

## A Country Defeated In Victory Part 2

I have found more unrefutable information that further confirms the information in [A Country Defeated In Victory \(Part I\)](#).

In **A Country Defeated In Victory (Part I)**, I left out something important and was not aware of it. I made the statement that a few power-hungry Jews were the controlling influence behind the banks, I knew what I meant when I made this statement, but I did not qualify this statement. Because this is an important part to A Country Defeated In Victory (part one) I am going to take this opportunity to further clarify what I meant.

All this is basic, but most people don't make the distinction that the Hebrew people are called Jews. Just like you might call an Irishman catholic, the word Jew describes a religion just as does the word catholic. Jesus made a distinction between Hebrews like Himself that were also known as Jews and those that called themselves Jews and were not. Jesus called these Jews Satan's seed. The Jews Jesus was pointing out were Satan's spiritual children. These are a group of people that wish to carry out Satan's will. They are responsible for killing the prophets of God and Jesus Christ. The Jews I referred to in A COUNTRY DEFEATED IN VICTORY (part one) are not servant's of God Almighty. How do you tell the difference between these men who claim to be Jews but are really Satan's seed? There's only two ways that I see in the Word of God, one is by being able to see these persons true spirit by the gift of spiritual discernment and the other is, you can always tell someone's true spiritual nature by their fruits (actions).

I hope this explanation will clear up any mis-interpretation of what I said, when referring to some Jews that are not servants of God Almighty, and call themselves Jews. This is rather confusing because both groups go by the same name and claim the same roots, but Jesus made this distinction, so must I. One of the reasons these men hated Jesus was because He made this distinction and exposed them.

The information that follows will trouble you greatly, because it will confirm to you that not only is the information true in this paper but also in **A Country Defeated In Victory (Part I)**. You will be forced to accept the fact that the United States government and the media have kept this information from you. The information contained in this paper was taken out of actual government documents that cannot be rebutted. I'm going to lay this information out in such a way, as to try and make it easier to understand, and hopefully cause you to accept the truth. This information is rather laborious to read, but if you seek the truth you will take the time to study this information. So I offer this suggestion. If you find your mind starting to wander, stop reading until you are rested.

The following was taken from a book entitled *Vindication*, on pages 168-179, which was written by Judge Rutherford and appeared in a St. Louis Mo. in the 1890's:

Rothschild Brothers, Bankers,  
London, England  
June 25th, 1863

Messrs. Ikleheimer, Morton, and Vandergould,  
No. 3 Wall St., New York, U.S.A.

Dear Sir:

A Mr. John Sherman has written us from a town in Ohio, U.S.A., as to the profits that may be made in the National Banking business under a recent act of your Congress, a copy of which act accompanied his letter. Apparently this act has been drawn upon the plan formulated here last summer by the British Bankers Association and by the Association RECOMMENDED TO OUR

AMERICAN FRIENDS as one that if enacted into law, would prove highly profitable to the banking fraternity throughout the world.

Mr. Sherman declares that there has never been such an opportunity for capitalists to accumulate money, as that presented by this act, and that the old plan of State Banks is so unpopular, that the new scheme will, by contrast, be most favorably regarded, notwithstanding the fact that it gives the National Banks an almost absolute control of the National finance. "THE FEW WHO CAN UNDERSTAND THE SYSTEM," HE SAYS, "WILL EITHER BE SO INTERESTED IN ITS PROFITS, OR SO DEPENDENT OF ITS FAVORS THAT THERE WILL BE NO OPPOSITION FROM THAT CLASS, WHILE ON THE OTHER HAND, THE GREAT BODY OF PEOPLE, MENTALLY INCAPABLE OF COMPREHENDING THE TREMENDOUS ADVANTAGES THAT CAPITAL DERIVES FROM THE SYSTEM, WILL BEAR ITS BURDENS WITHOUT COMPLAINT AND PERHAPS WITHOUT EVEN SUSPECTING THAT THE SYSTEM IS INIMICAL TO THEIR INTERESTS."

Please advise fully as to this matter and also state whether or not you will be of assistance to us, if we conclude to establish a National Bank in the City of New York. If you are acquainted with Mr. Sherman we will be glad to know something of him. If we avail ourselves of the information he furnished, we will, of course, make DUE COMPENSATION. (emphasis mine)

Awaiting your reply, we are  
Your respectful servants,

Rothschild Brothers.

[Mr. Sherman was a member of Congress from 1860-1890, he was responsible for almost every banking legislation that was passed during that time.]

New York City, July 6, 1863.  
Messrs. Rothschild Brothers  
London, England

Dear Sirs:

We beg to acknowledge the receipt of your letter of June 25th, in which you refer to a communication received from the Hon. John Sherman of Ohio, with reference to the advantages and profits of an American investment under the provisions of our National Banking Act.

