land Committees". The Peasants' State Bank, which was described at the time as the "greatest and most socially beneficial institution of land reform in the world"⁴¹ granted loans at a low rate of interest

Federation, 12 Nagornaya Street, Moscow 12706

⁴¹ "The Peasants' State Bank of the Russian Empire" by S. P. Gerasimov, in "The Peasants' State Bank of the Russian Empire" (1914), p. 10.

⁴² "The Peasants' State Bank of the Russian Empire" by S. P. Gerasimov, in "The Peasants' State Bank of the Russian Empire" (1914), p. 10. Bogrov (real name Mordecha Gershtkovich)

⁴³ "The Peasants' State Bank of the Russian Empire" by S. P. Gerasimov, in "The Peasants' State Bank of the Russian Empire" (1914), p. 10. and Company Limited, London, 1923, p. 6.

⁴⁴ "The Peasants' State Bank of the Russian Empire" by S. P. Gerasimov, in "The Peasants' State Bank of the Russian Empire" (1914), p. 10.

which was effected by a changing charge. Between 1901 and 1912 these rates increased by 17% — on rates of 68 billion roubles.

As a result of production soaring by 100% in 1913 Russia became the world's bread basket as the following table reveals:

	World Production	Russian Production	%
Bales of	1,714,400	730,000	42.3
Oats	3,374,000	1,587,000	47.3
Rye	2,378,000	1,593,000	67.0
Wheat	4,970,000	3,540,000	71.2

Russian agricultural production increased to exceed the combined production of Argentina, Canada and the United States by 25% in 1913. Russia had 37.5 million horses — more than half of all those in the world. She also produced 50% of the world's flax and provided more than 50% of the world's egg exports. Mining and industrial output also expanded by huge margins. Between 1885 and 1913 coal production increased from 2,376 million pounds⁴⁶ to 21,598 million pounds, cast iron production rose from 25 million pounds in 1870 to 38 million pounds in 1913 and pig-iron production rose from 49.2 million pounds in 1905 to 602 million pounds in 1916. From 1870 to 1913 industrial output grew by 1% per annum in Great Britain, 2.75% per annum in the United States and 3.5% per annum in Russia. During the period from 1890 to 1913 the industrial production quadrupled and Russian manufactures were able to satisfy 80% of internal demand for manufactured goods — a perfect example of autarky. Throughout the 23 years of peace the imperial rate 1895-1914 the increase in Gross Domestic Product averaged 10% per annum.

With the Russian State bank creating the people's money out of nothing at a most zero interest, as opposed to the rest of the world where central banks allowed parasitic private banks to create their

⁴⁶ 1 pound = 700 grams. The 1913 figures are in metric tons — 1 ton = 2,205 pounds.

46 1 pound = 638kg

The State Bank of the Russian Empire

ration is money supply at usurious rates of interest, it comes as no surprise to find that in 1912 Russia had the lowest levels of taxation in the world. These very low rates of taxation also attest to the efficiency of the Russian government. Furthermore throughout this period of state banking there was no inflation and no unemployment.

Direct Taxes in Rubles per inhabitant

	State Taxes %	Local Taxes "	Total %
Great Britain	10.01	16.74	26.75
Germany	5.45	7.52	12.97
France	6.44	5.9	12.35
Austria	5.2	5.17	10.37
Russia	1.28	1.38	2.66

Indirect Taxes in Rubles per inhabitant

	State Taxes %	Local Taxes "	Total %
Great Britain	13.86	-	13.86
Germany	9.31	33	42.31
France	13.1	2.89	15.99
Austria	9.9	38	47.9
Russia	5.95	0.3	6.25

Between 1897 and 1913 state receipts rise from 400 million gold rubles⁴⁷ to 3,471 million gold rubles. By 1914 the surplus on the budget account was 5.2 million gold rubles and there was no increase in taxation. Throughout this same period the foreign trade balance between exports and imports was in surplus. An indication of the financial health of the Russian economy can be gauged from the following comparative table of gold reserves.

⁴⁷ 1 ruble = two shillings gold, 6.4 rubles = £.



His Imperial Majesty Tsar Nicholas II, State Bank of the Russian Empire
Respected by his people and admired and benefited unparalleled in his
— banking —

Gold Reserves

	Gold	Banknotes
The State Bank of the Russian Empire	55	464
Banque de France (Central bank)	93	296
Russian Bank (Central bank)	+	936
Bank of England (Central bank)	33,	263

An independence study by British lawyers concluded that the Russian Code of Laws and Regulations were the most advanced and impartial in the world.⁴⁸

Elementary education was obligatory and free right up to university level where only nominal fees were charged. Between 1916 and 1917 10,000 schools were opened annually. Russian universities were renowned for their high academic standards.

In a year relations the Russians were pioneers. Child labour was abolished over 10 years before it was abolished in Great Britain in 1877. Russia was the first industrialised country to pass laws limiting the hours of work in factories and mines. Strikes which were forbidden in the Soviet Union were permitted and minimal in Tsarist times. Trade unions were recognized in 1906 while an Inspectorate of Labour strictly controlled working conditions in factories. In 1907 social insurance was introduced. Labour laws were so advanced and humane that President William Taft of the United States was moved to say that the Emperor of Russia has passed workers legislation which was nearer to perfection than that of any democratic country.⁴⁹

The people of all races in the Russian Empire had an equality of status and opportunity which was unparalleled in the modern world. This in part, Majesty Tsar Nicholas II (1894-1917) and his staff had made a workers' paradise that was unrivalled in the history of mankind.

48. O. Knipffer op.cit., 39-40.

49. Ibid., 42.

On November 7, 1917, the Russian tsar, fearful that reputation of this extraordinary example of freedom and prosperity would destroy their malevolent task, an empire instigated and financed a Judeo-Bolshevik revolution in Russia which wrecked and ruined a wonderful country and resulted in the deaths by murder and starvation according to Alexander Solzhenitsyn of 66 million innocent people.⁵¹

The Commonwealth Bank of Australia

The Commonwealth Bank of Australia was inspired by King O'Malley, an American who found out the secrets of fractional reserve banking while working for his uncle's bank in New York in the 1880's. When the bank's first governor, Sir Dennison Miller, was asked where he proposed obtaining capital for his bank, he replied, "What capital do I need any capital, my capital is the entire wealth and credit of the whole of Australia."⁵²

With an advance of £1,000,000 from government which was quickly repaid, the Commonwealth Bank of Australia was founded in July 8, 1917. Although established as a private bank, it operated as a state bank with the power to carry on a full business

51. As Solzhenitsyn's *Zenon* (London: Heinemann, A Struggle for the Soul of the Empire, Penguin, 1968), pp. 274-275, March 1918, he noted here that in the "struggle in public opinion between the 'bourgeois' and the 'proletarian' side, the latter had the advantage of a complete, almost unmitigated and almost complete monopoly of the press. It has been a dominating force in the sphere of public life during the Nineties, and it is still a dominant force. It has done this by personalizing the leaders of the great cities of Europe and America as being the Russian people's heroes, and by making them become practically the only public faces of the entire world."⁵¹

52. According to Solzhenitsyn, a large number of Soviet Jews emigrated to Australia and other countries and in the mid 1920's about 100,000 of them had settled in Australia. The Bolshevik Revolution took its toll with the death of a large number of Jews and the flight of many others. The Russian Revolution had a high percentage of Jews who worked so without them in Russia's going to become Red, it would have failed.⁵²

53. R. G. Langford, "The Commonwealth Bank of Australia: A History of the Bank's Establishment."



King O'Malley (1854-1953) who was the inspiration for the founding of Australia's state bank, the Commonwealth Bank (1917-1918)

generally transacted by banks, including that of a savings bank. Furthermore the bank was entitled to raise capital through the sale of debentures secured by the national credit. Its profits were equally divided into two funds – a reserve fund to meet any liabilities incurred by the bank and a redemption fund to redeem debentures or other stock issued by the bank. Thereafter 50% of its profits were allocated for the liquidation of the National Debt.

For the next 12 years, notwithstanding the years of World War I (1914-18), Australia enjoyed one of its greatest eras of prosperity. By providing government loans at a nominal rate of interest, viz 7/6 pence or one per centum per annum, it enabled the country to embark on a huge infrastructure programme. It included provision of A\$1877 million for the construction of canals and the Murrumbidgee irrigation system, the great Transcontinental Railroad, electric power plants, gas works, harbours, roads and tramways. In addition, the fruit, wheat and wool crops of farmers were financed for an amount of A\$4 million at nominal rates of interest. It made available A\$4 million to purchase 18 cargo steamers in order to transport Australia's growing exports and A\$8 million were allocated to subsidised housing. World War I cost Australia A\$700 million, but it was financed by the bank as a non-interest-bearing debt.

This phenomenal period of prosperity was terminated in 1924 when a bill which placed control of the bank in the hands of a directorate consisting of a Governor, the Secretary of the Treasury and six persons actively engaged in agriculture, finance and industry for different terms of years was introduced by Stanley Melbourne Bruce (prime minister 1924-29) and Dr Earle Page (his coalition partner). There was suspicion that Bruce may have been bribed as with his aid was completely against the best interests of the Australian people. During his term of office the Australian government borrowed £23 million from the City of London and by 1927 the federal state debt had reached £1 billion and the budget was in deficit.

On October 1, 1924 the bill was proclaimed as an Act. The subsequent effect of this Act was to place the bank under the control of a handful of men who later deprived it of the right to create the nation's money supply free of debt and interest. In 1927 the bank lost its savings bank subsidiary and although it was permitted to continue issuing bank notes and thereby earn a modicum of seigniorage it thereafter became a central bank operating exclusively for the benefit of private banks. The final blow to the bank occurred on March 2, 1947 when the House of Representatives voted by 55 to 5 votes for it to become a member of the International Monetary Fund and thus subject to the decrees and dictates of the Rothschild controlled Bank for International Settlements.

53 Bruce and Page were the leaders of the National and Country parties respectively.

54 *50 Years more of the life of Australia*, ed. by the Cambridge University Press, Melbourne, 2009, 168.

55 J.M. Stephens *and the Bruce*, ed. by the same, Longman's Resene, Melbourne, 1989, 74.



A valuable picture Henry Ford identified the national law sh
Huckery d Hes, he is public Victoria expressing his own
the Commonwealth is published by the *Diary* in the *Commonwealth* newspaper

World War I

World War I was a global conflict that lasted from 1914 to 1918. It was the first world war, involving most of the world's major powers. The war was fought between the Central Powers (Germany, Austria-Hungary, and the Ottoman Empire) and the Allied Powers (France, Great Britain, and the United States). The war was caused by a complex set of factors, including nationalism, imperialism, and a system of alliances. The war resulted in the deaths of approximately 16 million people and the displacement of millions more. It also led to the end of the Russian Empire and the beginning of the Russian Revolution. The war was a turning point in world history, leading to the rise of the United States as a world power and the beginning of the modern world.

the November 1905 revolution in Russia

Publishers: New Rochelle, New York, 1987 128

of the fleet at home. May 3, 1700, when the Ottoman Navy
 outnumbered by two to one, annihilated the British Royal
 Navy, sinking 2 vessels for the loss of six and wounding 250
 sailors, a major disaster for the British. High Kitesets
 were desperate to bring the Ottoman Empire to a pointless
 standstill. In 1700, the Sultanate of the Ottoman Empire
 Ruler had seen the American Revolution and the
 over Palestine. The Ottoman Empire was the last
 of the Ottoman Empire.¹³

In April 1700, the Ottoman Empire was divided into many and
 the Ottoman Empire was divided into many and
 and his Zions. The Ottoman Empire received their written undertaking by
 Greg. B. The Ottoman Empire was over Palestine. Jewish settlers
 This Ottoman Empire was the Ottoman Empire was

XVIII No. 2, March April 2012, 22-3

Palestine

World War I

Foreign Office

November 2nd, 1917

Dear Lord Rothschild,

I have much pleasure in conveying to you, on behalf of His Majesty's Government the following declaration of sympathy with Jewish Zionist aspirations which has been submitted to and approved by the Cabinet.

His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people and will use their best endeavours to facilitate the achievement of this object it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

I should be grateful if you would bring this declaration to the knowledge of the Zionist Federation.

7
Arthur Balfour

A copy of the Arthur Balfour Declaration is being sent to the head of the Zionist Federation expressing the British Government's support for the establishment of a Jewish state in Palestine.

with the ... of ...

... of ...

... of ...

66 *Le Contemporain* July 1, 1886

67 *N. Ferguson* op. cit. 21

was worth £284 billion in 2012

69 *L. Degregre* op. cit. 135

Chapter V

The Great Depression

"The most successful and most possible way for
 by which the world could be helped by the
 in the days before the war was by the
 through process of the common people who
 time to see the world and to see the
 governed through the system of the
 applied to the world of the world of the
 leaders. These things are not done
 present that the world is not doing
 important in the world. By the way, the
 that the world is not doing
 capital and the world is not doing
 more than is the world is not doing
 for the world and the world is not doing
 successfully accomplished."

Montagu Norman,

Governor of the Bank of England addressing the United
 States Bankers Association, New York, 1934

By the early 19th century, there were 51 central
 central banks: Sweden's Riksbank (1688), Bank of England
 (1694), Banco de España (1763), Banque de France (1800), Bank
 of London (1800), De Nederlandsche Bank (1814), Norges
 Bank (1816), Österreichische Nationalbank (1816), Danmarks
 Nationalbank (1818), Banco de Portugal (1820), National Bank
 of Belgium (1834), Bank of the Netherlands (formerly Java Bank)
 (1845), Central Reserve Bank (1870), Bulgarian National Bank
 (1879), National Bank of Kenya (1888), Bank of Japan (1882),
 National Bank of India (1884), and Bank of Korea (1897).

1. The first central bank in the world was the Bank of England, which was
 established in 1694. It was the first central bank to be established
 be the world's first central bank.

In 1922 a conference was held in Genoa from April 10 to May 19 and attended by heads of state & governors of the Bank of England, Banque de France and the Federal Reserve Bank of New York and a host of other international bankers. At this conference it was resolved to set up central banks in all countries where they were not in existence. The governor of the Bank of England Montagu Norman insisted that the central banks should be independent of their governments. *A N Field in all these Times* summarises this significant occasion as follows:

Despite the gravity of these proceedings they were entirely successful. The paid economists only discovered that reserve banks were marvelous so on the improvements, the newspapers joined in the chorus of applause and the participants of the various States behaved as so many heifers leading the sheep to the slaughterhouse. The fact was entirely overlooked that the financiers are first of sense public servants, but simply the paid agents of the shareholders in a banking company whose interests need not in the least be identical with the national interest.

The Bank for International Settlements

The number of new central banks increased particularly after the establishment of the Bank for International Settlements at Basel early in 1930 [when] central reserve banks more or less

2 Montagu Norman, a freemason was an Englishman and after the war did not remain in the country. He was the author of the book *The International Monetary System*. See also the book by Skidmore. Throughout his career Skidmore was a supporter of a central bank and was a member of a conversation with a central bank governor in the presence of a foreign banker. *A N Field's The Bank for International Settlements* (Cambridge, 1976) Press Cambridge 476-59-160.

3 *A N Field's The Bank for International Settlements* (Cambridge, 1976) Press Cambridge 476-59-160.

4 *Ibid.* 48.

the success of the Conference for the countries which have
 were sought to bring up the business as a whole over the world
 and to secure approval from all the Governments and to see
 whom they knew to be the best and most useful service.

The original purpose of the BIS was to facilitate German
 reparations payments in terms of the Treaty of Versailles but
 once the world-wide economic depression started to take
 effect and the National Socialist Government came to power in 1933
 payments ceased and the BIS had to find a new function for
 the holding of monetary deposits and the BIS does
 and does so essentially in accordance with the system of the
 the central banks of each country which is a 2/3rd of the

The headquarters of the bank are in Basel, Switzerland and they
 are directly licensed in the Swiss law which makes banks
 like the bank the tower and power source of the central bank
 and the central bank of the central banks which is
 complete authority from national laws and laws and taxes
 which are paid for the national interest and is granted
 by an agreement with the Swiss Federal Council and the
 bank states the conditions and conditions and the bank
 in the national places. This agreement was back in the
 Act paragraph 2 of the Swiss Federal Act was signed in
 August 1930 and states that the Bank is properly the
 assets and also the deposits of the central banks of the
 the authority of independence of the administration of the
 in the national law which is the main restriction measures
 such as exchange of deposits for security and the
 of power or war reprisals provisions and restrictions of export of
 goods and currency and of other similar measures or restrictions or
 prohibitions. It mentions also that the bank's activities
 is discussed in the bank's secret and the bank's activities
 get to be the bank's secret and the bank's activities

and money received. The principal functions of the bank are ostensibly:

- (i) Facilitating international trade as central banks by means of accords
- (ii) Promoting financial stability
- (iii) Research on policy issues
- (iv) Acting as a counter party for central banks in their financial transactions.
- (v) Serving as an agent or trustee in connection with international financial operations.

However, the true nature of the BIS was revealed in the book *Regulators First* written by the late Professor Carlo Quigley of Georgetown University, who wrote as follows:

In addition to these pragmatic goals, the powers of financial capitalism had a wider, far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations. Each central bank in the hands of men like Montagu Norman of the Bank of England, Benjamin Strong of the New York Federal Reserve Bank, Charles Ruggie of the Bank of France, and Hans Scharf of the Reichsbank sought to dominate its government by its ability to control Treasury issues, to manipulate foreign exchanges, to influence the level of economic activity in the country and to influence cooperative policies by subsequent economic rewards in the business world.

¹ *Regulators First*, pp. 120-121. *See also* *The Bankers' International*, pp. 100-101.

WORLD'S HIGHEST STANDARD OF LIVING



Not a day goes by without a meeting here. (New York Times)

As Professor Quigley predicted back in 1966, the ultimate aim of the BIS is a single world currency, a one world economic system and a global government where national laws are no longer applicable or relevant. Control of the bank lies with the House of Rothschild through its investments in various central and private banks.