The fact that Mr. Sherman speaks well of such an investment or of any similar one, is certainly not without weight, for that gentleman possesses in a marked degree, the distinguishing characteristics of the successful financier. His temperament is such that whatever his feelings may be they never cause him to lose sight of the MAIN CHANCE. He is young, shrewd, and ambitious. He has fixed his eyes upon the Presidency of the United States and is already a member of Congress. He rightfully thinks he has everything to gain both politically and financially by being friendly with men and institutions having large financial resources, and which at times, are not too particular in their methods, either of obtaining government aid, or of protecting themselves against unfriendly legislation. We trust him here implicitly. His intellect and ambition combine to make him exceedingly valuable to us, indeed, we predict that if his life is spared, he will prove to be the best fiend the moneyed interests of the world have ever had in America.

As to the organization of a National Bank here, and the nature and profits of such an investment, we beg leave to refer to our printed circular enclosed herein. Inquiries by European Capitalists, concerning this matter, have been so numerous, that for convenience, we have had our views with regard to it put into printed form.

Should you determine to organize a bank in the City, we shall be glad to aid you. We can easily find financial friends to make satisfactory directory, and to fill official positions not taken up by the personal representatives you will send over.

Your most obedient servants,

IKLEHEIMER, MORTON, AND VANDERGOULD.

#### BANKERS PRINTED CIRCULAR

IKLEHEIMER, MORTON, AND VANDERGOULD

Private Bankers, Brokers, Financial Agents, etc.

3 Wall Street, New York City

We have had so many inquiries of late as to the method of organizing national banks under the recent act of Congress, and as to the profits that may reasonably be expected from such an investment, that we have thought it best to issue this brief circular as an answer to all questions of our friends and clients:

1. Any number of persons, not less than five, may organize a national banking corporation.
2. Except in cities having 6,000 inhabitants or less, a national bank can not have less than \$1,000,000 capital.
3. They are private corporations organized for private gain, and select their own officers and employees.
4. They are not subject to the control of the state laws, except as congress may from time to time provide.
5. They can receive deposits and loan the same for their own benefit.
6. They can buy and sell bonds, and discount paper and do a general banking business.
7. To start a national bank on the scale of \$1,000,000 will require the purchase of that amount (par value) of U.S. Government bonds.
8. U.S. Government bonds can now be purchased at 50 per cent discount, so that a bank of \$1,000,000 capital can be started at this time with only \$500,000.
9. These bonds must be deposited with the U.S. Treasury at Washington as security for the national Bank currency, that on the making of the deposit will be furnished by the government to the bank.
10. The U.S. Government will pay 6% interest on the bonds, in gold, the interest being paid semi-annually. It will be seen that at the present price bonds, the interest paid by the government itself, will of itself amount 12 per cent in gold, on all the money invested.
11. The U.S. Government, under the provisions of the national banking act, on having the bonds aforesaid deposited with its treasurer, will on the strength of such security, furnish national currency to the bank depositing the bonds, at an annual interest of only ONE per cent per annum. Thus the deposit of \$1,000,000 will secure the issue of \$900,000 in currency.
12. This currency is printed by the U.S. Government in a form so like greenback money, that many people do not detect the difference, although the currency is but a promise of the

bank to pay-that is, it is the bank's demand note, and must be signed by the Bank's president before it can be used.

13. The demand for money is so great that this currency can be readily loaned to the people across the counter of the bank at a discount at the rate of 10 per cent at 30 days' to 60 days' time, making it about 12 per cent interest on the currency.
14. The interest on the bonds, plus the interest on the currency which the bonds secure, plus incidentals of the business ought to make the gross earnings of the bank amount to from 28 to 33 1/3 per cent. The amount of the dividends that may be declared will depend largely upon the salaries of the officers that the banks vote premises occupied by the bank as a place of business. In case it is thought best that the showing of profits should not appear too large, the now common plan of having the directors buy the bank building and then raising the rent and salary of the president and cashier may be adopted.
15. National banks are privileged to either increase or contract their circulation at will, and, of course, can grant or withhold loans as they may see fit. As the banks have a national organization, and can easily act together in withholding loans or extending them, it follows that they can by united action in refusing to make loans, cause a stringency in the money market and in a single week or even in a single day cause a decline in all the products of the country. The tremendous possibilities of speculation involved in this control of the money of a country like the United States will be at once understood by all bankers.
16. National banks pay no taxes on their bonds, nor on their capital, nor on their deposits. This exemption from taxation is based on the theory that the capital of these banks is invested in U.S. securities, and is a remarkable permission of the law.
17. The secretary may deposit the public money with any bank at will, and to any amount. In the suit of Mr. Branch against the United States, reported in the 12th volume of the U.S. Court of Claims, Reports on Page 287, it was decided that such 'Government deposits are rightfully mingled with other funds of the bank, and are loaned or otherwise employed in the ordinary business of the bank, and the bank becomes the debtor of the United States as it does to other depositors.'

Requesting that you will regard this as strictly confidential and soliciting any favors in our line.

Most respectfully yours,

IKLESHIEMER, MORTON, & VANDERGOULD.

The following is a speech given by Senator Daniel of Virginia, May 22, 1890, in Congress, and to be found in the Congressional Record, page 5128, of that date. He said:

"I take from the Bankers Magazine of August, 1873, a little extract. It says, 'In 1872 silver being demonetized in Germany, England, and Holland, a capital of 100,000 pounds (\$500,000.00) was raised Ernest Seyd was sent to this country with this fund as agent for foreign bond holders to effect the same object (demonetization of silver)'."

To further prove Senator Daniel's statement is correct, here is parts of a sworn affidavit made by Mr. Frederick A. Luckenbach and acknowledged before Mr. James A. Miller, Clerk of the Supreme Court of the State of Colorado. The affidavit follows:

State of Colorado  
County of Arapahoe

\* \* \* In 1865, I visited London, England, for the purpose of placing there Pennsylvania oil properties, in which I was interested. I took with me letters of introduction to many gentlemen in London, among them one to Mr. Ernest Seyd from Robert M. Foust, ex-treasurer of Philadelphia. I became well acquainted with Mr. Ernest Seyd, and with his brother, Richard Seyd, who, I understand is still living. I visited London thereafter, every year, and at each visit renewed my acquaintance with Mr. Seyd, and upon each occasion became his guest at one or more times—joining his family at dinner or other meals.

In February, 1874, while on one of these visits, and while his guest for dinner, I, among other things, alluded to rumors of parliamentary corruption, and expressed astonishment that such corruption existed. In reply to this, he told me that he could relate facts about corruption of the American Congress that would place it far ahead of the English Parliament in that line. So far, the conversation was at the dinner table between us. His brother, Richard, and others were there also, but this was table talk between Mr. Ernest Seyd and myself. After dinner ended, he invited me into another room, where he resumed the conversation about legislative corruption. He said, "If you will pledge me your honor as a gentleman not to divulge what I am about to tell you while I live, I will convince you that what I said about American Congress is true." I gave him the promise and then he continued: "I went to America in the winter of 1872-3, authorized to secure, if I could, the passage of a bill demonetizing the value of silver. I represented—the GOVERNORS OF THE BANK OF ENGLAND—to have it done. I took with me 100,000 pounds sterling (500,000.00 United States money) with instructions that if it was not sufficient to accomplish the object to draw for another 100,000 pounds or as much more as was necessary." He told me that the German bankers were also interested in having it accomplished. He said "I saw the committees of the House and Senate and paid the money and stayed in America until I knew the measure was safe. \* \* \*

(Signed) James A. Miller  
(Seal) Clerk Supreme Court,  
State of Colorado.

The Congressional Record, of the 44th Congress, first session, volume 4, part 6, Appendix, page 197, Joseph Cannon said:

"This legislation was had in the forty-second Congress, February 12, 1873, by a bill to regulate the mints of the United States, and practically abolish silver as money by failing to provide for the coinage of the silver dollar. It was not discussed, as shown by the Record, and neither members of Congress nor the people understood the scope of the legislation."

The Congressional Record, of the 44th Congress, first session, volume 4, part 6, Appendix, page 193, Mr Holman of Indiana, said:

"I have before me the record of the proceedings of this House on the passage through this House was a 'colossal swindle.' I assert that the measure never had the sanction of this House, and does not possess the moral force of law."

The Congressional Record, July 13, 1876, volume 4, part 5, page 4560, Mr. Burchard of Illinois said:

"The Coinage Act of 1873 unaccompanied by any written report upon the subject from any committee, and unknown to the members of Congress who, without opposition allowed it to pass under the belief, if not assurance, that it made no alteration in the value of the current coins, or changed the unit of value from silver to gold."

Senator Voorhees of Indiana, Congressional Record, January 15, 1876, page 332, declared: "The silver dollar is peculiarly the laboring man's dollar as far as he may desire specie \* \* \* throughout all financial panics that have assailed this country, no man has been bold enough to raise his hand to strike it down; no man has ever dared to whisper of a contemplated assault upon it and when dared to whisper of a contemplated assault upon it an when the 12th day of February, 1873, approached the day of doom to the American dollar of our fathers, how silent was the work of the enemy. \* \* \* Its enactment there was as completely unknown to the people and indeed to four-fifths of Congress itself as the presence of a burglar in a house at midnight to its sleeping inmates."