After World War II, and the dissolution of the European colonial empires because they were they were no longer financially sustainable and offered far greater prospects for exploitation and plunder by means of international loans, there was a further proliferation of central banks and currently the number stands at 155. Eight of these banks are in private ownership: National Bank of Belgium, Bank of Greece, Banca d'Italia, Bank of Japan, South African Reserve Bank, Swiss National Bank, Central Bank of the Republic of Turkey and the United States Federal Reserve Bank.

Macmillan Company, New York, 1966, 324

7. For insight into how the World Bank and other international banking institutions work, see the book *The World Bank and the World: How the World Bank and the World Bank are Changing the World* by Jeffrey Pfeffer, Harvard Business School Press, 2005, 304 pp. and *The World Bank and the World: How the World Bank and the World Bank are Changing the World* by Jeffrey Pfeffer, Harvard Business School Press, 2005, 304 pp.

The unregulated establishment of these central banks proves beyond doubt that they are part of a system that we must

United States Federal Reserve Bank

Between 1820 and 1840 at least there was a temporary spike in prices during the American Civil War. Still, the dollar retained its purchasing power, i.e. it was still worth a dollar 90 years later. However, a few mere 5 years later the US Federal Reserve Bank to destroy the value of the dollar. Between 1914 and 1923 prices rose by 128% reducing its value by 56.7%.

Before causing the entire country to be in the Great Depression, a brief examination of the causes of the first major deflation needs to be considered. In order to reduce prices a secret bankers meeting was held in March 1907 in Washington DC under the misguiding title of the Orderly Deflation Committee of the American Bankers Association. Under orders of the Federal Reserve Board without notice or warning the discount rate rose rapidly from 2% to 4%. At the same time the Federal Reserve Bank began aggressively to sell government bonds reducing their value by 20%. The fall in bond prices reduced the value of the reserves of the community banks and were forced to liquidate their assets. This resulted in a terrific liquidation of all agricultural products and agricultural prices tumbled to ruinously low levels.

At the same time freight companies, owned by the railroads, such as the Harriman's, increased their railroad rates to such an extent that in some states freight costs exceeded the cost of farm production. The farm product index dropped by more than

8 A. N. Field, op.cit., 5

9 C. M. Morgan, *The History of the Federal Reserve Bank*, New York: The Century Company, 1913, pp. 100-101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

10 Ibid. 62

11 Ibid. 62

half from 244 in May 1920 to 17 a year later. Many farmers were ruined as their overhauled remained unchanged and their financial costs soared.

The unlimited powers which the Federal Reserve Bank possessed had enabled it to contract the currency and credit of the United States by \$2 billion with the result that "prices were cut in half and confusion and distress reigned". This policy was carried out with deliberate intent "in order to impoverish the agricultural sector" by transferring rural money to the urban centres and at the same time reducing America's food independence, thereby making it vulnerable to the intrigues and whims of financial speculators and swindlers.¹⁴

In July 1921 the Federal Reserve Bank reversed this policy by repurchasing government bonds. However, the damage done to agricultural banks could not be repaired, and agricultural products remained artificially depressed with some products being sold below cost of production.

In August 1927 the conspirators running the privately owned Federal Reserve Bank decided that it was time to create a new "boom". Despite the protestations of 11 of the 12 Federal Reserve Banks, who perceived the danger, they were ordered to lower the interest rates and embark on a massive government bond repurchasing programme (the modern equivalent of quantitative easing) to boost the money supply.¹⁵

¹⁴ A. N. Sutherland, *The American Agricultural Depression, 1907-1920* (New York: New York Zeland, 1935), 197.

¹⁵ *Ibid.*, 200.

¹⁶ The "distress" of some of the American agricultural sector may be compared with the starvation of agricultural production in the Soviet Union during the Russian Revolution led by the Communist Party. The Russian Revolution was a time of great suffering, which included the execution of thousands of people (for fist) were either executed or died of hunger.

¹⁵ A. M. Field, *op.cit.*, 204.

¹⁶ G. M. Coogan, *op.cit.*, 67.

The history of central banking is a long and complex one, spanning centuries and continents. It begins with the early forms of currency and the need for a central authority to regulate its supply and distribution. Over time, the role of the central bank has evolved, becoming a key institution in the financial system. The modern central bank emerged in the 19th century, with the Bank of England being the first to be established in 1694. Its primary function was to issue banknotes and manage the country's money supply. As the world's economy grew, the central bank's role expanded to include regulating the banking system, maintaining financial stability, and acting as a lender of last resort. The 20th century saw the central bank's role become even more prominent, particularly during the Great Depression and the Second World War, when it was called upon to manage the economy and provide liquidity to the financial system. Today, central banks continue to play a crucial role in the global financial system, working to maintain price stability and promote economic growth.

plunge

The word "plunge" has a rich history and is used in a variety of contexts. In its most literal sense, it refers to the act of diving or falling into a body of water. However, it is also used metaphorically to describe a sudden and dramatic change or a steep decline. For example, the stock market can plunge, or a country's economy can plunge into recession. The word is also used to describe a sudden attack or a surprise move, such as a military plunge or a political plunge. The origin of the word is uncertain, but it is thought to have come from the Old Norse word "plunga," which means "to dive." The word has been used in literature and popular culture for centuries, and it remains a common and powerful word in the English language.

The word "plunge" is also used in a technical sense, particularly in the field of engineering. It refers to a sudden and sharp drop in a variable, such as a sudden drop in temperature or a sudden drop in pressure. This usage is often found in scientific and technical literature, where it is used to describe a specific phenomenon or event. For example, a scientist might say that the temperature of a substance plunged during a certain experiment. The word is also used in the field of psychology to describe a sudden and dramatic change in a person's mental state or behavior.



U.S. Congressman James McHadden served as chairman of the United States House Committee on Banking (1907-19). His persistent exposure of the U.S. Federal Reserve Bank's illegal transactions culminated in a assassination on October 1, 1936.

was unemployed. The total National Income of the United States declined by 40% from \$81 billion in 1927 to \$48 billion in 1932. During the depression years, an estimated three million people died of starvation. The main causes were malnutrition, infectious diseases, starvation and suicide.

When referring to the New York Stock Exchange collapse which initiated the depression, Congressman Charles McFadden stated with precision: "It was a carefully contrived occurrence. The international bankers sought to bring about a condition of despair so that they might emerge as the rulers of us all."

A. N. Field condemns the worthlessness of central banks and the perverted purposes for which they have been consistently utilised as follows:

Reserve banking as a means of preventing financial crises has been a most complete and total failure in the United States. This fact has in no way militated against a world campaign to establish reserve banks in all countries. It has been alleged that the financiers in command of the United States Federal Reserve do not want stable conditions, and that the unprecedented booms and slumps since its establishment have been deliberately caused. It is at least certain that those in control of the system have raised the strongest objections to every one of the numerous attempts made in Congress to write an instruction into the law directing the Federal Reserve to use its tremendous powers to maintain the purchasing power of its money at a stable level.

In a newspaper article in the *Financial Times* written in 1930,

939), 178.

4. During the 1920s and 1930s the term international bankers was commonly used to describe Jewish bankers. "Synagogue and Wall Street" was another euphemism employed.

20. A. N. Field, op.cit., 202.

21. A. N. Field in *These Things Happen* (London: Publications House, Ltd., 1936), 21-22.

Professor Nat Caslav Cassel, of Stockholm University, Sweden, remarked: "Practically absolute power over the welfare of the world has been placed in the hands of the Federal Reserve Board. And one is appalled to see the apparently haphazard manner in which the Board uses this power, how ignorant it is of the aim which ought to dictate American monetary policy."

Finally in this section we may pause to reflect on a thunderous speech given on Friday, June 10, 1932, in the United States House of Representatives by the former chairman of the House Banking and Currency Committee (1920-1931) — the Honorable Louis T. McFadden.²³

"Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks."

The Federal Reserve Board, a Government agency, has created the Government of the United States and the people of the United States out of enough money to pay the national debt. The deprecations and the iniquities of the Federal Reserve Board and the Federal Reserve Banks acting together have cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States, has bankrupted itself, and has practically bankrupted the Government. It has done this through the defects of the law under which it operates, through the maladministration of the law by the Federal Reserve Board, and through the corrupt practices of the money holders who control it.

²³ "The Federal Reserve Board is the most corrupt institution in the world. It has created the Government of the United States and the people of the United States out of enough money to pay the national debt. The deprecations and the iniquities of the Federal Reserve Board and the Federal Reserve Banks acting together have cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States, has bankrupted itself, and has practically bankrupted the Government. It has done this through the defects of the law under which it operates, through the maladministration of the law by the Federal Reserve Board, and through the corrupt practices of the money holders who control it."

²³ A.N. Field, *The Truth About The Stamp*, 118.

²⁴ "The Federal Reserve Board is the most corrupt institution in the world. It has created the Government of the United States and the people of the United States out of enough money to pay the national debt. The deprecations and the iniquities of the Federal Reserve Board and the Federal Reserve Banks acting together have cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States, has bankrupted itself, and has practically bankrupted the Government. It has done this through the defects of the law under which it operates, through the maladministration of the law by the Federal Reserve Board, and through the corrupt practices of the money holders who control it."

manner in which he has been misled by Colonel House. He turned against that busybody, that 'holy monk' of the financial empire, and showed him the door. He had the grace to get a pardon from my opponent. He deserves great credit for it.

President Wilson was a victim of deception. When he came to the Presidency, he had certain qualities of mind and heart which entitled him to a high place in the councils of his nation, but there was one thing he was not and which he never aspired to be, he was not a banker. He said that he knew very little about banking. It was therefore, on the advice of others that he signed the Federal Reserve Act, the death warrant of American liberty became law by his authorization.

Mr. Chairman, there should be no participation in matters concerning the banking and currency affairs of this country, and I do not speak with any

In 1912 the National Monetary Association under the chairmanship of the late Senator Nelson W. Aldrich made a report and presented a vicious bill called the National Reserve Association Bill. This bill is usually spoken of as the Aldrich Bill. Senator Aldrich did not write the Aldrich bill. He was the tool, but not the accomplice, of the European-born Jewish bankers who for nearly 25 years had been scheming to set up a central bank in this country and who in 1912 had spent and were continuing to spend vast sums of money to accomplish their purpose.

The Aldrich bill was condemned in the platform upon which Theodore Roosevelt was nominated in the year 1912 and in that same year when Woodrow Wilson was nominated the Democratic platform as accepted at the B. I. more convention expressed its attitude. We are opposed to the Aldrich plan of a central bank. This was plain language. The members of the Democratic Party then promised the people that if they were returned to power there would be no central bank established.

here will be they need the reins of government. Three months after that promise was broken, and the Wilson administration under the tutelage of these sinister Wall Street figures who stood behind Colonel Hoese established here in our free country the world's first march to the left — the King's Bank to control us from the top downward and to shackle us from the banks to the grave. The Federal Reserve Act destroyed our old and honorable way of doing business and set in a dead end of our same commercial paper — the times in the year it set up the antiquated income paper which is the present curse of this country and which has wrecked every country which has ever given it scope. It fastened down upon this country the very tyrant from which the framers of the Constitution sought to save us.

One of the greatest battles for the preservation of this Republic was fought out here on Jackson's day when the Second Bank of the United States which was founded upon the same false principles as those which are exemplified in the Federal Reserve Act was hounded out of existence. After the downfall of the Second Bank of the United States in 1837 the country was warned against the dangers that might ensue if the predatory interests after being cast out should come back in disguise and unite themselves to the Executive and through him acquire control of the government. That is what the predatory interests did when they came back in theivery of hypocrisy and artful devious preferences which led to the passage of the Federal Reserve Act.

The danger that the country was warned against came upon us in a sickening way in the long chain of horrors attendant upon the affairs of the traitorous and dishonest Federal Reserve Board and the Federal Reserve Banks. Look around you when you

24. _____ (name) _____ (title) _____ (place) _____ (date) _____ (signature)

25. A complete set of papers enclosed in _____ (envelope) _____ (address) _____ (city) _____ (state) _____ (zip)

leave to sit chamber and you will see evidences of it on all sides. This is an era of economic misery and for the conditions that caused that misery, the Federal Reserve Board and the Federal Reserve Banks are fully liable. This is an era of financed crime and in the financing of crime, the Federal Reserve Board does not play the part of a disinterested spectator.

The people of the United States are being greatly wronged. If they are not then they do not know what "wronging the people" means. They have been driven from their employments. They have been dispossessed of their homes. They have been evicted from their rented quarters. They have lost their children. They have been left to suffer and to die for the lack of shelter, food, clothing and medicine.

The wealth of the United States and the working capital of the United States has been taken away from them and has either been locked in the vaults of certain banks and great corporations or exported to foreign countries for the benefit of the foreign customers of those banks and corporations. So far as the people of the United States are concerned, the cupboards share as if the warehouses and coal yards and grain elevators are full, but the warehouses and coal yards and grain elevators are padlocked and the great banks and corporations hold the keys.

The sack of the United States by the Federal Reserve Board and Federal Reserve Banks and their confederates is the greatest crime in history.

Mr. Chairman, a serious situation confronts the House of Representatives today. We are the trustees of the people and the rights of the people are being taken away from them. Through the Federal Reserve Board and the Federal Reserve Banks, the people are losing the rights guaranteed to them by the Constitution. Their property has been taken from them without due process of law. Mr. Chairman, common decency

requires us to examine the public accounts of the Government to see what crimes against the public we have committed or are being committed.

What is needed here is a return to the Constitution of the United States. We need to have a complete divorce of Bank and State. The civil struggle that was fought out here in Jackson's day must be fought over again. The Independent United States Treasury should be re-established and the Government should keep its own money under lock and key in the hands of the people provided for this purpose. Asset currency, the device of the swindler should be gone away with.

The Government should buy gold and issue United States currency on it. The business of the independent bankers should be respected. The State banking systems should be freed from coercion. The Federal Reserve districts should be abolished and state boundaries should be respected. Bank reserves should be kept within the borders of the States whose people own them and the reserve money of the people should be provided so that international bankers and acceptance bankers and discount dealers cannot drain it away from them. The exchanges should be closed while we are putting our financial affairs in order. The Federal Reserve Act and the Federal Reserve Banks, having violated their charters should be liquidated immediately.

Faithless Government officers who have violated their oaths of office should be impeached and brought to trial. Unless this is done by us, I predict that the American people, outraged, robbed, plundered, insulted, and betrayed as they are in their own land, will rise in their wrath and send a President here who will sweep the money changers out of the temple.
[Applause]

From the above speech, it may be noted that the concerns raised by the Labour Party in South Africa during the debate on the

South African Banking and Currency Bill that 'what had been done in the USA was not in the interests of the public, but of the banks' were fully justified. In the naive and foolish egotism of 1920 allowed the South African Reserve Bank to be established as a replication of the US Federal Reserve Bank, which Congressman McFadden described as being 'one of the most corrupt and evil institutions in the world' as a matter of deep regret and must be censured in the strongest terms.

Clifford Hugh Douglas

Clifford Hugh Douglas (1912-1982) was an economist who was working as Assistant Secretary of the Royal Aircraft Establishment during the Second World War. He realised that the total costs of goods were greater than the sums paid to the various suppliers that produced them. He decided to investigate this discrepancy. He saw that money flows from the industry into the consumer and that hundreds of companies would fail if there was a persistent deficiency of purchasing power at consumers' disposal to buy necessary products. He considered the one tax that he could levy directly on the supply side proposed the payment of a national financial levy on all firms which would bridge the gap between earnings and prices. This would enable firms to provide consumers with the additional buying power necessary to absorb all the current production of goods and services and thereby prevent the system's partial collapse. Douglas's A-B mechanism would ensure prices are always being generated and that the real incomes are produced, so that the total prices for goods and services in any particular sector exceed the total buying power of consumers. Douglas's economic theory known as Social Credit addressed the transfer of the money creation process from private banks and the creation of money out of nothing as an interest-bearing debt, to a state bank.

He also proposed a price adjustment mechanism called the Just Price. This mechanism would reduce prices by a percentage as a consequence of physical efficiencies and reduced cost of production processes through improvements in technology. In this manner the benefits of technology would flow directly to the workers and increase their standard of living. Douglas was very aware of the fact that these increasing technological advances would make the attainment of full employment an impossibility.

19. The 'A-B' mechanism is a price adjustment mechanism that would reduce prices by a percentage as a consequence of physical efficiencies and reduced cost of production processes through improvements in technology. In this manner the benefits of technology would flow directly to the workers and increase their standard of living. Douglas was very aware of the fact that these increasing technological advances would make the attainment of full employment an impossibility.



His proposals for social credit and state banking were accepted by the governments of America, Canada, the Empire, and Japan.



Prosperity certificate issued by National Bank of America 1930

Hence his insistence on the payment of a national dividend which was calculated by a long and a basic income into the increase in national production and consumption data.

After World War I Douglas devoted the rest of his life to the promotion of his ideas and gave lectures in many countries, including Australia, Canada, Japan, New Zealand and Norway. He achieved two notable successes:

- (i) The Social Credit Party obtained control of the provincial government of Alberta, Canada in 1935.
- (ii) After a lecture tour in Japan in 1929, his policies were adopted by the Japanese government in 1932.

Douglas's policies were much feared by the international bankers, and in the 1930s they put up a very considerable sum of £5 million²⁹ in order to counter his highly successful programme of public engagement. Douglas had nothing but disdain for central banking and on one occasion while delivering a speech in Newcastle-upon-Tyne in 1937 he described the Bank of England as being a "mental institution".³⁰

29. According to the Bank of England, "its own assets in 1930 were worth £301 million" (2012).

30. C. H. Douglas, *Social Credit: A New Basis for Finance*. An address for the first time in the country, Newcastle-upon-Tyne, March 11, 1937, in *The Freeman* speaking

Irving Norton Fisher

Irving Fisher (1867-1947) was a famous professor of economics at Yale University who adopted a mathematical approach to resolving economic problems. He is well known for his utility theory which juxtaposed the measurability of the utility function to demand theory. In his treatise *The Theory of Interest* he observed the changes in the value of goods relative to changes in time and interest rates. This later became known as the Quantity Theory of Money. Throughout his life he was active in the eugenics movement.