The Congressional Record, volume 7, part 1, second session, 45 Congress, page 584, reveals that Mr. Bright of Tennessee said:

"It (the bill demonetizing silver) passed by fraud in the House, never having been printed in advance, being a substitute for the printed bill; never having been read at the Clerk's desk, the reading having been dispensed with by an impression that the bill made no material alteration in the coinage laws; it was passed without discussion, being cut off by operation of the previous question. It was passed, to my certain information under such circumstances that the fraud escaped the attention of the most watchful as well as the ablest statesmen in Congress at the time. \* \* \* Aye, sir, it was a fraud that smells to heaven."

The following is an extract from Congressman Charles A. Lindbergh Sr.'s. book *Banking and Currency and The Money Trust*, the father of "Lindy" Lindbergh. He says:

When the Aldrich-Vreeland Emergency Bill was sprung in the House in its finished draft and ready for action to be taken, the debate was limited to three hours and Banker Vreeland placed in charge. It took so long for copies of the Bill to be gotten that many members were unable to secure a copy until a few minutes of the time to vote. No member who wished to present the people's side of the case was given sufficient time to enable him to properly analyze the Bill, I asked for time and was told that if I would vote for the Bill, it would be given me, but not otherwise. Others were treated in the same way.

Accordingly on June 20, 1908, the Money Trust won the first fight and the Aldrich-Vreeland Emergency Currency Law was placed on the statute books. Thus was the first precedent established for the people's guarantee of the rich man's watered securities, by making them a basis on which to issue currency. It was the entering wedge. We had already guaranteed the rich man's money, now by this Act, the way was opened, and it was intended that we should guarantee their watered stocks and bonds. Of course, they were too keen to attempt to complete it in a single act, such an enormous steal as it would have been if they had included all they hoped ultimately to secure. They knew that they would be caught at it if they did, and so it was planned that the whole thing should be done by a succession of Acts. The first three have taken place.

Act No. 1 was the manufacture, between 1896-1907, through stock gambling, speculation, and other devious methods and devices of tens of billions of watered stocks, bonds, and securities.

Act No. 2 was the panic of 1907, by which method those not favorable to the money trust could be squeezed out of business and the people frightened into demanding changes in the banking and currency laws which the Money Trust would frame.

The Act No. 3 was the passage of the Aldrich-Vreeland Emergency Currency Bill by which the money trust's interests would have the privilege of securing from the Government currency on their watered stocks and securities. But while the Act contained no authority to change the form of the

Bank notes, the U. S. Treasurer (in some way that I have been unable to find reason for) implied authority and changed the form of bank notes which were issued for the banks on Government bonds. These notes had hitherto printed on them, 'This note is secured by bonds of the United States.' He changed it to read as follows: 'This note is secured by bonds of the United States and other securities.' 'Or other securities' is the addition that was secured by special interests.

The main thing, however, that the Money Trust accomplished as a result of the passing of this Act was the appointment of the National Monetary Commission, the membership of which was chiefly made up of bankers, agents, and attorneys, who have generally been educated in favor of, and to have a community interest with Money Trust. The National Monetary Commission was placed in charge of the same Senator Nelson W. Aldrich and Congressman Edward B. Vreeland, who respectively had charge in the Senate and House during the Act creating it.

The Act authorized this commission to spend money without stint or account. It spent over \$300,000.00 in order to learn how to form a plan by which to create a greater money trust, and it afterwards recommended to Congress to give this proposed trust a fifty year charter by means of which it could rob all humanity. A bill for this purpose was introduced by members of the Monetary Commission and its passage planned to be the forth and final act of the campaign to completely enslave the people.

The fourth act, however, is in incubation only, and it is hoped by that time, we realize the danger that all of us are now in, for it is the final proposed legislation which, if it succeeds, will have us in the complete control of the moneyed interests. History records nothing so dramatic in design, nor so skillfully manipulated, as this attempt to create the National Reserve Association ('Federal Reserve System' \*emphasis mine) otherwise called the Aldrich plan-and no fact or occurrence contemplated for the gaining of selfish ends is recorded in the world's records which equal the beguiling methods of this colossal undertaking. Men, women, and children have been equally unconscious of how stealthily this greatest of all giant octopuses-a greater Money Trust is reaching out its tentacles in its efforts to bind all humanity in perpetual servitude to the greedy will of this monster.