In March 1913 Senator Robert L. Owen, chairman of the Senate Banking Committee, tried to introduce an alternative bill to the fraudulent Rothschild-Rockefeller banking and currency proposal. The bill would have allowed for the inclusion of staple commodities as part of the monetary base, in addition to gold and silver and would thereby have prevented the possibility of either inflation or deflation and would have created true freedom of employment. Irving Fisher assisted Owen in the drafting of this bill, but was subsequently blackmailed into withdrawing his support.

The following illuminating paragraph extracted from Finnyhue Josephson's *The Federal Reserve, the Rothschilds & Rockefeller's Third International* describes what transpired:

The conspirators determined to block the adoption of the Owen bill. They had Pratt Fisher summoned before the Yale officials and confronted with the charge that he was so foolish as to advocate money based on commodities other

and the Rothschild in 1943, characterized the Bank of England as being the "Stank of England".

• The Rothschild's "descendants" determined possible ways of emigration without going through the usual "Roggs" filter. During the Middle Ages, because Jews were not considered a "people" by general consensus, they were compelled to become "people" to include themselves. Can you name other "people" or "names" of the "bergs" that fit the "people" test?



Professor Dwight H. Bishop, Judge Patten's chief proponent for reserve banking, was denounced by researchers from the International Monetary Fund in 2002.

change. He was warned related Sen Owen that there would be no place at Yale or in any other university for anyone so foolish. Prof. Fisher was keenly aware of the side on which his bread was buttered and was no more principled, unfortunately than are the multitude of professors' prostituted to the conspirators and their foundations. He succumbed to the conspirators' blackmail, double-crossed Sen Owen and withdrew his professorial support of the honest remedy by that he had helped draft. In its place Prof. Fisher announced his advocacy of what he mockingly labeled a 'commodity' do at the value of what was to be determined by a 'gold index' that would block stabilization of the economy by making speculative the value of commodities, of gold and o

the dollar and weakened and the power of the conspirators to manipulate or manage the economy to enable them more readily to swindle the nation. The *conf. de grace* was given to Sen. Owen's earnest stabilizing currency and banking bill by its flat and categorical rejection by Pres. Wilson.

Having retreated after his previous betrayal of Senator Owen's efforts to amend the Currency and Banking Bill in 1920 Fisher published a book *Dollar Substitution* which contained what later became known as the Chicago Plan.¹² The plan was privately issued as a six page memorandum and distributed to 40 individuals on March 6, 1933. It advocated that the state should create the nation's money supply and that private banks should operate as full reserve banks. Using mathematical principles Fisher was able to prove that full employment would be the result, business cycles would be abolished, and inflation would be reduced and remain at zero.

In August 2012 two researchers at the International Monetary Fund, Jaromir Beves and Michal Kumhof produced *The Chicago Plan Revisited*. They found that every one of Fisher's findings was 100% correct. Their conclusion is cited in full.

This paper revisits the Chicago Plan, a proposal for fundamental monetary reform that was put forward by many leading US economists at the height of the Great Depression. Fisher (1936), in his brilliant summary of the Chicago Plan, claimed that it had four major advantages, ranging from greater macroeconomic stability to much lower debt levels

¹² "A September 1933 issue of *Business Review* (Volume 8, Number 9) carried the article "The Chicago Plan", Chedney Press, New York, 1968, 51.

¹³ A. N. Field, op.cit., 69.

¹⁴ Fisher was a vocal critic of the gold standard, which he felt might eventually be replaced by the fiat money system of the Federal Reserve. He was also a vocal critic of the gold standard. The first speaker at the Abraham Lincoln Conference on Monetary Reform in Washington, D.C. in 1933 was a full-time money writer who had spent the depression of 1932-33 writing *The Sudden Spread of Scarcity* which he now said was proof that the gold standard had turned Austria into a flourishing centre of prosperity.

The idea of a central bank (in this sense) is a relatively recent development. It was not until the late 19th century that the idea of a central bank began to take shape. The Bank of England was the first to be established in 1694. At that time, the Bank was a private company, but it was given a monopoly on issuing banknotes. This was done to help the government raise money for its wars. Over time, the Bank's role expanded, and it became a central bank, responsible for regulating the money supply and maintaining the stability of the financial system.

The idea of a central bank was not widely accepted until the late 19th century. The Bank of England was the only central bank in the world until 1844, when the Bank Act was passed. This act gave the Bank a monopoly on issuing banknotes. The Bank's role was to regulate the money supply and maintain the stability of the financial system. The Bank's actions were aimed at preventing inflation and maintaining the value of the pound. The Bank's role was to act as a lender of last resort, providing loans to banks in need. The Bank's actions were aimed at preventing a financial crisis. The Bank's role was to act as a guardian of the public interest. The Bank's actions were aimed at preventing a financial crisis. The Bank's role was to act as a guardian of the public interest. The Bank's actions were aimed at preventing a financial crisis.

The Bank of England was the only central bank in the world until 1844. The Bank's role was to regulate the money supply and maintain the stability of the financial system. The Bank's actions were aimed at preventing inflation and maintaining the value of the pound. The Bank's role was to act as a lender of last resort, providing loans to banks in need. The Bank's actions were aimed at preventing a financial crisis. The Bank's role was to act as a guardian of the public interest. The Bank's actions were aimed at preventing a financial crisis.

fact such a monetary system would be highly inflationary. There is nothing in our theoretical framework to support this claim. And as discussed in Section 1, there is very little in the monetary history of ancient societies and Western nations to support it either.³⁴

34. A.F. working paper, <http://www.ifa.org/ex/workingpapers/wp34/wp34117.pdf>, August 2012.

Chapter VI

The Rise and Fall of State Banking (1932-1945)

I have said that the... [faded text]

- Protocol No. 20¹

I... [faded text]

Adolf Hitler²

Reichsbank: The State Bank of National Socialist Germany

Out of the world-wide chaos and economic havoc of the 1930s, which had been triggered by the Rothschild controlled owned central banks, three phoenixes would arise

In May 1939 an insignificant soldier attended a lecture given by a former construction engineer turned economist Dr Gottfried Feder (1883-1941) entitled "The Abolition of Interest Servitude"

¹The... [faded text]

²... [faded text]

³... [faded text]



George Fisher, 1883-1944, who defeated the NNBP's attack on policies
of the state with the support of his lack of support for the farmers by the
oil from coal project

The purpose of the meeting of October was to make it clear that the
 was a hedge against the possibility of a depression which would lead to a
 remission of the monetary restrictions. The meeting was held in
 active in March of the following year. The following conclusions were
 from the meeting: "It reveals the decisive influence that the meeting could
 have on the future of the country."

For the first time in the history of the discussion was the
 with the principles of stock exchange capital and capital
 which was used for an activity. After hearing the first
 lecture delivered by Feder, he decided to do so. It was
 my hope that I had found a way to one of the most essential
 prerequisites for the founding of a new party.

In my mind Feder's merit consisted in the richness and
 treatment in which he described the noble character of the
 capital engaged in stock exchange and in his actions. Laying
 bare the fact that this capital is ever more and more dependent
 on the payment of interest. In the fundamental questions
 his statements were so full of common sense that those who
 criticized him could not deny the value of his ideas. Some
 had hesitated whether it was possible to put these ideas into
 practice. To me this seemed to be the strangest point in Feder's
 teaching, though others considered it a weak point."

And again,

I understand immediately that there was a truth of
 fundamental importance for the future of the German
 people. The dissociation of stock exchange capital
 from the economic life of the nation was to make possible
 the process of internationalization of German

1. See also the report of the meeting of October 1918, p. 22.
 2. See also the report of the meeting of October 1918, p. 22.
 3. See also the report of the meeting of October 1918, p. 22.
 4. See also the report of the meeting of October 1918, p. 22.
 5. Ibid. 24



German typewriter factory Workers receive pay in silver baskets
Berlin, 1923

business without at the same time attacking capital as such for to do this would be to jeopardize the foundations of our national independence. I clearly saw what was developing in Germany and I realised then that the stiffest fight we would have to wage would not be against the enemy nations but against international capital. In Feder's speech I found an effective rallying cry for our coming struggle."

A few weeks later Hitler received an instruction from his military superiors to investigate a political association called the *Deutscher Arbeiterpartei* (German Workers Party). At this meeting held on September 19, 1919 in the Sterneckerbrau in Munich, about 20 to 25 persons were present. The main speaker was Gottfried Feder. Shortly thereafter Hitler joined his party and received a provisional certificate of membership numbered seven. His first act in assuming control of the party was to rename it the *Nationalsozialistische Deutsche Arbeiterpartei* (National Socialist German Workers Party).

6 Ibid., 114

Feder, who was the principal drafter of the party's 25 points, became the architect and secretary of the programme. In July 1933 he was appointed Under-Secretary of State for Economic Affairs and in 1934 Reichskommissar für Reichskommissionen.

Monetary reform was the very essence of National Socialism as is revealed in the following extracts taken from the *Programme of the NSDAP: The National Socialist German Workers Party and Its Goals and Objectives*, published in Munich in 1932:

And Hitler prints his words in points in leaded type:

**“The Common Interest Before Self
The Spirit of The Program
Abolition of the Thralldom of Interest
The Core of National Socialism.**

Once these two points are achieved, we mean a victory of the approaching universalist ordering of society in the true state over the present-day separation of state, nation and economics under the corrupting influence of the individualist theory of society as now constructed. The sham state of today, oppressing the working classes and producing the private gains of bankers and stock exchange speculators, is the area for reckless private enrichment and for the lawless pursuit of profit-making. It gives nothing to its people and provides no high moral bond between them. The power of money, most ruthless of all powers, holds absolute control and exercises corrupting, destroying influence in state, nation, society, moral drama, literature and in all matters of morality less easy to estimate.⁸

⁸ C. Feder, *Die deutsche Währungsreform* (Munich, 1932), pp. 10–11. Translated by E. S. Dingle, Fritz Eher Verlag, Munich, 1937, p. 107.

'Break down the thralldom of interest is our war cry.' What do we mean by the thralldom of interest? The landowner is under this yoke, who has to raise loans to finance his farming operations, loans at such high interest as almost to eat up the results of his labour, or who is forced to make debts and to drag the mortgages after him like so much lead. So is the worker producing in shops and factories for a profit, while the shareholder draws dividends and bonuses which he has to work for. So is the earning middle class, whose work goes almost entirely to pay the interest on bank overdrafts.

'Thralldom of interest' is the real expression for the antagonism capital versus labour, blood versus money, creative work versus exploitation. The necessity of breaking this thralldom is of such vast importance for our nation and our race that on it alone depends our nation's hope of rising up from its shame and slavery, and the hope of recovering happiness, prosperity and civilisation throughout the world. It is the pivot on which everything turns, it is far more than mere necessity of financial policy. What its principles and consequences are deep into political and economic life, it is a leading question for economic study, and thus affects every single individual, and demands a decision from each one. Service to the nation or an unbridled private enrichment? It means a solution of the Social Question.

'Our financial principle: Finance shall exist for the benefit of the state; the financial magnates shall not form a state within the state. Hence our aim to break the thralldom of interest.'

'Retire the state and hence the nation from its indebtedness to the great financial houses, which end on interest.'

9 Ibid., 25

10 Ibid., 26

11 Ibid., 27

Nationalisation of the Reichsbank and the issuing houses, which lend on interest

Provision of money for all great public objects (water, power, railroads) not by means of loans, but by granting non-interest-bearing state bonds and without using ready money

Introduction of a fixed standard of currency on a secured basis

Creation of a national bank of business development (currency reform) for granting non-interest-bearing loans

Fundamental remodeling of the system of taxation on socio-economic principles. Relief of the consumer from the burden of indirect taxation and of the producer from crippling tax on (fiscal reform and relief from taxation)

Warning printing of bank notes without creating new values means inflation. We allowed through it. But the correct conclusion is that an issue of non-interest-bearing bonds by the state cannot produce inflation, if new values are at the same time created.

The fact that today great economic enterprises cannot be set on foot without recourse to loans is sheer lunacy. Here is where reasonable use of the state's right to produce money, which might produce most beneficial results.

On January 30, 1933 the National Socialists were swept to power⁴ by means of a coalition of *Reichstag der Nationalsozialistischen*

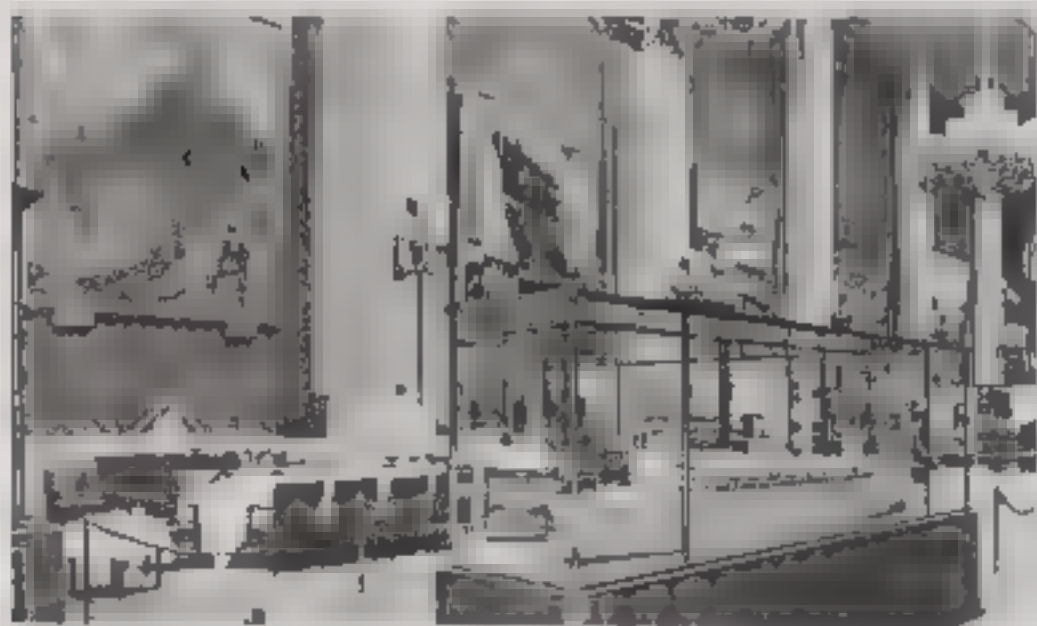
2 Ibid. 30

3 Ibid. 4

4 In the elections of November 6, 1932, the National Socialist vote increased from 3.3% to 34.1% (total of the NSDAP increased from 4.7% to 47.2%). In the particular election of January 30, 1933, the NSDAP received 2,655,772 or 47.9% of the male votes cast in a total of 95.3% of all voters.



Wilhelm Gustloff (1935) 25,484 gross tons named after the leader of the Swiss National Socialists. As part of the *Arbeit macht Freude* (Strength through Joy) programme, German workers earning less than RM400 a month were able to embark on cruises to exotic destinations. However, these cruise ships were forbidden entry into British ports, creating chaos and envy among deprived and unemployed British workers.



Interior of the "Wilhelm Gustloff"

Government of National Concentration) *die deutsche Volksgemeinschaft* (German National People's Party). A somewhat attenuated version of monetary reform was introduced. In order to finance the state's work and rearmament programmes, two dummy corporations called *Offa* and *Mefo* (*Metallurgische Forschungsgesellschaft*) were established. These corporations accepted bills of exchange from suppliers who fulfilled state orders. These bills of exchange were then discounted at the Reichsbank at a rate of 4%. They were issued for three months only which was clearly unsatisfactory in view of the long-term nature of the various projects they were financing. They could, however, be extended at three-month intervals for up to five years.

In January 1934 matters came to a head when the President of the Reichsbank, Hjalmar Schacht, refused extension of three billion Reichsmarks worth of Offa and Mefo bills because of fears of inflation. On January 21, 1934 Schacht sent Hitler a memorandum signed by himself and the eight other board members of the Reichsbank which contained the following main points:

1. The Reich's use of money must be covered by taxes.
2. Full financial control must be returned to the Ministry of Finance. Then forced to pay for anything the army desired.
3. Price and wage control must be rendered effective. The existing ration management must be eliminated.
4. The use of money and investment markets must be at the sole discretion of the Reichsbank. This meant a practical elimination of Göring's Four Year Plan.

Schacht concluded his memorandum with the ambiguous words: 'We shall be happy to do our best to collaborate with a future government, but for now the time has come when a halt is called.'

5. E. N. Peterson, *The Money and Banking of Germany*, London, George Allen and Unwin, 1954, p. 147. The *Encyclopedia of Banking*, London, Butterworths, 1954, p. 79.

6. J. Geyer, *Germany's Bank and Monetary History*, London, George Allen and Unwin, 1954, p. 147.



By September 1939 the Reichsautobahn covered 2400 miles (3867 km) and was specifically designed to serve not only a military purpose but to provide the motorists with scenery and striking views.

By these means Schacht intended to collapse the German economy, which during the period 1933-39 had increased its Gross National Product by 100 percent. From being a ruined and bankrupt nation in January 1933 with 7,500,000 unemployed persons,¹⁹ Hitler had transformed Germany into a modern socialist paradise. He was justifiably angry and rejected the recommendations of the Reichsbank as "madness".²⁰ A few weeks after Schacht was sacked Roger E.atson describes this momentous event as follows. On January 9, 1939 Schacht was summarily dismissed and the Reichsbank was ordered

Company, London, 1999, 7.

¹⁹ "The 1937 American report on which Schacht's policy was based was revised and published in EW days after the introduction of the Emergency Control Act. One of the words by which a 1939 business card would read 'The company in which I am employed' was 'National Socialist German Organisation for the Unemployed' which implied 'unemployed' but not 'unemployed'."

²⁰ "The Reichsbank had 500,000 persons employed, 5375,497 were registered as unemployed and another 4,000,000 were part of the 'employed' but not 'unemployed' category. In 1939 the Reichsbank had 946,177 Secular BRM (Bank Reichsbank) and 1,814,144 Reichsbank employees. In 1939 the Reichsbank had 1,814,144 Reichsbank employees." (The Reichsbank, London, 1992, 119)

to put the Reichsbank credits received in gold. This decision was of essential importance for the Reichsbank's exercise over domestic monetary policy and the normal power base of international Jewry. It had the effect of transferring from Jewish banks to the government the necessary financial resources.