I was in Congress when the panic of 1907 occurred, but I had previously familiarized myself with many of the ways of high financiers. As a result of what I discovered in that study, I set about to expose the Money Trust, the world's greatest financial giant. I knew that I could not succeed unless I could bring the public sentiment to my aid. I had to secure this or fail. The money trust had laid its plans long before and was already executing them. It was then, and still is TRAINING THE PEOPLE THEMSELVES, TO DEMAND THE ENACTMENT OF THE ALDRICH PLAN OR A BILL SIMILAR IN EFFECT. Hundreds of thousands of dollars had already been spent and millions more reserved to be used in the attempt to bring about a condition of public mind that would cause demand of the passage of the bill. If no other methods succeeded, it was planned to bring on a violent panic and rush the bill through during the distress which should result from the panic. It was figured that the people would demand new banking and currency laws; that it would be impossible for them to get a definitely practical plan before Congress when they were in an excited state and that as a result, the Aldrich Plan would slip safely through. It was planned to pass that bill in the fall of 1911 or 1912."

The United States government turned the control over its banking and monetary policy making over to the "Federal Reserve Board" December 23, 1913. Things seemed to be going well, the country was in a financial and industrial boom, remember the phrase, "the roaring twenties". The 1920's however proved to be the death of this country. There were many improprieties caused by the banking cartel. You will find proof of that in this

paper. The crash of the stock market took place in 1929 and then in 1933 the confiscation of the rest of this country's gold and all property in America took place.

The following Resolution was written by Eugene Meyers and the New York Bankers it was given to President Hoover at 10.00 p.m. March 3, 1933.

### **Resolution Adopted by the Federal Reserve Board of New York**

WHEREAS, In the opinion of the Board of Directors of the Federal Reserve Bank of New York, the continued and increasing withdrawal of currency and gold from the banks of the country has now created a national emergency, and

WHEREAS, It is understood the adequate remedial measures cannot be enacted before tomorrow morning,

NOW, THEREFORE, BE IT RESOLVED, That in this emergency the Federal Reserve Board is hereby requested to urge the President of the United States to declare a bank holiday Saturday, March 4, and Monday, March 6, in order to afford opportunity to governmental authorities and banks themselves to take such measures as may be necessary to protect the interests of the people and promptly to provide adequate banking and credit facilities for all parts of the country.

### **Proposed Executive Order**

#### **EXECUTIVE ORDER**

WHEREAS the nation's banking institution's are being subjected to heavy withdrawals of currency for hoarding; and

WHEREAS there is increasing speculative activity in foreign exchanges; and

WHEREAS these conditions have created a national emergency in which it is in the best interest of all bank depositors that a period of respite be provided with a view to preventing further hoarding of coin, bullion or currency or speculation in foreign exchange, and permitting the application of appropriate measures for dealing with the emergency in order to protect the interests of all the people; and

WHEREAS it is provided in Section 5 (b) of the Act of October 6, 1917, as amended, that "The President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange and the export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency \* \* \*"; and

WHEREAS it is provided in Section 16 of the said Act that "Whoever shall willfully violate any of the provisions of this Act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this Act shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both \* \* \*";

NOW, THEREFORE, pursuant to the authority granted by said Act, I hereby order, direct and declare that:

1. From Saturday, the fourth day of March, to Tuesday, the Seventh day of March, Nineteen Hundred and Thirty Three, both dates inclusive, there shall be maintained and observed throughout the United States of America a bank holiday for all of the purposes hereinafter set forth;



2. During said holiday, no banking institution as hereinafter defined shall pay out, export, earmark, or permit the withdrawal or transfer in any manner or by any device whatsoever of any gold or silver coin or bullion or currency or take any other action which might facilitate the hoarding thereof; nor shall any such banking institution pay out deposits, make loans or discounts, deal in foreign exchange, or transact any other banking business whatsoever.

3. Upon the expiration of said holiday and until otherwise ordered by the President of the United States, such banking institutions may pay out, export, earmark or permit the withdrawal or transfer of gold or silver coin or bullion or currency, or deal in foreign exchange to extent as may be permitted by license or otherwise under regulations issued by the Secretary of the Treasury with the approval of the President.

4. The Secretary of the Treasury, with the approval of the President, is authorized and empowered to prescribe such regulations as he may find necessary to carry out the purposes of the order.

5. The term "banking institution" as herein used shall include all Federal reserve banks, national banking associations, banks trust companies, savings banks, building and loan associations, credit unions, or other corporations, partnerships, associations or persons engaged in the business of receiving deposits, making loans, discounting business paper, or transacting any other form of banking business.

The White House  
March, 1933.

The following is a letter sent by President Hoover to Eugene Meyer:

My dear Governor Meyer:

I received at half past one this morning your letter dated March 3rd. I must assume that this letter was written on the basis of information received by you prior to 11:30 o'clock last night for the reason that before your letter was sent you had certain information as follows:

a. At 11 o'clock last night the President elect had informed me he did not wish such a proclamation issued.

b. The Attorney General had renewed the same opinion which he had already given to the Board that the authorities on which you were relying were inadequate unless supported by the incoming Administration.

c. That groups of representative bankers in both Chicago and New York, embracing members of the Board of Directors of the Federal Reserve Banks in those cities, were then in conference with the governors of the states of Illinois and New York, and that the governors of these two states were prepared to act if these representative groups so recommended. It appears that the governors did take action under their authorities, declaring a temporary holiday in these two critical states, and thus accomplishing the major purposes which the Board apparently had in mind.

In view of the above I am at a loss to understand why such a communication should have been sent to me in the last few hours of this Administration, which I believe the Board must now admit was neither justified nor necessary.

Yours faithfully,

Herbert Hoover

[Hon. Eugene Meyer, Federal Reserve Board, Washington, D.C.]

In the above letter President Hoover said that President elect Roosevelt said (11:00 pm March 3, 1933) that he didn't see the necessity or urgency in issuing a proclamation concerning the supposed national emergency. What happened for President Roosevelt to make a radical 360 turn in his convictions just a few hours later. The following is an excerpt from his Inaugural Address:

I am prepared under my constitutional duty to recommend the measures that a stricken Nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

The day after President Roosevelt's inauguration he issued proclamations in behalf of the Bankers. These acts were treason against the American people. President Roosevelt used a bold faced lie as to the reason and necessity for his actions. He said that this had to be done because of the hoarding of gold and silver being done by the American people. Most of the gold was stolen and removed from this country by the big New York Bankers. The Congressional record makes this fact clear.

## **PROCLAMATIONS**

### **[CONVENING THE CONGRESS IN EXTRA SESSION]**

#### **BY THE PRESIDENT OF THE UNITED STATES OF AMERICA**

#### **A PROCLAMATION**

WHEREAS public interests require that the Congress of the United States should be convened in extra session at twelve o'clock, noon, on the Ninth day of March, 1933, to receive such communication as may be made by the Executive;

NOW, Therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the City of Washington on the Ninth day of March, 1933, at twelve o'clock, noon, of which all persons who shall at that time be entitled to act as members thereof are hereby required to take notice.

IN WITNESS WHEREOF, I hereunto set my hand and caused to be affixed the great seal of the United States.

DONE at the City of Washington this Fifth day of March, in the year of our Lord One Thousand Nine Hundred and Thirty-three, and [seal] of the Independence of the United States the One Hundred and Fifty-seventh.

FRANKLIN D. ROOSEVELT

By the President;  
Cordell Hull  
Secretary of State.  
[No.2038]

This is a letter from President Roosevelt that was sent to the Congress describing the National Emergency. The first paragraph tells Congress that we are bankrupt. He doesn't use the word bankrupt, but this is obvious by the last sentence and further documentation in this paper.

#### A message from the President

On March 3 banking operations in the United States ceased. To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the Government has been compelled to step in for the protection of depositors and the business of the Nation.

Our first task is to reopen all sound banks. This is an essential preliminary to subsequent legislation directed against speculation with the funds of depositors and other violations of positions of trust.

In order that the first objective—the opening of banks for the resumption of business—may be accomplished, I ask of the Congress the immediate enactment of legislation giving to the executive branch of the Government control over banks for the protection of depositors; authority forthwith to open such banks as have already been ascertained to be in sound condition, and other such banks, as rapidly as possible; and authority to reorganize and reopen such banks as may be found to require reorganization to put them on a sound basis. [\*note-here he asks for special power for the executive branch. Who's he talking about? He's talking about the office of the President and the Treasury. Why? Because in bankruptcy, protection is provided for the debtors, you'll see later that you are the debtor.]

I ask amendments to the Federal Reserve Act to provide for such additional currency, adequately secured, as it may become necessary to issue to meet all demands for currency and at the same time to achieve this end without increasing the unsecured indebtedness of the Government of the United States.

I cannot too strongly urge upon the Congress the clear necessity for immediate action. A continuation of the strangulation of banking facilities is unthinkable. The passage of the proposed legislation will end this condition and, I trust, within a short space of time will result in a resumption of business activities.

In addition, it is my belief that this legislation will not only lift immediately all unwarranted doubts and suspicions in regard to banks which are 100 percent sound but will also mark the beginning of a new relationship between the banks and the people of the country.

The Members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

In the short space of 5 days it is impossible for us to formulate completed measures to prevent the recurrence of the evils of the past. This does not and should not, however, justify any delay in accomplishing this first step.

At an early moment I shall request of the Congress two other measures which I regard as of immediate urgency. With action taken thereon we can proceed to the consideration of a rounded program of national restoration.

Franklin D. Roosevelt.