Even though the government had the first deposit in the Reichsbank, this currency could never be used to finance the Reich's activities, unless it had a special system. The Reichsbank effectively became a branch of the government with the only real change being that all transactions were now in the name of the government. Over the auspices of the Reichsbank, the government could now exercise in the Reichsbank's presence. It was in January 1934 that the Reichsbank became the Imperial State Bank. Schulze was a socialist and a member of the Reichsbank's central committee regarding all currency and credit decisions which he had been devotedly serving since his appointment as Managing Director in 1923. He was made Director of the Bank of England in 1930-31.

A new Reichsbank law which was promulgated on June 5, 1934, made the bank "unconditionally subordinated to the sovereignty of the state."²³

REICHSBANKENGESETZ
VOM 5. JUNI 1934
ZUR RICHTIGUNG DER VERFASSUNG
UND DER ORGANISATION DER REICHSBANK
UND ZUR VERÄNDERUNG DES REICHSBANKGESETZES
VOM 18. SEPTEMBER 1923

§ 1. Die Reichsbank ist ein öffentlich-rechtliches Institut der Reichsregierung. Sie ist unbedingte Unterordnung unter die Souveränität des Reiches. Die Reichsbank ist ein öffentlich-rechtliches Institut der Reichsregierung. Sie ist unbedingte Unterordnung unter die Souveränität des Reiches. Die Reichsbank ist ein öffentlich-rechtliches Institut der Reichsregierung. Sie ist unbedingte Unterordnung unter die Souveränität des Reiches.

§ 2. Die Reichsbank hat den Zweck, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern.

§ 3. Die Reichsbank ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern.

§ 4. Die Reichsbank ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern.

§ 5. Die Reichsbank ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern. Sie ist befugt, die Reichswährung zu sichern und die Reichswirtschaft zu fördern.

²³ *Ministerial-Nachricht*, 1934, S. 128. *Ministerial-Nachricht*, 1934, S. 128. *Ministerial-Nachricht*, 1934, S. 128.

23 D. Marsh, *op.cit.* 128

in 1918 intervened in an effort to protect the Germans in Poland. On August 30, 1919 in a last offer of direct assistance that had again offered to the Polish government the Vanerwerder proposals.

The four main proposals were as follows:

- (1) Retention of the existing 1919 borders as determined by the Treaty of Versailles
- (2) The return of Danzig (pop. 370,000) to Germany which was 97% German
- (3) Construction of a 60 mile 96 km. railroad and rail link connecting West and East Prussia from Schmalzke to Marienwerder
- (4) An exchange of German and Polish populations

On the orders of the international bankers, the British Foreign Secretary Lord Halifax strongly advised the Polish government not to negotiate. This shows once why World War I was started and dispenses of the claims of German culpability. From 1919 onwards although Germany made a total of 28 known attempts at peace without conditions, they were all refused. The ensuing forced war resulted in victory for the international financiers and defeat and slavery for the people of Europe and indeed the world. In Europe this enslavement was finally achieved with the establishment of the Reichsbank controlled European Central Bank on June 1, 1998 and the introduction of the euro on January 1, 1999.

27 *Das Letzte Angebot in Verheimlichte Dokumente - Was den Deutschen verschwiegen wird* (The Last Offer in Secret Documents - Which are kept from the German people). Frankfurt, 1999. 204 pages. contains all 26 points.

28 D.L. Hoggan, op.cit. 565-566.

Achievements of the German State Banking System

One of the primary benefits which state banking and monetary reform conferred on the German people was the provision of adequate housing. During the period 1933-37 1458,78 new houses were built to the highest standards of the time. Each house could not be more than two stories high and had to have a garden. The building of apartments was discouraged and rental payments on housing were not permitted to exceed RM25 per month or 1/8 of the income of an average worker. Employees earning higher incomes paid a maximum of RM45 per month.

Interest free loans of up to RM1000 (now five months of gross pay known as *Einstammgeld*, loan marriage loans) were paid to newly wed couples. The loan was repayable at 1% per month but for each child born 25% of the loan was cancelled. Thus if a family had four children the loan would have been considered repaid in full. The same principle was applied in respect of home loans which were issued for a period of ten years at a low rate of interest. The worth of each child also reduced in case later on a 25% of the loan.²⁶ Education in schools, technical colleges and universities was free while the university medical care system provided everyone with free medical care.

During the period 1933-37 imports increased by 31% from RM12.5 billion to RM5.5 billion while exports particularly to such as Europe rose by 214% from RM4.9 billion to RM15.9 billion. This increased trade is reflected in the 76.9% rise in the shipping tonnage from 73.5 to 130.7 million tons conveyed and the 694% rise in ocean shipping from 36 million to 6 million ton

²⁶ *Historical Dictionary of Germany*, ed. by Hans Rogger, Cambridge, Mass. 1970, p. 481-482.

²⁷ *USA and Germany*, ed. by Hans Rogger, Cambridge, Mass. 1970, p. 180. *Washington D.C., The Barnes Review*, 2009, 15.

²⁸ *Wages and Salaries in Germany*, ed. by Hans Rogger, Cambridge, Mass. 1970, p. 180. *Washington D.C., The Barnes Review*, 2009, 15.



The "Führer" or Adolf Hitler was the "Kaiser" of Germany who, shortly after the proposal, announced the new laws to his ministers. Hitler demanded presenting his proposals to the Reichstag.

goods transported. During this period trade was greatly enhanced by barter which bypassed the international payments system and the requirement of having to pay commission and interest on bills of exchange. In the same period expenditure on roads and in particular the Reichsbahn of which 2400 miles (3867km) were completed by September 1939 rose by 224.5% from RM47 million to RM 45 billion. This construction which has the symbol of a true representative of the new Germany was necessary in order to accommodate the substantial increase in licensed vehicles which rose by 425% from 4000 to 26000 vehicles and the even higher increase of 622% in licensed commercial vehicles from 7000 to 50600.

Between 1932 and 1938 iron production increased by 45.4% from 843000 to 1226000 tons. German ores contained only 25% iron as opposed to the superior iron content of the Swedish ores, which they could not afford. This difficulty was overcome with the Krupp-Renn process which produced high quality steel. Between 1932 and June 1939 the index of steel production rose

by 85.5% from 69 to 128, while the energy index rose during the same period by 76% from 75 to 132.

As a result of all this he got tired and ever increasing economic activity and unemployment, which stood at 3.1% in 1933, had been reduced to almost zero by July 1934. The retired workers had to be pushed back to the labour market — or rather to make up for the shortage of skilled workers — in contrast the unemployment rate in the United States, which had stood at 25% in 1933 and according to the National Industrial Conference Board declined only marginally to 19.8% by January 1940 — a situation which may be attributed to the irrational and nonetheless deliberate policies of the Roosevelt controlled Federal Reserve Bank and the parasitic private banking sector.

National income in Germany rose by 438% from RM15.2 billion to RM65 billion between 1932 and 1937 while between 1937 and June 1939 the index of producers goods increased by 296% from 46 to 147, yet the cost of living advanced by only 4% or less than the percentage rate which would be achieved throughout the 17 years of state banking under national socialism. The German monetary policy was non-inflationary because government expenditures, which increased the level of consumer demand, could not earn the correspondingly increased quantity of disposable consumer goods.³⁵

By 1934 Germany had become the most powerful country in the history of Europe. Its Gross Domestic Product at an annual average growth rate of 10% per annum had enabled it to close the short space of six years of quasi-state banking. The Germans were now the happiest and most prosperous people in the world.³⁶

³⁵ The index of the cost of living rose by 4% from 100 to 104 between 1937 and 1939. The index of the cost of living rose by 4% from 100 to 104 between 1937 and 1939.

³⁶ The index of the cost of living rose by 4% from 100 to 104 between 1937 and 1939.

³⁷ The index of the cost of living rose by 4% from 100 to 104 between 1937 and 1939.

³⁸ Ibid., 49.

³⁹ R. E. Fritson, op.cit., 60.

employed and enjoying one of the highest standards of living. This success was achieved by the hard work of the German people and with the support of a sound money system not based on slavery of the gold standard.

One of the myths propagated by establishment historians is that Germany's economic renaissance was based on armaments production. The following table reveals modest levels of defence expenditure which were picked up in 1938-39 when Germany started to feel threatened by her neighbours.

Year	Defence Expenditure RM	National Income
1933-34	1.9 billion	4 ⁰ / ₁₀₀
1934-35	1.9 billion	4 ¹ / ₁₀₀
1935-36	4.0 billion	7 ⁰ / ₁₀₀
1936-37	5.8 billion	9 ⁰ / ₁₀₀
1937-38	8.2 billion	14 ⁰ / ₁₀₀
1938-39	18.4 billion	22 ⁰ / ₁₀₀

Source: Deutsche Reichsbank.

Even expenditure of 22% of national income on defence just before World War II started may be deemed as not being too excessive when one bears in mind that Germany's borders possess few natural boundaries and at that time she was surrounded by hostile neighbours - Czechoslovakia, France and Poland. Germany also had to replenish the armaments which she had been forbidden to possess in terms of the Treaty of Versailles. The English historian A. J. P. Taylor writes that 'The state of German armaments in 1939 gives the decisive proof that Hitler was not contemplating general war and probably not intending war at all.'

¹ A. J. P. Taylor, *The Struggle for Mastery in Europe, 1875-1914* (Oxford, 1954), p. 28.

Post World War II Developments

In May 1945 the *Deutsche Reichsbank* ceased operations, although its affairs were only wrapped up in 1961, and was succeeded in the western half of the country by the *Bank deutscher Länder* (Bank of German States) on March 1, 1948. This bank introduced the Deutsche Mark on June 2, 1948 and later became known as the *Deutsche Bundesbank* which was established on July 26, 1957. Although legally independent, and modelled on the US Federal Reserve Bank, the Bundestag or Federal parliament exerted considerable control and influence over its policies, and it was not as fully independent during that time as most central banks are today.

During 2000, as a result of its membership of the European Central Bank, the *Deutsche Bundesbank* ceded most of its authority to that organisation. Its remaining responsibilities, which are shared with the ECB, are the issuing of bank notes, managing the clearing house, bank supervision and management of currency reserves. The principal objective of the ECB is laid down in Article 127(1) of the Treaty on the Functioning of the European Union as to maintain price stability. This obsession is largely responsible for the record levels of unemployment and low levels of growth in GDP currently being experienced, and the ongoing collapse in the birth rate.

The ECB was established on January 1, 1998 and formally became operational on January 1, 1999 with the introduction of the euro. This Rothschild controlled bank is ironically situated at Kaisersrasse 29 Frankfurt am Main, not far from the *Industrie-Fluss* line where Mayer Anselm Rothschild and his brother Kuno set up a shop peddling coins and medals in the 1780s for some 8 countries which have foolishly adopted the euro and joined the ECB, their subjugation and enslavement are a *fait accompli*.

Fascist Italy

On October 28, 1922 Benito Mussolini and his National Fascist Party came to power. Fascism should more appropriately be described as corporatism, as a synthesised merger of state and corporate power. In 1930 the Chamber of Deputies was replaced by a National Council of Corporations with 823 representatives from business, labour and the states who regulated industry and settled labour disputes.

In the 1920s by means of defence spending a programme of public works was instituted which was unparalleled in modern Europe at that time. Bridges, canals, aqueducts of 2485 miles (4000km) desalting schemes, railway stations and orphanages were built. Forests were planted and universities were endowed.³⁷ The Pontine marshes were drained and 3.5 square miles (8.2 sq km) were reclaimed.³⁸ As part of the programme financial self-sufficiency or autarky, agriculture was subsidised and regulated

The State Bank of Italy

In 1936 Mussolini first intervened in the banking sector by granting the Banca d'Italia an sanction over the issue of bank notes and the management of minimum requirements for bank reserves including gold. This formed part of his policy of using Italian fascism primarily to create an autarkic state not subject to the vagaries of world trade and finance.³⁹ In 1927 Italy received a loan from JP Morgan of \$100 million to meet a special emergency. The latter Mussolini refused to negotiate or accept any more foreign loans as he was determined to keep Italy free from financial subservience to foreign banking interests.⁴⁰

³⁷ P.C. P. W. F. ... in ... of ... in ...
number 24 ...
fascism 1930

³⁸ Today there are ...
Publishing Ltd, London, 203, 28

³⁹ A ...
Company London, 1959, 79



Benito Mussolini inspects progress in the draining of the Pontine Marshes, one of his engineering triumphs which transformed this malaria region into a thriving agricultural area.

In 1933 the State arrogated to itself the right to supervise all major banks by means of the *Istituto Mobiliare Italiano* (Institute of Italian Securities). In 1936 the process was completed when, by means of the *Legge Reformatoria Bancaria* (Banking Reform Act), the Banca d'Italia and the major banks became state institutions.⁴⁷

The Banca d'Italia was now a fully fledged state bank which had the sole right to create credit out of nothing and advance it for a nominal fee to other banks. Limits on state borrowing were lifted, as was the case with the Bank of Japan (see *infra*) and Italy abandoned the gold standard.

⁴⁷ *La Banca d'Italia*, by Giuseppe De Longo, *Il Mulino*, 1979, pp. 101–102. See also George Routledge & Sons Ltd, London, 2004, p. 52.

The State Bank of Japan

The Bank of Japan (in 1949 日本銀行) was founded on October 31, 1882. Although the Japanese Imperial Household was the largest shareholder, it functioned as a special central bank, i.e. for the benefit of private banks to the detriment of the public interest.

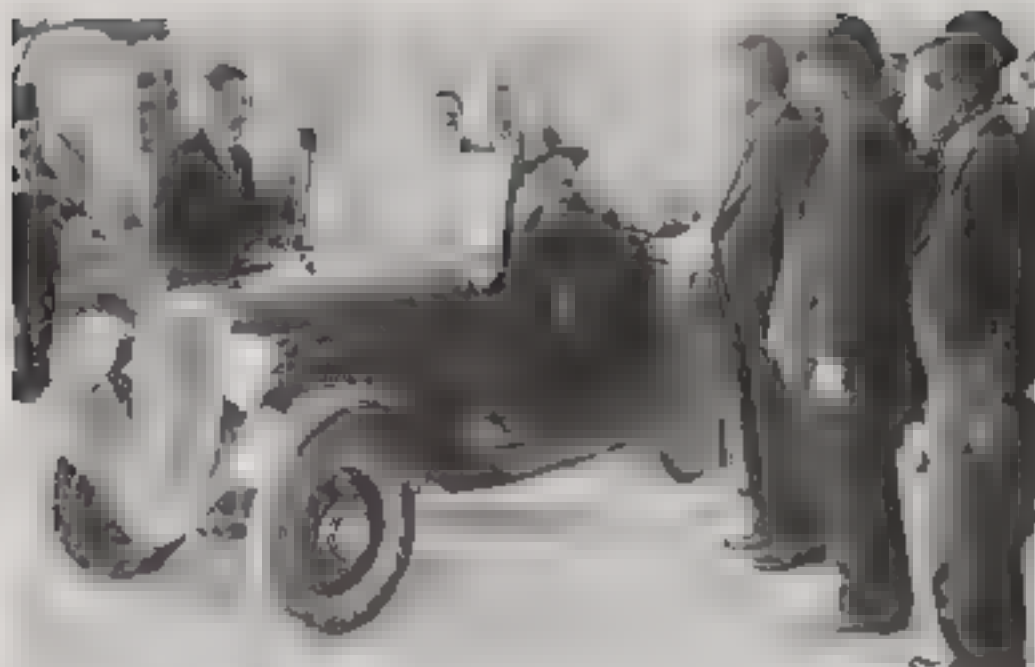
In 1929 C. H. Douglas's "The system of social credit has been previously discussed" went on a lecture tour of Japan. His proposals for a low-wage government to create the nation's money and credit free of interest were enthusiastically received by the leaders of both the Japanese government and industry. All Douglas's books and pamphlets were translated into Japanese, and many copies were sold in that country, far in the rest of the world.⁴³

The reorganisation of the Bank of Japan into a state bank administered exclusively for the accomplishment of national interests was commenced in 1932. The reform of the bank was completed in 1947 when the Bank of Japan Law was remodeled on Germany's *Reichsbank Act* of January 1934.⁴⁴ The bank operated in the following manner:

It declared that the Bank was a special corporation of a strongly national nature. The Bank was to assume the task of controlling currency and finance and supporting and promoting the credit system in conformity with policies of the state to ensure the full use of the nation's potential. Further, it was to be managed with the accomplishment of national aims as its sole guiding principle. Article 2) As for the

43. New Labour's financial policy 1974-8 is quoted in C. H. Douglas, *The New Social Credit* (London: George Allen and Unwin, 1974), pp. 10-11. See also Douglas, *Money and Banking* (Sydney: Angus and Robertson, Australia, 1986), 44.

44. *Was a central bank really needed?* Douglas's world-wide "social credit" movement was discussed in detail by S. M. A. Hodge, "The New Reichsbank," *Financial Analysts Association Paper*, Harbor City, California, Washington D.C., U.S.A., November/December 2008, 40-45.



Japan's challenge to US and European car manufacturers. The small Daimler automobile was sold for less than the lowest priced Soviet cars and was in the order stage for India, Czechoslovakia and Great Britain. Prince Chichibu, brother of Emperor Hirohito, is shown seated in the car at the Japanese Industrial Association Plant in Yokohama in December 1934.

functions of the Bank. The law abolished the old principle of priority for commercial finance empowering it to supervise facilities for industrial finance. The law also authorised the Bank to make unlimited advances to the government without security and to subscribe for and to absorb government bonds. In respect of note issues the law made permanent the system of the maximum issues. Thus, the Bank could make unlimited issues to meet the requirements of munitions industries and of the government. On the other hand government supervision of the Bank was markedly strengthened. The government could nominate, suspend and give orders to the president and the directors. There was also a clause giving the government more comprehensive powers to give so-called "functional orders" to the bank to direct it to perform any action it deemed necessary for the attainment of the Bank's purpose. Moreover, the law made a wide range of the Bank's business subject to governmental approval, including such matters as the alteration of bank rate, note issues and accounts.⁴⁵

⁴⁵ *Bank of Japan*, *Bank of Japan*, the Bank of Japan, *Bank of Japan Research*.

Japan had been experiencing the same monetary difficulties caused by the artificially created Great Depression. However, the conversion from a central bank to a banking methodology produced results which were both swift and sustained.

Economic Indices of Japan 1931-41

	Manufacturing	All Industries	National Income	G.N.P.
1931	19.1	19.7	10.5	12.5
1932	20.2	20.8	11.1	13.1
1933	24.7	25.3	12.4	14.3
1934	26.4	27.0	13.3	15.7
1935	27.9	28.7	14.4	16.7
1936	31.5	32.3	15.5	17.8
1937	37.2	37.7	18.6	23.4
1938	38.2	38.9	19.0	26.8
1939	42.4	43.0	25.4	33.1
1940	44.3	44.9	31.0	39.4
1941	45.8	46.5	35.8	44.9

Source: Statistics Bureau, Bank of Japan.

The accompanying table illustrates the progressive improvement which took place in the Japanese economy once the shackles of usury had been removed. During the 1931-41 period manufacturing output and industrial production increased by 140% and 136% respectively, while national income and Gross National Product were up by 240% and 259% respectively. These remarkable increases exceeded by a wide margin the economic growth of the rest of the industrialised world. In the labour market unemployment declined from 5.5% in 1931 to 3.0% in 1938. Industrial disputes decreased with the number of stoppages down from 498 in 1931 to 59 in 1941.

How Japan Was Forced Into World War II

By the late 1930s Japan had become the leading economic power in East Asia and her exports were steadily replacing those of America and England. In August 1940 Japan announced the formation of the Greater East Asian Co-prosperity Sphere.¹ The fear that these countries would adopt Japan's state banking methods posed such a serious threat to the Roosevelt-owned and controlled US Federal Reserve Bank that a war was deemed to be the only means of countering it.

How Japan Was Forced Into World War II

From 1936 relations with America rapidly deteriorated after the USA unilaterally abrogated the Treaty of Commerce of 1911 and thereby restricted Japan's ability to import essential raw materials. These measures were imposed not only because of the war in China and were allowed in June 1940 with a total ban on the export of iron and steel to Japan in November 1940. On July 25, 1941 all Japanese assets in England, Holland and America were frozen after Japan, with the permission of Vichy France, had peacefully occupied Indochina in order to block off China's sea routes supplies and a trade between Japan and America was summarily terminated. At the same time President Franklin D. Roosevelt imposed the Panama Canal to all Japanese shipping, and a rubber and oil embargo was enforced which resulted in the annihilation of 88% of oil supplies. Without oil Japan could not survive.

General Isidori, former Prime Minister (October 1941 - July 1944) explains in his diary how the United States could have avoided Japanese efforts at maintaining peace. Japan's peaceful commerce relations were being persistently undermined by the USA and posed a grave threat to her future existence. By means of the economic blockade a noose was being placed around

¹ The formation of the Greater East Asian Co-prosperity Sphere was announced by Foreign Minister Matsuoka Yosuke on August 1, 1940.

Post World War II Developments

Following Japan's defeat one of the first acts of the United States occupation forces in Japan in September 1945 was to restructure the Japanese banking system so as to make it compliant with the norms of the international bankers i.e. usury. The unrestricted financing of the state by the Bank of Japan was abolished and the large industrial combines, the *Zaibatsu*, were dismantled. This policy was carried out by Joseph Dodge, a Detroit banker who was financial adviser to the Supreme Allied Commander General Douglas MacArthur.

The Ministry of Finance was however able to retain a measure of control over the banking system and in particular monetary policy. In 1988 Japan was adversely affected by its compliance with the Basel I regulations which obliged the Bank of Japan to raise the minimum capital requirements of its risk-related assets from 7% to 8%. This action precipitated an on-off recession which has lasted for the past 26 years.

In April 1998 the Ministry of Finance was forced by law to yield to the independent Bank of Japan. Since that time the Bank of Japan has functioned as a typical Rothschild controlled central bank which seldom performs its duties in the best interests of the Japanese people.

Chapter VII

Bankers are the only class that can be said to have been the backbone of the American economy. It is not the farmers, the merchants, the industrialists, the laborers, the public, or the government that have created the American economy. It is the bankers who have done this. They have created the money, they have created the credit, they have created the wealth. They have created the American dream. They have created the American way of life. They have created the American success story. They have created the American future. They have created the American hope. They have created the American dream. They have created the American way of life. They have created the American success story. They have created the American future. They have created the American hope. They have created the American dream.

Sir Josiah Stamp former director of the Bank of England

Modern Forms of State Banking

Bank of North Dakota¹

In 1919, the 48 states of the United States were offered the opportunity of setting up their own state banks. North Dakota was the only state which accepted this offer.

North Dakota capital Bismarck has a population of 684,000. It is situated in the central part of America on the Canadian border. Notwithstanding its harsh winters, its primary source of both direct and indirect income is agriculture. It ranks first in the United States in the production of wheat, mainly durum, barley, canola, flaxseed, oats and sunflower seeds. State oil, obtained by fracking in the Bakken basin and lignite are the state's principal mining products.

Most of the states of America are technically insolvent and with the exception of North Dakota and her western neighbour

¹ <http://bank.nd.gov>

² A hard form of wheat used to make spag and other kinds of pasta.



North Dakota's first large scale bank which was founded by a coalition of farmers in 1909

Montana and have been experiencing budget deficits. By way of comparison California, the largest state in economic terms and currently the world's two (or) largest economy had a deficit of just under \$23 billion in April 2013 and pays out \$1.34 billion in interest annually on 2012 its bond debt amounted to \$67.9 billion. In contrast to the other 49 states, which have been suffering rising levels of unemployment, North Dakota's unemployment rate has decreased and is currently the lowest in the USA at 2.7%. It also has the lowest default rates in the country.

By September 2012 North Dakota had a budget surplus of \$1.6 billion. Between 1997 and 2010 its GDP grew by 93.4% from \$6 billion to \$31 billion. During the period 2000-11 personal income per capita increased by 127% from \$20,156 to \$45,747 while the national increase was 37.4% over the same period.

The secret of its success lies in its state bank. The mission statement of the bank is to provide sound financial services that promote agriculture, commerce and industry. By law the state must deposit all its funds in the bank, which pays a competitive rate of interest to the state treasurer.

The bank pays over all its profits ~~to the state~~ which in 2011 were \$6 million. Over \$450 million has been paid to the state in the past 5 years. Most of these funds ~~are used~~ to offset taxes. The bank also provides a secondary market for real estate loans, guarantees for new business ventures and loans for farmers at an interest rate of 7% per annum. There has been no credit crisis or credit freeze in North Dakota as the bank provides the state's own credit. By having established its own economic sovereignty, North Dakota has become the most financially stable and prosperous state in the USA.

Widespread banking will not resolve the financial impasse being experienced at national level. State banks in the USA have the potential ~~to~~ provide considerable relief at state government level – budget surpluses, lower taxes, less unemployment and higher levels of prosperity. As of June 2014 there were 25 states considering some form of state banking legislation.

The States of Guernsey

In 1815 after the Napoleonic wars had ended, Guernsey was in a precarious state. Its roads were in a state of repair, the dykes were collapsing and the economy was slumped. The island was unable to borrow money as it could not raise the taxes to pay the required interest.

In 1816 in order to fund public works and a new marketplace the Committee of the States of Guernsey devised a novel solution. It issued £600,000 in one pound notes free of debt and interest. Within two years all the works had been completed without any addition to the state debt.³

3 <http://publicbankinginstitute.org>

4 The Frabais provided an interesting example of how a public good can be provided in a community. In 1814 the [Frabais](http://www.frabais.com) Free Market was founded with 100 stores bearing responsibility for the market. It was destroyed by a fire in 1845. In 1956 the amount of interest expected between 1814 and 1956 is not



The Old Market Place in St. Peter Port, Guernsey, was financed in 1816 by the issue of £6,000 of interest-free and debt-free bank notes.

A further £5,000, some of them in denominations of five pound notes, were authorised in 1824 to rebuild the Elizabeth College, founded by Queen Elizabeth I in 1563, and parochial schools. By 1837 £55,000 were in circulation. The island experienced increased trade and tourism and levels of prosperity not previously seen.

In 1944 The States notes issued had increased to £142,000. In 1937 the figure was £75,000. The cost of printing these notes was £450, compared to an annual interest charge of £1,383 per annum (6.5%). By 1968 there were £542,765 in existence. Currently there are £43.8 million in circulation. Today Guernsey has a population of 65,400 which enjoys one of the highest standards of living in the world. There is a flat income tax rate of 20% on worldwide income capped at £22,000 per annum. There is no company tax, except for a 1% tax on certain banking activities, no capital gains tax, no inheritance tax or estate duty, no purchase or sales tax, no value added tax (VAT) and no capital transfer tax. Guernsey has neither a national debt nor any external debt.

known to be between 1944 and 1956 £26,800,000 to 1968.

5 Treasury and Resources Department, Guernsey, November 16, 2012

Central Bank of Libya

The following benefits provided by Qadhafi explain why he was so popular:

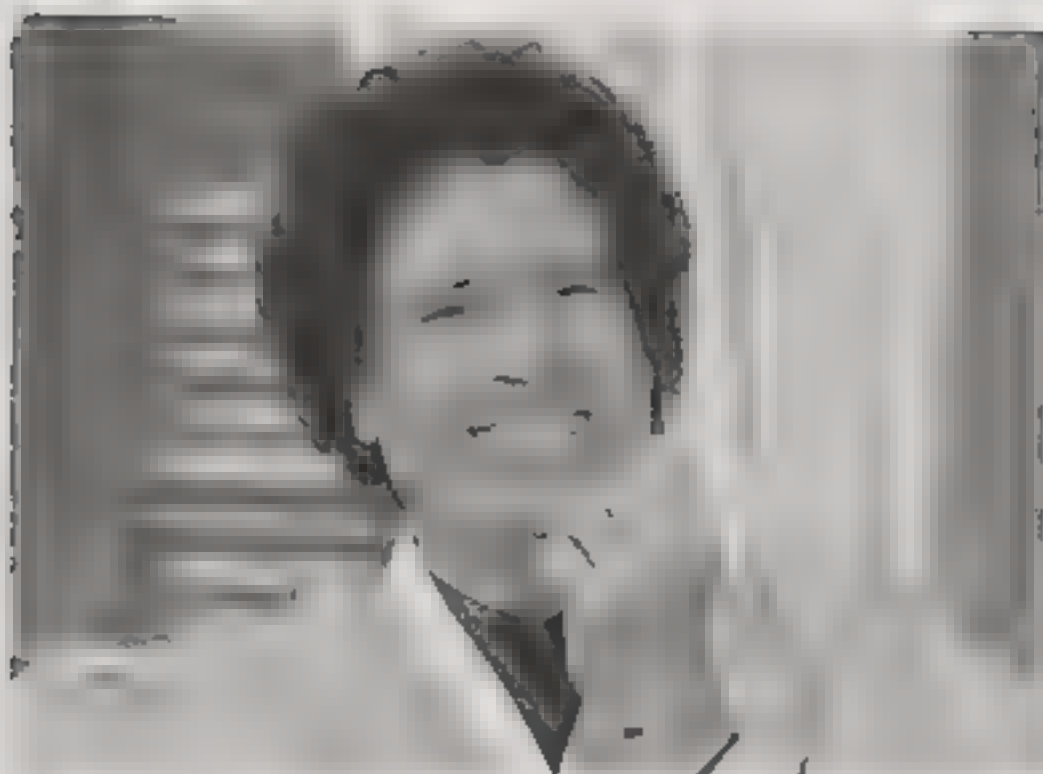
- Free education.
- Students were paid the average salary for which subject they were studying.
- Students studying overseas were provided with accommodation, an automobile and \$2,500 per annum.
- Free electricity.
- Free health care.
- Free housing. (There were no mortgages)
- Newly wed couples received a gift of 6,000 dinar (\$50,000)¹⁰ from government.
- Automobiles were sold at factory cost free of interest.
- Private loans were provided free of interest.
- Bread cost 15 US cents per loaf.
- Gasoline cost 12 US cents per litre.
- Portion of profits from sale of oil was paid directly into bank accounts of citizens.
- Farmers received free land, seeds and animals.
- Full employment with those temporarily unemployed paid a full salary as if employed.

Qadhafi's *Jamahiriyah* state of the masses ensured that the wealth of this country of 5.79 million inhabitants was fairly distributed to all of its people. Beggars and homeless vagrants did not exist, while life expectancy at 75 years was the highest in Africa and 10% above the world average. The literacy rate was 83%. Regarding human rights Libya stood at 61 in the International Incarceration Index. The lower the rating, the lower the standing. The next spot is currently occupied by the United States.

Another major achievement which Qadhafi initiated was the conversion of the Nubian Sandstone Fossil Aquifer System into

¹⁰ 1 \$ = 20 Libyan dinar

Source: www.Libya-Info.com, April 20, 1999, <http://www.Libya-Info.com/general/93/truth.htm>



Muammar Gaddafi, the Libyan leader, was a close friend of the Hutu. Gaddafi established the National Bank of Libya in 1971 for the sole benefit of the Libyan people.

the Great Man-Made River, which supplies 6,500,000m³ of fresh water daily to the cities of Tripoli, Sirte and Benghazi. The extracted water is ten times cheaper than desalinated water. The total cost of the project, estimated at \$2.5 billion, was financed without a single foreign loan.

Although the central banks of Belarus, Burma, Cuba, Iran, North Korea, North Sudan and Syria (to name a few) are under the direct control of the Rothschild banking syndicate, Libya had the only central bank run on genuine state banking lines, which exhibited the classic symptoms of full employment, zero inflation and a modern day workers' paradise.

The question arises as to why N.Y.C. intervened on the pretext of fabricated human rights abuses, the so-called responsibility to protect. Since 1971 when the United States abandoned the gold exchange standard for the petrodollar with the connivance of

Saudi Arabia, any attempt to displace the United States dollar as the premier reserve currency has been backed and opposed with violence.

In November 2002 Saddam Hussein of Iraq decreed that all of payments would in future be made in euros as he did not wish to deal in the currency of the enemy.² As has already been proven, the possession of weapons of mass destruction pretext was a deliberately concocted hoax and it was this currency decision which cost Saddam Hussein his life and the destruction of his country.

In similar circumstances Qadhafi announced in 2010 the creation of the gold dinar as a replacement for the settlement of all foreign transactions at a proposed region of over 200 million people. Libya at that time possessed 44 tons of gold. What was intended was not a return to the gold standard *per se* but a new unit of account with oil exports and other resources being paid for in gold dinars.³ Qadhafi crossed a red line and paid the ultimate price.

Since 2007 Iran has stipulated that payments be made in euro currency. On February 7 2008 the Iran an OI Bourse for trading in petroleum, petrochemicals and gas using primarily the euro, Iranian rial and a basket of non US currencies was established. The first oil shipments under the new system were sold through this market in July 2011. This event must be deemed as one of the prime causes for the constant Israeli and American threats to annihilate Iran.

² *Time* November 3 2000

³ *The Gold Dinar Savings Plan*, World Economics from Canada's www.globairesearch.ca, May 5, 2011

Chapter VIII

The Banking Crisis and the Terminal Decline of Civilisation

"I am convinced that the only way to save the world from the bankruptcy of the banking system and the consequent ruin of the world is to abolish the banking system and to create a new system. The abolition of the banking system will result in a new system of banking and a new system of currency and bank deposits and bank profits. It is the only way to save the world from the bankruptcy of the banking system and the consequent ruin of the world. It is the only way to save the world from the bankruptcy of the banking system and the consequent ruin of the world."

- Reginald McKenna,
former Chancellor of the Exchequer

Historical Overview

Banking crises generally take three forms: (1) where an individual bank collapses because of a lack of confidence and a subsequent withdrawal of deposits; (2) a bank run where a number of banks fail simultaneously and (3) when the entire system implodes.

In the eighteenth century banking crises were confined to only those countries which had central banks and practised usury, viz. England, the Netherlands and Sweden.

In 1709 the Sword Blade Bank's competition with the Bank of England took over a portion of the National Debt in exchange for Sword Blade shares. The following year the South Sea Company did a similar deal and in 1720 took over the remaining government debt in exchange for its overvalued shares. The South Sea Company was nothing but a scam and had no trading assets. On September 24, 1720 the Sword Blade Bank went into

¹ Reginald McKenna's address to shareholders of the Sword Blade Bank in January 1720.

liquidation and by the end of that year the shares of the South Sea Company had lost almost 90% of their peak value of £1000 per share.

In 1763 after the end of the Seven Years War, 1756–1763, issues of bills issued by Dutch banker Laenderc Pieter de Neufville could not be redeemed and precipitated a run on banks in the Netherlands, Germany and Sweden.

In June 1772 the London banking house of Nea, James Fortescue and Darn which had been indulging in speculation on a massive scale by shorting East India Company stock crashed after it could no longer cover its losses by running customers' deposits. Twenty-two significant banks and almost all private banks in Scotland were forced to liquidate. The contagion then spread to Amsterdam. Many banks there experienced a liquidity crisis, including C. Offert and Sons, which went bankrupt.

Henceforth almost all banking crises would be precipitated as a result of the central banking model which permits private banks to create money as an interest-bearing asset and then destroy it once it has been repaid. Thus the first two panics in the United States in 1792 and 1796–1797 were induced by the First Bank of the United States when its purpose was to hedge against a monetary crisis as a result

A similar financial disaster and subsequent depression were patterned and executed by the Rothschild-owned Second Bank of the United States in 1819 while England was also afflicted by a financial vertigo of panics in 1825 and 1847. In the panic of 1825 66 banks were forced to close their doors.

There was another banking panic in the United States in 1857 as a result of a fabricated shortage of gold and the failure of the Ohio Life Insurance and Trust Company. As has already been observed in chapter 4, once the United States was forced on to the gold standard in January 1873 a pattern of more frequent and intensified banking panics evolved. Less than eight months after

In September of that year the United States was pre-emptively plunged into a recession which lasted for four years.