The White House, March 9, 1933

**[BANK HOLIDAY, MARCH 6-9, 1933, INCLUSIVE]**

**BY THE PRESIDENT OF THE UNITED STATES OF AMERICA**

**A PROCLAMATION**

WHEREAS there have been heavy and unwarranted withdrawals of gold and currency from our banking institutions for the purpose of hoarding; and

WHEREAS continuous and increasingly extensive speculative activity abroad in foreign exchange has resulted in severe drains on the Nation's stocks of gold; and

WHEREAS these conditions have created a national emergency; and

WHEREAS it is in the best interests of all bank depositors that a period of respite be provided with a view to preventing further hoarding of coin, bullion or currency or speculation in foreign exchange and permitting the application of appropriate measures to protect the interests of our people; and

WHEREAS it is provided in Section 5 (b) of the Act of October 6, 1917, (40 stat. L. 411) as amended, "That the President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange and the export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency \* \* \* "; and

WHEREAS it is provided in Section 16 of the said Act "that whoever shall willfully violate any of the provisions of this Act or of any license, rule, or regulation issued thereunder, and whoever shall willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of this Act, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; \* \* \* "

NOW THEREFORE, I, Franklin D. Roosevelt, President of the United States of America, in view of such national emergency and by virtue of the authority vested in me by said Act and in order to prevent the export, hoarding, or earmarking of gold or silver coin or bullion or currency, do hereby proclaim, order, direct and declare that from Monday, the sixth day of March, to Thursday, the ninth day of March, Nineteen Hundred and Thirty Three, both dates inclusive, there shall be maintained and observed by all banking institutions and all branches thereof located in the United States of America, including the territories and insular possessions, a bank holiday, and that during said period all banking transactions shall be suspended. During such holiday, excepting as hereinafter provided, no such banking institution or branch shall pay out, export, earmark, or permit the withdrawal or transfer in any manner or by any device whatsoever, of any gold or silver coin or bullion or currency or take any other action which might facilitate the hoarding thereof; nor shall any such banking institution or branch pay out deposits, make loans or discounts, deal in foreign exchange, transfer credits from the United States to any place abroad, or transact any other banking business whatsoever.

During such holiday, the Secretary of the Treasury, with the approval of the President and under such regulations as he may prescribe, is authorized and empowered (a) to permit any or all of such banking institutions to perform any or all of the usual banking functions, (b) to direct, require or permit the issuance of clearing house certificates or other evidences of claims against assets of banking institutions, and (c) to authorize and direct the creation in such banking institutions of special trust accounts for the receipt of new deposits which shall be subject to withdrawal on demand without any restriction or limitation and shall be kept separately in cash or on deposit in Federal Reserve Banks or invested in obligations of the United States.

As used in this order the term "banking institutions" shall include all Federal Reserve banks, national banking associations, banks, trust companies, savings banks, building and loan associations, credit unions, or other corporations, partnerships, associations or persons, engaged in the business of receiving deposits, making loans discounting business paper, or transacting any other form of banking business.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this 6th day of March-1 A.M. in the year of our Lord One Thousand Nine Hundred and Thirty-Three, and of the Independence of the United States the One Hundred and Fifty-seventh.

FRANKLIN D ROOSEVELT

By the President:  
Cordell Hull  
Secretary of State.  
[No. 2039]

## **[CONTINUING IN FORCE THE BANK HOLIDAY PROCLAMATION OF MARCH 6, 1933]**

### **BY THE PRESIDENT OF THE UNITED STATES OF AMERICA**

#### **A PROCLAMATION**

WHEREAS, on March 6, 1933, I, FRANKLIN D. ROOSEVELT, President of the United States of America, by Proclamation declared the existence of a national emergency and proclaimed a bank holiday extending from Monday the 6th day of March to Thursday the 9th day of March, 1933, both dates inclusive, in order to prevent the export, hoarding or earmarking of gold or silver coin, or bullion or currency, or speculation in foreign exchange; and

WHEREAS, under the Act of March 9, 1933, all Proclamations heretofore or hereafter issued by the President pursuant to the authority conferred by section 5 (b) of the Act of October 6, 1917, as amended, are approved and confirmed; and

WHEREAS, said national emergency still continues, and it is necessary to take further measures extending beyond March 9, 1933, in order to accomplish such purposes:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in view of such continuing national emergency and by virtue of the authority vested in me by Section 5 (b) of the Act of October 6, 1917 (40 Stat. L., 411) as amended by the Act of March 9, 1933, do hereby proclaim, order, direct and declare that all the terms and provisions of said

Proclamation of March 6, 1933, and the regulations and orders issued thereunder are hereby continued in full force and effect until further proclamation by the President.