The ensuing panics of 1884, 1890, 1891, 1893, 1897, 1907 and 1907 were all deliberately orchestrated so as to drive the American people into a state of confusion and despair. After 40 years of planned chaos of boom and bust as well as a targeted media campaign of disinformation, the population meekly capitulated and the banking conspirators' dream of a United States central bank was realised on December 23, 1913.

After the Great Depression which had been contrived by the US Federal Reserve Bank, a relative period of stability supervened until the 1990s when an ever increasing number of countries suffered economic crises and financial difficulties. Finland, Sweden, Venezuela, Indonesia, South Korea, Thailand, Russia, Argentina, Ecuador and Uruguay.

The Banking Crisis 2007-

The seeds of the current banking crisis were sown when the Glass-Steagall Act of 1933 which prohibited bank holding companies from owning financial institutions and separated banks from investment houses was abrogated on November 12, 1999. At the time of the promulgation of the original Act, Senator Carter Glass, a former US Secretary of the Treasury and one of its authors, remarked that "With a gun a man can rob a bank, with a bank a man can rob the world".

It was deemed towards the end of President Clinton's administration that everyone had the right to own a home, and for this purpose the Department of Housing and Development initiated a programme called

* In 2002 in response to a question posed by Eric Lipton, Member of Parliament, Ben Bernanke then acting as the Chairman of the Advisory Panel of the Federal Reserve Bank of New York about the Great Depression, Bernanke replied: "Regarding the Great Depression, you're right, we did it as well as we could."



Senator Charles Grassley whose legislation which prohibited bank holding companies from owning financial institutions and separated banks from other financial houses was reversed in 1999 with devastating consequences.

National Homeownership Strategy Partners in the American Dream. In order to attract as many new homeowners as possible credit standards and regulations were relaxed and government allowed borrowers a tax credit of \$8,000. Low-leaser interest rates were offered for the first two years, but with substantially higher rates being payable thereafter.

Between 1998 and 2006 house prices rose by 174% but two years later in 2008, a drop of 20% was recorded. In contrast to rising prices the affordability of housing showed a declining trend between 1980-2006 the ratio of the cost of an average house to median household income was 3.0, but by 2006 it had risen to 4.6. Credit default swaps which were intended to hedge or speculate against credit risks increased from zero in 1998 and 2008 to \$47 trillion and had a notional value of \$683 trillion.

In recent years the property boom — especially in cities — produced a large number of developments which have been described in more detail in the following chapters. Many of these developments have been assessed in the following chapters. It is important to note that the developments have been assessed in the following chapters. It is important to note that the developments have been assessed in the following chapters.

In order to further this culture, a group of the country's banking sector was formed — investment banks and hedge funds — and whose total funds were believed at that time to have an amount in excess of \$1 trillion. Aggressive marketed these products, notwithstanding the fact that by June 2007 39% of all home loans did not meet the underwriting standards of any issuer.

The Lehman brothers were up next — Lehman Brothers was declared bankrupt in September 8, 2008. A rescue package was hastily assembled and Congress approved a sum of \$700 million for a Troubled Asset Relief Program (TARP), but this was only the tip of the iceberg, as the US Federal Reserve Bank has since granted over \$6 trillion worth of assistance to domestic and foreign banks. According to the memoir of Noel Barotsky, Inspector General of the FDICP, the final figure may well exceed \$2+ trillion — therefore comes as no surprise that during the period 2008-2013 the US Federal Reserve Bank has expanded its balance sheet by \$1.7 to \$5.7 trillion in order to prop up an ailing banking sector with its Ponzi-like quantitative easing programme. In a similar vein between 2007 and 2012 the balance sheets of the six largest western banks have been inflated by 364% from \$10.7 trillion to \$46 trillion.

1. *The New York Times*, 10/10/08, p. 1. <http://www.nytimes.com/2008/10/10/business/08lehm.html>

2. *The New York Times*, 10/10/08, p. 1. <http://www.nytimes.com/2008/10/10/business/08lehm.html>

3. *The New York Times*, 10/10/08, p. 1. <http://www.nytimes.com/2008/10/10/business/08lehm.html>

4. *The New York Times*, 10/10/08, p. 1. <http://www.nytimes.com/2008/10/10/business/08lehm.html>

5. *The New York Times*, 10/10/08, p. 1. <http://www.nytimes.com/2008/10/10/business/08lehm.html>



Nobel laureate Frederick Soddy whose views on money and banking were grounded in physics exposed the futility of perpetual economic growth.

Causatum

In the aftermath of this financial crisis attempts have been made to remedy what is in essence a timeless problem. The Dodd-Frank Wall Street Reform, and Consumer Protection Act passed into law on July 21, 2010 contains numerous regulations designed to promote accountability, financial stability, and transparency. 200 pages of the Act are devoted to mortgage reform and include higher underwriting standards and an obligation on mortgage originators to ensure that borrowers have the ability to repay their loans.

The school of the Base Committee on Banking Supervision have proposed higher levels of capital and liquidity ratios — the type of these measures will strengthen the banking sector. The intention is that they be in place well in time by March 3, 2009. Regrettably, however, it is probable that the opposite will come to pass in a case that the crisis has to sink further and further deeper, as necessary.

What is well understood by most bankers and economists is that the only method available for keeping the economy running is to sink further the debt of money — as debt based money is the only source of a means of exchange. Hence the persistent mantra that growth must be maintained at all costs because it all has to be repaid — the money supply would vanish and we would be reduced to exchanging goods and services with bank notes and paper. In a world of a global wide devaluation of money there would be no outlet for the money supply and be replaced by state bank created interest free and debt free money.

The underlying reason why the developed world which has the highest productivity and as the producer has been partially devaluated is that the international growth has to be produced by third world countries in order to fuel the growth syndrome. This so highlights the absurdity of the insistence that Europe needs economic growth because the indigenous population is sinking. This policy of deliberately planned obsolescence and forced growth also has very deleterious effects on the environment. As will be observed in the final section the collapse of female fertility rates in the developed world which is a direct consequence of as it is spread — the extinction of civilisation.

It can be said that may be stated that the principal hidden purpose of the banking crisis is to create a general feeling of desperation and an acclamation for a system such as a World Central Bank — a similar situation which prevailed in the United States

During the late nineteenth century when banking panics were being artificially created in preparation for the imposition of the U.S. Federal Reserve Bank. Whether the parasitic bankers will achieve this objective is open to doubt as the host may well have vanished by then.

The Great Depression of the 21st Century

One of the primary causes of the balance-of-payments crisis has been the sustained policy of liberalisation and free trade which has resulted in the almost unbridled partial demand abolition of the United States, United Kingdom and Europe. The reduction of industries in third world countries has precipitated a reduction in the manufacturing base of developed world, resulting in unemployment of a permanent nature and a widening trade gap. In an attempt to maintain their living standards of rising consumers in these affected countries have been forced to take on more stringent levels of personal debt. Thus, in the United States during the 1980s 82% of private debt were required to produce 5% growth in GDP in the 1990s had to rise to 82.99 and in the 2000s there was a dramatic increase to 85.67 for each incremental dollar of economic growth. A level which is soon become untenable.

A further aggravating factor is that the rising costs of extracting energy has resulted as the energy returns on energy invested (EREI) is rapidly approaching a tipping point. According to a Tullent Probert report in 1996 the energy cost of energy would have been 2.43% of GDP and in 2000 it has reached 4.7% of GDP. This projected rise to 9.6% of GDP by 2020 and to 18% by 2030. This will reduce the energy returns which will erode the widespread base of mines and industries and adversely affect agriculture predators over substantial dropping standards.

6. The margin between the price of energy and the price of the goods produced is rapidly approaching a tipping point. See <http://www.energetics.com> pdf

7. The report 'Energy in Society' by the International Energy Agency (IEA) in 1996 predicted that by 2020 the energy cost of energy would have risen to 9.6% of GDP and by 2030 to 18% of GDP.

8. A report by the International Energy Agency (IEA) in 1996 predicted that by 2020 the energy cost of energy would have risen to 9.6% of GDP and by 2030 to 18% of GDP. However, the increase in the energy cost of energy is not linear. The energy cost of energy is expected to rise to 18% of GDP by 2030 and to 36% of GDP by 2050. This will reduce the energy returns which will erode the widespread base of mines and industries and adversely affect agriculture predators over substantial dropping standards.

Escalating extraction costs of energy are not the only predicament facing mankind. During the past 60 years water consumption has quadrupled and continues to rise. Currently 6 billion people are facing absolute water scarcity and according to a recent US government report in June 2014 global demand for water will exceed supply by 40% by 2300.

However the factor which overrides all these macro-economic considerations is the collapse in the birth rate of the developed world. At the turn of the twentieth century the White population of the world numbered 900 million or 36% of its 2.65 billion total. In 2012 although that number has increased absolutely to 1.06 billion, its relative share of the world's population of 7 billion has shrunk to 15%. Two fratricidal and pointless world wars over the maintenance of the usury system set this catastrophic decline in motion.

The following table of fertility rates¹ reveals the inevitability and the near mathematical certainty that by 2100 most of the Whites and a large portion of the Asian peoples of north east Asia will have died out.

Nigeria	5.32
Pakistan	4.52
Egypt	2.89
Bangladesh	2.83
India	2.81
Indonesia	2.5
Mexico	2.2

The first column of the table of fertility rates above lists a 10 countries with a population in excess of 100 million while the following table lists the populations of the major White

¹ <http://www.nomadicpsyching.com/archives/25/shocking-facts-about-worlds-future-population-growth/>

² www.enr.com/story/2014/06/23/energy-costs-sovereign-states-and-depender-countries-by-fertility-rate

and Far East Asian countries. The accepted fertility rate for the replacement of a population is 2.1, has the White Chinese and Japanese populations will be severely depleted within three generations and unless the fertility rate substantially increases will face eventual extinction.

USA	2.05
UK	1.94
Brazil	2.1
France	2.0
Australia	1.79
Sweden	1.6
China	1.55
Canada	1.53
Germany	1.4
Spain	1.4
Italy	1.38
Russia	1.34
Japan	1.27
South Africa	2.64

From the above table it may be noted that a fertility rate of 1.3 would take 80-100 years to reverse which is well nigh impossible while historically a higher fertility rate of 1.9 has never been reversed. Moreover the sharpness of the decline in the White population is concealed by virtue of the fact that large numbers of non-Whites who have much higher rates of fertility are included in these fertility rates.

The average fertility rate of the world is 2.55 but it is not clear whether this figure has been calculated arithmetically or is a weighted average.

* With the average age of a woman in the developed world going higher her first child has on average in 30 years a grand total of 45. With a population the previous average of 25 years ago.

The Great Depression of the 21st Century

The percentage of whites in the following major countries is as follows.

Brazil	48
Germany	88 ³
United Kingdom	86 ⁴
Australia	85
France	85
Russia	81
Canada	80
United States	65 ⁵

Much reliance has been placed on China which is supposed will save the world economy from its demise but the fertility rates of neighbouring territories of Hong Kong (population 7 million) of 0.97 and Taiwan (population 23.3 million) of 1.0 are indicative of a declining trend and suggest that mainland China will not be far behind in replicating these fertility rates as its standard of living continues to rise. These declining fertility rates in China are also supported by the one child policy of the Chinese government which has been in effect since 1979. It is anticipated that China will achieve zero population growth by 2025.

Since World War II ever increasing numbers of married women in the Western world seduced by the multibillion propaganda of feminism and gender equality have been forced to seek employment so that their families can pay the ever increasing amounts of interest necessary in order to make ends meet. Most of this interest is accrued on mortgage loans i.e. on money which banks have created out of nothing. The direct result of this ubiquitous financial system has been the undermining of

³ According to the German census of 1992, 50% of the population of Germany is a population of 85 million of which 40 million are of a non-German background. The census was conducted on May 9, 2002.

⁴ <http://www.census.gov> The Changing Face of a Shrunken Kingdom: Whites in England, March-April 2013, 3.

⁵ <http://www.census.gov> *White in America*, A Z Publications LLC, Las Vegas, 2012, 18.

in the form of the reproductive rate in female crabs.⁴ According to Vernon Riffe, the Rockefeller's were behind this eugenic scheme which was created to create women who became tax payers, voters, and set up the New World Order in this manner. It was believed that the industrial revolution has been established when the equality system should be introduced in a similar way. The sex trade for years has been reversed, but the short and medium term, usury and inflation have led to a depression similar to the Dark Ages, which will last for many centuries.

In the preceding chapters, it has been proven conclusively that state banking and the sovereign state formation's money supply are the only means for reproduction of a nation's order, harmony, peace and prosperity founded on the elimination of the people.

The past 300 years, now starting numerous technological advancements, have witnessed a progressive degradation in Western and European standards of civilization. The excessive concentration of power and wealth based exclusively on a state banking method has established a monopoly of criminal bankers' control over media and educational processes and thereby transformed a mindless and atomized humanity led by the spirit of competition, selfishness and materialism. No standard practices of a civilized and peaceful world, central banking and cultural degradation which will eventually result in a demographic extinction.

⁴ See *Crabs: A History of the World's Most Successful Species* by Vernon Riffe, published by the University of Toronto Press, 1998. See also *The Rockefeller Foundation: A History of the C.A.*

Appendix

Appendix

Letter from President Abraham Lincoln to Colonel E. D. Taylor

Chicago
Illinois

December 1864

Colonel E. D. Taylor

I have long determined to make public the origin of the greenback and tell the world that it is one of Dick Taylor's creations. You have always been friendly to me and when doubtous times fell upon us and my shoulders, though broad and strong, were weak and myself surrounded by such circumstances and such people that I knew not whom to trust when I said in my extremity "we will send for Colonel Taylor he will know what to do." I think it was in January 1862 on or about the 16th, that you did so. You came and said to you "What shall we do?" Said you "Why issue treasury notes bearing no interest printed on the best banking paper issue enough to pay off the army expenses and declare it legal tender." Chase thought it a hazardous thing but we finally accomplished it and gave to the people of this Republic the greatest blessing they ever had their own paper to pay off their own debts. I said to you the father of the present greenback that the people should know it and I take great pleasure in making it known. How many times I have laughed at you telling me privately that I was too lazy to be anything but a lawyer.

Yours truly

A. Lincoln

This manuscript originally written and documented in February 1888
by the 50th United States Congress

Review by Matthew Johnson

One of the most difficult things to explain to American university students is how capitalism and communism share far more in common than they do in conflict in fact, regardless of how this is explained. The old saw that the two approaches are opposites can never quite penetrate. Even worse, explaining to students and the newer generation parents that both banking and business conglomerates fit under the Soviet Revolution and that Soviet industry is also in a way, if not impossible,

One simple way to explain it is to say that for bankers — the modern era, the state's control of the entire economy from one place is what bankers believe paradise to look like. There is one plan, one banking system and one social system in place. This means that banks there's forward the cash, both expecting the state, for the economy as such, to reimburse them with the requisite interest. In other words, the command economy is the most congenial to banks. There's no necessary connection between private banking and a state-owned economy. It's just as simple for a banker to work for the Party as it is for Goldman Sachs.

Capitalism and socialism are based on materialism. Production and utility are considered goods, and efficiency in methods is considered the sole goal, not of ethical contemplation. Both systems are oriented to technology, hold to a linear view of a story, and seek the mechanization of all aspects of humanity. As they both develop, the economic system and the state merge into a single machine. The error of the Libertarians has always been their insistence that the state and private capital are opposed. Quite the opposite is true: large concentrations of capital are deeply embedded in the state, using it as both a personal bodyguard and as a regulator that keeps market entry impossibly high. The defeat of the Justice Department by Microsoft in 2001 and 2012 shows the imbalance of power between private capital and

the same. This might seem longer than a work on banking. For the typical student and tenured professor of political economy it would be. For those, such as Mr. Goodson, who served on the Board of the Central Bank of South Africa for many years, a seated academy seems absurd. Mr. Goodson was anything but seated, and he witnessed the tight control of economic life by banking conglomerates the world over. He saw it — vividly.

This book is not a study in technical economics. It is, thankfully, a study in history. Goodson realizes what most economists do not: that to grasp any economic phenomenon, it must be seen as a product of many decades of historical development. Each aspect of the whole continually reinforces the other, and the whole itself seems steadily changing, like an organism, as history continues to present new challenges, new processes and new victims.

In other words, the secret of banks did not merely occur because a group of men off the coast of Georgia wanted it to. They themselves were actors within a historical stream that goes back to the first Mesopotamian civilisations and reaches its ancient zenith in Rome. The fact that he who has continuously been based on the same set of assumptions regardless of the civilisation within which it was embedded is impressive, and it calls out for detailed analysis. Given the political threat from such honesty, however, Mr. Goodson needed to resign himself to the fact that few in the mainstream — even men, on his work, let alone accept it.

There is one constant in history that is manifestly clear in his work: that the essential distinction between monarchy and republicanism, already speaking, is economic. Republics are normally oligarchies, or at least contain its seeds. Monarchies, since they are perpetually at war with their own nobility, often reveal the assumptions of oligarchy. Whether it be the national socialist party of China or Bear's, the royal bank of St. Petersburg or the centralised dictatorship of the Augustan era, all forms of strong statism have made war on the banking

monopoly. Nevertheless, it is an inherent and accepted competence for an all-powerful economic mediator, of course there are a few exceptions on both sides. As far as the latter has been actually carried out, strong states, whose base of authority was a fairly well defined alchemy of money and interest.

Rome

Rome rapidly at the time of Cicero was already moving away from its Senatorial oligarchy and towards the military empire of Sulla and his successors. The immediate impact, once the dust of the civil wars cleared, was that money was centralised and usury controlled. Augustus Caesar sought to limit interest to a monthly and a populist move rarely seen, however, as compounding increased. Furthermore any accumulated interest could never exceed the original principal.

In Byzantium the Roman Empire of the East, interest had been officially limited to 12% give or take, but this could only be enforced under emperors who were strong. Basil II for example rejected interest altogether and forced wealthy landowners to financially assist poorer peasants. His strength, while common was undermined by a peasant reaction who placed puppet emperors on Constantinople. However, under such a system, eastern Rome was blessed with a vibrant populist economy. Her currency was the global standard as far east as China. Peasants were free and slavery and feudalism existed nowhere. Inflation did not exist and trade flows always favoured the capital. For this reason, separate states such as Venice, Dubrovnik and the Norman mercenaries in Sicily continually financed Rome's enemies.

After 1204 when the western Norman Crusaders sacked Constantinople, the dominance of Venetian oligarchs became the order of the day. Byzantium was marked for death since the emperors of the 14th and 15th century gave away their financial autonomy for regular infusions of Venetian money. Having lost

of economic independence and seeing the immense wealth of the east flow to interest payments to Italy, Byzantium finally collapsed under an Italian-financed Turkish invasion in 1453. Venice became Turkey's most significant ally.

There's no economic mystery here. Whenever interest is tightly controlled, the compound leakage of cash to banking centers does not exist. This financial re-arranging means that value remains where it belongs, with the small businessman and small landholder. Without the geometrically increasing mass of interest, a fraction of today's total labor was sufficient to maintain monetary stability, necessary supplies and a nobility forced to serve the state rather than rule it. Within the modern system of usury centralization is unavoidable as compound interest continually increases the flow of real value out of the economy and into the coffers of the cash.

England

England was no different. Prior to the Norman invasion, Anglo-Saxon England, even after the Viking attacks, existed in a financial golden age. Again, small holders were the norm, urban trade maintained low prices, and the lack of liquid capital forestalled any noble centralization. Feudalism could not exist under such a system. Usury was banned in Mercia under Offa the Great, and in Alfred's final attempt to centralize power in Wessex against the Danes, he too refused the services of the banking class. The Italian banks, however, were quite interested in William's planned assault on Anglo-Saxondom and to remove Scandinavian influence from England. Following William was a small army of Levantine slave traders and Venetian and Roman bankers. Usury was permitted for a time under the new Norman hegemony. The old Anglo aristocracy was slaughtered and William imported a new nobility with close ties to Italy. Feudalism made its very first appearance in English soil, and several centuries later was also to see the benefits of Norman progress.

Such progress by the time of September 11 and the creation of a banking system, making an average of 43% on commercial lands and 100% on capital that is to say a 100% interest within two generations a far better return on its lands would appear in the hands of a Jew and Jewish bankers. This might explain the consistent drive to take more and more French and other the Angevin Empire.

This was to be the lot of Norman Britain until the reign of Edward I (1272-7) who mirrored the Byzantines, where many Anglo-Saxons had been serving after 1066 by rigging money interests, and by accumulating and kicking the bankers out of the country, he ushered in an age of prosperity, unfortunately cut short by the plague. It is no accident that this was at the time when Byzantium had given away its economic sovereignty to Venice for the use of the navy. Britain moved in the opposite direction against Italy and Rome.

From the reign of Edward I, the plague, England was prosperous. The working year amounted to 24 weeks, when winter was essential were tolerated. The church calendar in both eastern and western Europe required between 100 and 400 days off a year, excluding Sunday and the period after Easter. Of course, capitalism was to make war on the church and seek Protestant sanction for eliminating saints days from the calendar altogether. The role of the smallholder had returned for the first time since Edward the Confessor. Luther's state was not to last. The reformation would see Luther's influence had waned, had different ideas on money.

Once Henry VII had seized Britain after the War of the Roses, the time was ripe for the rise of the banks yet again. The reformation and the immorality of Henry VII gave it the excuse it needed. The reformation was an attempt by the Stuarts to begin centralizing power once the old nobility had slaughtered itself into extinction. Monastic lands were secularized, and markets developed, and financing long distance trade became a priority. Henry VII became the last gasp of a powerful traditional state.

From Henry VI to Edward VI to Elizabeth, a new oligarchy had gained power that recurred the pomp of monarchy to hide behind. Very soon once it became confident in its role it required without it change or just by itself.

Spain once Islam was finally ejected sought to cleanse itself of the Sephardi normally allies of the Muslim Caliphate. Spanish nationalism was substantial as both church and state were radically reformed and purged. Moving to Amsterdam the Sephardi rebuilt its banking base creating a square of influence that contained four corners: the grain trade in the Baltic, the Amsterdam banks, Constantinople and the Turkish market and most importantly Poland. These represented the world's poles of modernity as grain prices skyrocketed in the west forcing the east to export more and more.

Under Elizabeth and certainly during and after the English Revolution Spain was the enemy. Catholics were sought Spanish assistance against Elizabeth's dispossession of the native Gael's something that Cromwell was to punish with genocidal harshness. Spain's exportation of silver from the new world threatened the revolt the banks in a graphic way. The banking regime financed the Dutch rebellion against the Spanish as the world's press spared the one on the excesses during the Spanish army in northern Europe. British enemies of the banking regime looked to Spain for assistance as well.

Once Charles I was deposed in 1645 and Cromwell installed a military dictatorship over Britain and Ireland in 1653 the banking regime now its enemies destroyed and its place assured. William's gentle occupation of Winchester 30 years after the fall of the bankers new role to be a force against both France and Spain. It surprised everyone that he actually spent much time attacking the banking elite. He had taken power without a divine mandate. Neither James nor I believed in divine right nor could either want to impose a dictatorship. Cromwell alone sought this honor. Yet the James's were accused of every

imagined crime. James sought religious tolerance not a Spanish hee-haw, as the Whigs were accused in Whiggery was the party of usury and as such the party most vehement in seeking war with France, Spain and eventually Russia.

Parliament, now the instrument of capitalism and empire, was seeking any excuse to take revenge on Spain. Democracy and the will of the people were considered detrimental to the interests of urban merchants and traders. Britain was now an oligarchy. Roman Catholic rulers were being forbidden to rule in London regardless of James' desire for religious neutrality. William's war with France was financed by the Amsterdam banking establishment, something made quite clear to William himself when he tried to arrange a Stuart marriage, one which remained childless.

Ukraine and Poland

It is certainly no coincidence that the rise of Cromwell and the subsequent genocide of Irish resistors and English Jacobites occurred at the same time the opposite development was being placed on the other pole of the Jewish triangle. Populational growth in the west as well as the growing centralization of states led to an increase in grain demand. This meant, among other things, that the nobility needed to intensify its serfdom over peasants and force more production towards export.

The Polish nobility had given Jews a full monopoly over overland trade, urban life, lease-holding and alcohol. Mainstream sources on Ukrainian history all are forced to admit this. The impotent Polish monarchy sought to gain power, as the case elsewhere, through an alliance with the towns. Seeing this as a threat, the Polish nobles counteracted this by bringing in Kharzar Jews searching for a new home after the fall of their centuries before. Not only did they find it, but their mainstream power and success reached such heights that rabbinic claims that the 17th century was a

messianic time were common. In the end it was a draft heat that led me to the subject of the Crimean War. I expected the revolt of Cossack Hetman Bogdan Khmelnytsky against Khmelnytsky's revolt was the opposite of Romanows. The Cossacks fought against a despotic ruler together while Crimean sought to establish a

The revolt of Khmelnytsky in 1648 was the single event that led to Ukrainian nationalism in general. Not only was the same Poland almost collapsed Jews had to flee for their lives. The Crimean Tatars were able to recapture slaves from vassalized Turkey. Rome was in a panic as their churches and associated with slavery were burned to the ground by Cossacks. We remember that their existence was based on the ruins of Orthodox churches a century before. Still fleeing from the Roman Catholic Rome now faced the eradication of its existence in the east. The Patriarch of Jerusalem Patriarch declared Hetman Khmelnytsky. The Monarch of Austria Russia Vienna Prussia and Paris were now able to seize power and deny Rome. Russia had a particular dispute with Rome since it was the papacy who encouraged a Crusade against northern Russia in 1256 limited Mongol expansion and declared the Polish attack on Ukraine a holy war. While Paris and Vienna remained Catholic there was a strong Catholicist while the crown and Rome began selecting bishops. It was a time of

Rome managed to take the Crimeans to abandoning the Orthodox Slavs. The death of Hetman Khmelnytsky in 1657 led to civil war between Cossacks and the army of the two banks of the Dnieper a war between each other. Hetman Ivan Vyhovsky and Polish Jesuit soldier Polish soldier Bohdan Khmelnytsky. The east side of Moscow and Donsherk. In desperation went to the Turks in 1678 Hetman Ivan Mazepa went to the Swedes. Russia remained a strong Ukraine. This period was known as the "Rain"

As Russia moved east to the Dnieper Vienna became alarmed at the possible Russian control of Moscow the east including the

Banking) and mobilized against her (even some bread in the room). Poland recovered her former status and the nobles returned. A century later, the Cossack Hetmanate rebellions led to the unthinkable: the treaty of 'eternal friendship' (that is the Treaty of Amutsevo, 1667) between Poland and Russia dividing Ukraine between the two empires. The Hetmanate rebellion was crushed by a concerted effort of Moscow and Krakow and all was precisely as it was before 1648.

Like in England, under Cossack rule society was divided into counties with full local democracy and a total lack of interest and usury. The typical results followed: the traditional Slavic small order communities reemerged and a basic political and economic equality resulted. The slow encroachment of a Cossack aristocracy, financed by St. Petersburg, led to the imposition of an oligarchy (1733) made it very easy for Catherine II in the middle 18th century to put an end to the Hetmanate forever.

The United States

The decentralised economies of the US were generally prosperous. Plenty and excellent ports and a strong pioneer spirit created an advanced world out of practically nothing. When asked about this, Benjamin Franklin famously remarked:

That's simple: in the colonies we issue our own money. It is called an 'on a script'. We issue it in the proper proportion to the demands of trade and industry to make the products pass easily from the producers to the consumers. In this manner, creating for ourselves our own paper money, we control its purchasing power, and we have no interest to pay anyone. (Benjamin Franklin in London, 1763, quoted from Goodson, 58)

With one exception – the excruciating Alexander Hamilton – the

American founders, though differing on nearly every other issue were of one mind on banking. It was something to be abhorred. The dollar remained stable until 1917. The boom and bust cycles since the Civil War, the immense rise in federal power, World War I and the coming American empire, however, helped set the stage for a privately owned cabal in the US as well (popularly known as the 'Fed' or the Federal Reserve. 'Federal' in this case should be taken as it is in the shipping company 'Federal Express')

The fact is that the fears of the Anti-Federalists were correct: the US government in Washington had become extremely powerful, arrogant, and cut off from the common run of Americans. They had long been in the final stages of a tyranny, an embryo soon to burst forth in the form of the Fed, the Rockefeller Empire, the Carnegie Cult, and the warfare state tested in the Spanish American war and in the final months of World War I.

From 1914 to 1921 prices rose 25% as Coodson depressingly recounts. The dollar lost almost 60% of its value in six years. Federal bonds saw their value drop by 20% at the same time meaning that older bonds became more expensive. Yet the newer, cheaper bonds led to a relay by the banks which of course means that the money came due.

More instability was caused as the railroads and other modes of transport prices went through the roof. Small farms, the long standing backbone of American prosperity, were slowly priced out of existence, which in practice meant a massive wealth transfer from the countryside to the cities. Agricultural production dropped by 50%. The war on rural America was declared and has yet to end. The deficit was soon to be made up by Agr. business made possible by centralised credit that sought to finance large conglomerates seen as a safer bet rather than small businesses.

In 1927 the Fed lowered rates and thus increased the money

supply. But his was the reign of the 'four big twenties'. The beginning of the oil price was an exposed coherence, by without serious opposition. This meant that money was seen as value and power in its own right, separate from actual production. The money went to the stock market, boosting demand and inflating prices. Margins were increased through debt and the price-earnings ratio went as high as 50:1 that is, to say the stock price was many times higher than the actual productive nature of the capital involved. Paid differently, stock prices had no relation to the health of the firms involved, the productivity of capital or labor, or the resultant value added.

Thus in 1929 the US stock market was a fraud. Prices were based on speculation, investment, easy money and the perception, one that remains a mystery to psychiatry, that such fast-growth would last forever. It made little difference how healthy the firms involved actually were. In 1929 the Fed increased rates to 6%. The signal was clear, the stock market as a whole saw its value drop by 83%. 1000 banks were bankrupted and brokers, working on debt, were ruined.

Russia

Russian economic prosperity and growth commenced at the liberation of the serfs by Alexander II in 1861. Serfs under state control had been freed earlier by Tsar Nicholas I. As is quite often the case, the most autocratic of monarchs were the ones confident enough to go over the heads of the elites and pass legislation in the interests of the peasants. Unlike the Austrian liberation of its own serfs a few years before and Lincoln's freeing of southern slaves, Russian serfs were liberated with land. The state reimbursed the eternally indebted nobility and, over time, the peasant was to pay the state back. The payments were very low and Tsar Nicholas II in 1905 canceled them altogether. This was just one more nail in the nobility's coffin.

Russian serfs had never been slaves. Serfdom, a reaction to the Swedish and Polish incursions of the 17th century, affected only peasants in the black earth regions in the Russian south. It never existed in the north nor in Siberia or central Russia. Affected only serfs required to perform labor dues, not by the 1840s, most peasants paid money rent, meaning that they were not serfs. Serfdom in Russia really meant the guarantee of peasant land ownership and, at the same time, the guarantee of noble incomes as they served the state, usually in a military capacity. Since everyone served someone, the system was balanced. Under Tsar Paul and his mother Catherine II, the nobles were freed from state service and, as a result, became politically impotent.

Peasants had total self-government in the commune, where all posts were elected. The county or county government was also entirely elected, with equal representation for all classes. The court system, both at the *voivot* and commune level, was based on pure peasant democracy. Commune judges were exclusively peasants, and *voivot* courts had two noble and two peasant representatives. For the most part, Russian nobles were financially worse off than the peasantry, drowning in debt and long released from state service. They made little to do but buy expensive western luxuries they could not afford. The peasant commune had the right to nullify federal law and was generally self-sufficient. If anything, tsarist Russia suffered from too much democracy.

In 1864, the *voivot* was replaced by the *zemstvo*, a strong county system with a lower house of peasants and an upper house of nobles, usually poor. The *zemstvo* was in charge of education, infrastructure, charitable tax collection and police. There was no part of peasant life that was not based on local democracy. A *tax captain*, usually a poor noble, was elected to mediate disputes between peasants and nobles, and sometimes peasants would go to the captain if he had a beef with the commune or the *zemstvo* authorities. Practically speaking, from 1850 on, the nobles were politically impotent.

The outbreak of World War I was a result of a complex set of circumstances. The assassination of Archduke Franz Ferdinand in Sarajevo in 1914 was the immediate trigger, but the underlying causes were the rivalries between the major powers of Europe, particularly Germany and France, and the desire for a balance of power. The alliance system, which had been developed in the late 19th century, had become increasingly rigid and exclusive, leading to a situation where a conflict between two major powers could easily draw in the rest of the world.

The arms race, particularly in the area of naval and military technology, had also contributed to the tension. The United States, under President Woodrow Wilson, had emerged as a new superpower, and its policies of isolationism and interventionism had become a major factor in the international situation. The outbreak of war in 1914 was a result of these complex interactions, and it led to a global conflict that would reshape the world.

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economic growth from both agriculture and industry averaged 5% yearly. Population growth boomed and in the Russian case peasants were given free land and tools in lush southern Siberia and the frozen north, for the sake of colonizing his vast empty space about twice the size of the US. By 1905 36% of Russian arable land was in the hands of peasants. No other industrialised society could match this. Peasants were buying noble land in massive quantities as Russia at the same time was completely self-sufficient. Her domestic market accounted for almost 99% of her production and she needed nothing from abroad. A single got from the West was revolution.

Moving southward, Georgia requested Russian protection as a shield against her Islamic neighbors. The XII Dalai Lama of Tibet, Thoubten Gyamtso, requested Tsar Nicholas I, to take his country under Russian protection to protect this Buddhist monarchy from crowding in British control. Several Russians served as tutors to Tibetan nobles and the Dalai Lama himself. Russia was seen as the Saviour of all who fought British and Chinese imperialism.

Tsar Nicholas II was tempted to make war on Mexico, China, since China held the western Buddhist populations and the Tibetans, and several million Muslims also were held under Chinese Manchu rule. Russia was called the White Savior, long prophesied by Chinese sages. Making matters worse for the British, oil was discovered in Baku, today's Azerbaijan, then part of the Russian empire. The Rothschild dynasty declared war on Russia, financed Russian revolutionaries, and importantly, created an anti-Russian alliance.

The Rothschild alliance, for their part, was created in retaliation for Russian success. It was based on financing Turkey, the Turkish tribes of the Russian south, Persia, and most ominous of all, Japan. Turkish occupation of the Balkans was given the Rothschild's seal of approval since without Turkey, pro-Russian states like Serbia and Bulgaria would fill the vacuum. The

British press praised the Turks as liberators from "Oriental superstition" and led the Russians to the Mongols whose "times must be remembered."

Russia hoped to drive Bulgaria and Serbia to a sought to unify China once the Manchus stole the West's indirect power over Tibet and the coast of the Pacific and urbanized Georgia on state-aided railroads. Power would see the banks spread and the workers' paradise was reached. For a match, Japan was a much better bet than China. Russia supported Algiers in 1830s and 1840s. The Viceroy of Algiers in 1879-80 had his was not to be seen as the recreation of Jinnah under the wings of the Royal Navy.

Had Russia not been a party to World War I, what might the world look like as a result? A real secretariat would have been. The exploding Russian population would have populated all Siberia and parts of Central Asia. She would have taken the Balkans and Constantinople, quite possibly with Germany's blessing. This would have permitted Russia taking at most of the Middle East, at least acting as the chief protector of the United X-Creeks and Arabs. Germany would see the rationality in an alliance with Russia over Vienna. Russian and German interests, ideology and political systems were quite similar. The Russian alliance with her old enemy England made little political sense for Russia, but containing German expansion was London's priority by 1914. Germany realized that her alliance with Austria-Hungary would force Germany into any conflict Vienna might back her into. This would not be in Germany's interest. As to as prior military performance in the war as well as her industrial economy, which forced Germany to dispatch its military forces between two fronts.

Russia's new and growing ownership her immense mineral resources, internal market and industrial capacity would have financed a protectorate over a China and quite possibly Southeast Asia. Much of Central Asia under Chinese control would

have also come under Russian protection — if not occupation. Compared to English colonialism, Russian expansion was never exploitative, but defensive.

The market economic growth and continued population expansion would have drawn the remaining powers of the world to Russia. She would be seen as militarily speaking, a massive empire. Moving east instead of west, she would be no threat to the European balance of power. Any alliance with Germany would seal the nature of Europe as a strong traditionalist, royalist and Christian and power Vienna would be worse than helpless, and might begin to unravel, as the Germans of the empire sought an on with Germany and the Slavic population locked in Russia. An angry and expansionist Hungary would be also be present, consensually at war with her equally angry minorities.

The Orthodox church would find a willing ally in royalist German Lutheranism and the growing Old Catholic movement. Had Russia and Greece joined with this schism from the Roman church, as originally planned, the Old Catholic Church would have grown substantially. There was already quite an interest among conservative Anglicans and some Lutherans in the Orthodox tradition.

Most of western Canada would have come under Russian control from the population of Alaska, whose positive interaction with the native Aleutians made Russia a welcome presence rather than an imperial one. Russian firms were already in Hawaii and would have protected the monarchy there. The US financed the Hawaiian royal house's overthrow. Given Russia's welcome in much of Asia, there's no reason to believe the Hawaiian royal house (and other Pacific states) would not also see the benefit in a powerful, yet distant, protector.

Russian imperialism was not profit seeking as the British empire was. It was defensive. Native populations were normally treated well and, as in the case of the Armenians and Muslims of Asia,

never were forced to cede — Or, they speak Russian. They took their oath to the Tsar, and when Poland was granted one of the most liberal constitutions in the world and Finland, another colony of Russia, was formally independent in every respect except foreign policy. Hence there is no reason to think that Russian imperialism would have been resented or even have been considered a crime in the normal sense.

Today this seems like a fantasy barely conceivable. But it was true prior to the mass slaughter of World War I. This was considered a viable reality in St. Petersburg and London. Crookson gives a glimpse as to what this might have been.

In 1860 The State Bank of the Russian Empire was founded with the aim of boosting trade turnovers and strengthening the monetary system. Up to 1894 it was an auxiliary institution under the direct control of the Ministry of Finance. In that year it was transformed into being the banker of the bankers and operated as an instrument of government's policy. It minted and printed the nation's coins and notes, regulated the money supply and through commercial banks promoted industry and commerce with low interest rate loans. Crookson on Alexander 17,

The opponents of the Pan-Russian were to be in St. Petersburg for all its problems — was the the banking regime could not check if Russia continued its massive development, population growth and industrialization, usury would be destroyed. The Russian state more so than private capital planned and directed investment and capital funds. The French were the only substantial foreign presence in Russian industrialism. If this was to be replaced with Russo-German joint projects, usury would be under severe attack. Something had to be done. To give the reader a hint, what this was, Crookson quotes Congressman J. T. McFadden's speech to the House of Representatives in 1912.

They [western banks] financed Trotsky's mass meetings of discontent and rebellion in New York. They paid Trotsky's passage

from New York to Russia so that they might assist in the destruction of the Russian Empire. They fomented the 1848-49 revolution in Russia and they plotted a large raid of American citizens at Fort Snelling in one of their branch banks. Swedish soldiers through Russian lawless might be thoroughly broken up and Russian children flung far and wide from their native protectors. They have since begun the breaking up of American homes and the dispersal of American children. (Crawson 103)

Mr. Craighero was elected Mr. Craighero likewise. Year after year lost in academic posturing. There is no social hierarchy and no power that can conceivably mediate that of competing interests. The state is the product of the banks and much of the economic rights as well. A monarchy was overthrown in its interest and replaced with a global oligarchy controlling, depending on the source, upwards of 80% of global GDP. All of this exists, of course, in the name of freedom, progress and democracy.

We began this lengthy essay with the concept of usury and western banking being quite comfortable with radical left statism. We have come full circle explaining how and why this democratic facade has come to pass. It remains a curious affair and the composition of a writer's enemies. Yet it is not as if there is no relation, however vague, to the continued misrepresentation of wealth and labour.

Crawson does not even do a negative note. North Dakota shows Craighero ends his work. As if the reader needs more proof of the destruction of the land as a usury mechanism. Reserve finance. North Dakota established a state owned bank in which the revenues of the state are deposited. It provides low interest loans to small businesses. All profits revert to the state. Without the normal practices of charging and fees charged against the citizen. North Dakota has not been affected by the recession because of 2008 and GDP has grown by almost 10% since 1997. The personal income per capita has grown by 40% since 1997. It has same name.

While the media has been quick to praise the North Dakota's success, it exclusively ignores its small petroleum industry. This kind of development has occurred in Alaska, which has far more oil than North Dakota. Nigeria's growing oil, and yet she remains poor. Somalia and Chad do have rivers of oil as do Indonesia and Burma. Most of these states are remain poor. Apparently, oil only benefits North Dakota and the Beverly Hills elites.

Indeed, the central strength of Goodson's book is its consistency. It has one thesis: wherever state banks rule the financial universe of an economy, that economy does very well. His analysis of 1930's Germany, Italy and early 20th century Japan all feature state controlled banks, low interest rates, state directed investment and a general loathing of libertarian free markets. They also feature triple digit growth rates, zero unemployment, and low inflation. In our own day, China, Taiwan and Belarus are in the same boat.

Belarus, as Ukraine and Russia flourished, once the IMF and Harvard University helped the Mahatma privatization deals saw its President Alexander Lukashenko that privatization centralize power and nationalize finance. While Ukraine today has lost 70% of its industry and sees 80% of its well educated population below the poverty line. Belarusian unemployment is 10% and her industry has grown by an average of 7% a year since 2000. The two Chinas like wise. When George Soros engineered the Asian currency meltdown of 1997, the only two economies unaffected were the two that had state controlled banks, Taiwan and China. Former powerhouses like South Korea and Japan, as well as Thailand, became official wards of the IMF. Their lifetime employment was abolished and living standards have fallen.

Prior to the wars that ravaged both states, Libya and Syria were also registering double digit yearly growth, popular presidents and both countries were closing in on first world status.

Both countries had state controlled banks and state directed investment. The state was a partner in investment not the result of it. Saddam Hussein's Iraq was doing the same until the US engineered the war with Iraq.

The Burmese state banks under the control of the Ministry of Finance headed by Major General Aung Mye with a western education in finance. His deputy is U Aung Mye Thaw. Clearly the Burmese are taking no chances with foreign manipulation of the currency. Burma's oil rich sea minerals, especially with China and its educated population are increasingly making it a target for western speculation as well as political attacks. Given that country's civil war, western sanctions and separatist movements, she still has managed to build 10 universities, several dozen dams, increased literacy to 80% and ensured that peasants own their own land since 1999. If the reader has detected a pattern, then he is correct.

Goodson's work of course is a flawless gem, errors however are minor. He holds that Gray to Princip was Jewish and that his assassination of the Arch Duke Ferdinand started World War I. Princip was not allegedly Jewish especially since he came from the backwater of western Bosnia in the poor peasant village of Okučani which is a very rural and inaccessible. He was the child of poor peasants of Bosnian Serb stock. His mother's maiden name was the very Orthodox Miss Netauer, a father that might have Jewish names, and his mother's low ranking postal service does not scream banking elite. Princip was part of the Young Bosnia group Jewish connected to the military society The Black Hand, also known as the Federation of Death, this was a nationalist organization of military men that had no connection with the few Jews living in Serbia at the time. His extended family exceptive from Montenegro were nary a Jew has ever tread.

The assassination of Ferdinand did not start World War I. Serbia needed to be denuded of Vienna after the assassination and

Germany too was impressed of the Serbian desire for peace. Serbia was completely exhausted from the Balkan Wars and could not fight yet again. Furthermore, the choice of large makes little sense. Ferdinand was more or less popular among the southern Slavs, as he was seen as the most pro-Serb of the royal family. Austria on the other hand was continuing to *divulge* ever since the local rebellion against her occupation of Bosnia and the creation of the state of Albania, which served to cut Serbia off from the sea and separate Montenegro from Serbia proper.

The circumstances of the Grand Duke's visit were odd. Ferdinand was visiting Serbia and Bosnia on the Serbian national day, *danica*, when nationalistic tempers were high. This was also the beginning of a highly inflammatory military maneuver in Bosnia. Ferdinand lacked the normal security detail of royals visiting hostile territory. Ferdinand's motivation was inexplicably reported by his own Austrian people, where Princeps and some others were waiting. Yet much to Germany's chagrin, even before the Serbian answer to the Austrian ultimatum was received, Vienna had declared war.

These two errors are really of no significance, but they are common and understandable errors that need to be addressed. These in no way detract from the immense accessibility and utility of this book, which deserves widespread dissemination. For what is worth, I endorse the work of Mr. Goodson wholeheartedly.

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Review by Tom Sunic

In the European popular consciousness, money has traditionally been associated with something dirty, something criminal, something unworthy of a European man, something meant to be savored and enjoyed at only by secret foreigners and distant aliens. From Aristotle to Post-modernity tens of books have been written on the subject of cursed money and wretched gold. One needs to recall the scenes from the ancient Greek King Croesus, or the wretched Mithras gold, or think about the mass slaughter in the medieval Nibelungen saga whose story revolves around hidden gold in the Rhine River and the suffering caused by the gold.

Well, as Stephen Goodson reminds us in his book, neither have the obsession with insatiable money, nor the practice of usury and the love of gold, lost much of their deadly flavor today. In fact, many modern business transactions and many global financial malpractices, spurred by the greed for gold, have become even Jewrier threatening this time around, not just the survival of Western civilization but the whole of mankind.

First off, one must make it clear that Goodson is not an acolyte of conspiracy theories, nor is he a Jew-hating scribe whose prose often inflicts more pain than good to a reader, wishing to enlighten himself on the subject of filthy old money and its not so fictionalous creators. For that matter Goodson can sport his top notch references regarding the subject matter which he analyzes in his book: he was a Board member of the SARB (South African Reserve Bank) with long experience in banking business, or to put it less precisely, he was a first-hand observer of insider trading business. How is it possible that in our so-called best of all the democratic worlds, a world which boasts transparency and a free judiciary, most citizens haven't yet the slightest clue as to who are the shareholders of major central banks, such as the Federal Reserve Bank in the USA and many other banks worldwide? Goodson demonstrates how, in fact, the tamed

America's Federal Reserve has nothing to do with state property or the meaning of democracy in the USA, but serves instead as an anonymous corporation, as a crime syndicate of powerful financial movers and shakers. It is certainly no accident that ever since the explosion of the so-called housing bubble in the USA in 2008, not a single major banker, be it from Goldman Sachs, be it from JP Morgan, has been called to account for printing false money or handing out surreal loans. One hand washes the other—one might say.

From Goodson's book transpires a remarkable knowledge of social and political circumstances of ancient Rome, or for that matter Cromwell's England, or Weimar Germany. Therefore, his book cannot be dismissed as just another boring piece in the mosaic of silly anti-Semitic and conspiratorial literature which one often encounters among many right-wingers. It is precisely Goodson's dispassionate narrative well embedded in the framework of different historical periods which makes his book not just an informative and scholarly literature, but also a refreshing read for a novice wishing to find out more about the mystique of money.

Usury seems to have been, for ages at the heart of social upheavals and wars. The ancient Romans experienced its blows many times, which ultimately lead to Rome's demise. Goodson portrays the Roman statesman Caesar's social and economic reforms, his introduction of the first welfare system, the remission of rents for many destitute Roman citizens, and finally Caesar's interdiction of charging interest on the already existing credit-interest. The Roman Empire briefly flourished. Many aristocrats, however, could not tolerate Caesar's magnanimity towards the poor and decided to kill him. Masters of whom many were foreigners of Jewish origin, alongside their fawning Gentile lackeys, seem to have been the major transmitters behind the growth of corruption and decline of Western civilization.

Similar problems of economic growth were also observed during the early years of the Industrial Revolution. The rise of the cotton industry in the north of England, the rise of the iron industry in the Midlands, and the rise of the textile industry in the south of England, all led to a concentration of wealth in the hands of a few individuals. This concentration of wealth led to a concentration of power, and this concentration of power led to a concentration of influence. The result was a society in which a few individuals controlled the destinies of many. This concentration of power and influence was a major cause of the social and economic problems of the Industrial Revolution. The rise of the cotton industry in the north of England, the rise of the iron industry in the Midlands, and the rise of the textile industry in the south of England, all led to a concentration of wealth in the hands of a few individuals. This concentration of wealth led to a concentration of power, and this concentration of power led to a concentration of influence. The result was a society in which a few individuals controlled the destinies of many. This concentration of power and influence was a major cause of the social and economic problems of the Industrial Revolution.

Not only did the concentration of power and influence lead to social and economic problems, but it also led to a concentration of political power. The rise of the cotton industry in the north of England, the rise of the iron industry in the Midlands, and the rise of the textile industry in the south of England, all led to a concentration of wealth in the hands of a few individuals. This concentration of wealth led to a concentration of power, and this concentration of power led to a concentration of influence. The result was a society in which a few individuals controlled the destinies of many. This concentration of power and influence was a major cause of the social and economic problems of the Industrial Revolution. The rise of the cotton industry in the north of England, the rise of the iron industry in the Midlands, and the rise of the textile industry in the south of England, all led to a concentration of wealth in the hands of a few individuals. This concentration of wealth led to a concentration of power, and this concentration of power led to a concentration of influence. The result was a society in which a few individuals controlled the destinies of many. This concentration of power and influence was a major cause of the social and economic problems of the Industrial Revolution.

The author also shows how the concentration of power and influence led to a concentration of political power. The rise of the cotton industry in the north of England, the rise of the iron industry in the Midlands, and the rise of the textile industry in the south of England, all led to a concentration of wealth in the hands of a few individuals. This concentration of wealth led to a concentration of power, and this concentration of power led to a concentration of influence. The result was a society in which a few individuals controlled the destinies of many. This concentration of power and influence was a major cause of the social and economic problems of the Industrial Revolution.

commoners worked less than 4 weeks per year. If we were to judge happiness and the quality of life only by the number of electrical appliances and our bank accounts, we'd never be able to answer and therefore meaning of happiness. In many instances, however, the so-called dark ages in England and continental Europe looked much brighter than our own dark age. Much of the church architecture of that time was the direct expression of popular joy, where the quest for spiritual transcendence was far more in demand than the fleeing bliss of the modern system, in which money hoarding has become a new secular religion.

And then came the bad news. In 1694 the Bank of England was created, the model on which all central banks in Europe and later in the USA was replicated. Soon thereafter started what modern academics call "modernity," which in reality meant reducing people to servitude. English big-time financiers did not like the fact that early US colonies had issued their own money and showed hostility to the Bank of England. The attempt of England at abolishing US currency was also the prime cause of the American Revolution. The large, expensive 19th century America prospered precisely because of the absence of a central bank. One must not forget, as the author states, that Andrew Jackson's presidential campaign was carried out under the banner "VOTE ANDREW JACKSON NO BANK." The omni-year for the USA, as well as for the entire world, was the creation of the Federal Reserve Bank in 1913, which indirectly precipitated the Western world into two world wars and hundreds of local wars all over the world.

Not was the situation rosy for American citizens. Although becoming much envied citizens of a global superpower since 1945 and 2001, the US national debt has skyrocketed from \$526 billion to US\$25 trillion. Nobody wants to publicly state that most American and Western citizens live not a life of freedom but rather thrive and vegetate with their death on the insurance plan. The time of the mega-crisis and the end of the white race may be just around the corner.

A History of Central Banking

The public describes as the "history" in various forms of writing about "the evolution of paper money" as well as the use of the words "bank" and "banking" by the New York Bankers' Association. The words "bank" and "banking" are not correct in their use in the context of the word "bank". The word "bank" is a noun and the word "banking" is a verb. The word "bank" is used to describe a place where money is kept and the word "banking" is used to describe the activity of providing financial services to customers. The word "bank" is also used to describe a financial institution that provides services to its customers. The word "banking" is also used to describe the activity of providing financial services to customers. The word "bank" is also used to describe a financial institution that provides services to its customers. The word "banking" is also used to describe the activity of providing financial services to customers.

It is now a less possible to be heard of the amazing success of the Soviet North Dakota whose bank has been North Dakota to become a state with the new attempt to create in the USA. How North Dakota will weather the storm of years to come remains to be seen. As long as the world's academies do not meddle in the task of the industrial nations of the meeting, America, who is the USA, along with Western societies, will not be helped by the new disaster to which it

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A History of Central Banking and the Enslavement of Mankind is Stephen Mitford Goodson's companion volume to *Inside the South African Reserve Bank Its Origins and Secrets Exposed*. While the latter volume describes the mechanics of the fraudulent usury banking system, with a focus on Goodson's experiences as a director of the SA Reserve Bank, this volume expands the focus to encompass the role of banking and money in history from ancient times to the present.

The role of money-lenders in history was once aptly termed by many acute observers as the "Hidden Hand." It is the power to create, lend and accumulate interest on "credit," and then re-lend that interest for further interest, in perpetuity, that creates pervasive, worldwide debt, from the individual, to the family, to the entire state. The ability to operate a fraudulent credit and loan system has long been known, and through all the slickness of a snake-oil salesman, the money-lenders – the same types Jesus whipped from the Temple – have persuaded governments that banking is best left to private interests.

Many wars, revolutions, depressions, recessions, and other social upheavals, have been directly related to the determination of these money-lenders to retain and extend their power and profits. When any state, individual or idea has threatened their scam they have often responded with wars and revolutions. The cultural and material progress of a civilization will often relate to the degree by which it is free from the influence of debt, and the degradation that results when the money-lenders are permitted to regain power. Hence, Goodson shows that both World Wars, the Napoleonic wars, the American Revolution, the rise and fall of Julius Caesar, the overthrow of Qathafi in Libya and the revolution against Tsar Nicholas, among much else relate to this "Hidden Hand" in history. This is the key to understanding the past, present and future.

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