IN WITNESS WHEREOF I have hereunto set my hand and have caused the seal of the United States to be affixed.

Done in the District of Columbia, this 9th day of March, in the Year of our Lord One Thousand Nine Hundred and Thirty-Three, and of the Independence of the United States the One Hundred and Fifty-seventh.

FRANKLIN D. ROOSEVELT

By the President:  
Cordell Hull  
Secretary of State.  
[No. 2040]

March 9, 1933

The next several pages contain excerpts from the congressional record. I have them broken down into different subjects. This information will teach you what took place in 1933 and how the American people have been defrauded.

## **Fraud**

Senator Long

Mr. President, the condition of our State banks is due to the impositions of the big banks. They have loaded us down with their own collateral that they did not want themselves. They have filled our banks with German bonds and German marks. They have given us everything they did not want themselves. [March 9, 1933]

Congressman Patman

The result is the banks have become indebted to their depositors to the extent of \$45,000,000,000 and have in their vaults less than \$1,000,000,000 to pay it with. [March 9, 1933]

Congressman Patman

Does the gentleman believe in Government by secrecy? Secrecy is a badge of fraud. That is one thing that is wrong with our country now. We have a Government that is secretly administered....Mr. [J. P.] Morgan wants the loans made by the Reconstruction Finance Corporation secret so the people cannot find out if he takes advantage of the Government as he did in the Missouri-Pacific Railroad case. [March 13, 1933]

Congressman Dies

\*My investigation convinced me that during the last quarter of a century the average production of gold has been falling off considerably. The gold mines of the world are practically exhausted. There is only about \$11,000,000,000 in gold in the world, with the United States owning a little more than four billions. We have more than \$100,000,000,000 in debts payable in gold of the

present weight and fineness....As a practical proposition these contracts cannot be collected in gold for the obvious reason that the gold supply of the entire world is not sufficient to make payment. [March 15, 1933]

What Nation on earth would enter into contracts with other individuals and nations; which are payable in gold (real money) totaling one hundred billion dollars, knowing that we had in this country only four billion dollars? Is this not fraud? If a nation owes one hundred billion dollars, which is more money than they have in assets, and there is only eleven billion dollars in gold in the whole world, is not that country bankrupt? I believe this little known fact was used to black mail congress into turning over our nation to the BANKSTERS in return for not exposing them through foreclosure. As a result of congress passing the BANKSTERS legislation; were not all gold contracts made null and void; thereby forgiving these debts, just as in bankruptcy? Was not all gold owned by the government and private individuals turned over to the BANKSTERS. As a result the American people were given worthless bank notes while the BANKSTERS used real money, which was stolen from America and her people, to enslave the rest of the world. What took place in 1933 and going back to at least 1913, when the Federal Reserve Act was passed; was most certainly fraud and violated the Constitution. Thereby, making every piece of social legislation that is based on contribution or obligation created by this fraud null and void. The problem is when you have the Executive branch, Congress and the Courts protecting the BANKSTERS interest, change is unlikely. If a majority of Americans voted out the BANKSTERS yes men and informed them the debt they created through usury and fraud is null and void, the country could be saved. Will this happen? No! And the BANKSTERS know it.

## **Due Process**

Senator Vandenberg

But I have no opportunity to proceed in the direction that I want to go. I have no chance, under summary circumstances such as exist here tonight, to proceed constructively in the fashion that I believe would best conserve the savings of the American people. I must vote either "yes" or "no" upon a formula that I never even saw until 2 hours ago. [March 9, 1933]

Congressman Luce

It is, of course, out of the question, Mr. Speaker, that any man can grasp the full meaning of that bill by listening to its reading, having had no intimation whatever beforehand of what it contains. [March 9, 1933]

Congressman McFadden

Mr. Speaker, I regret that the membership of the House has had no opportunity to consider or even read this bill. The first opportunity I had to know what this legislation is was when it was read from the Clerk's desk. It is an important banking bill. It is a dictatorship over finance in the United States. It is complete control over the banking system in the United States....This gives supreme authority to those people who have wanted to control the finances of this Government, through a centralized system, to have such a system....If, on the other hand, this bill has been proposed and written by the same influences that are responsible for this financial situation, I shall fight it and do everything that I can to defeat it....I can see much in this bill that can be abused and that may have been dictated by the same banking influences that are responsible for our present predicament. [March 9, 1933]

Congressman Lundeen

The bill has been driven through the House with cyclonic speed after 40 minutes' debate, 20 minutes for the minority and 20 minutes for the majority.

I have demanded a roll call, but have been unable to get the attention of the Chair....The great majority of the Members have been unable to get a minute's time to discuss this bill; we have been refused a roll call; and we have been refused recognition by the Chair....I want to put myself on record against a procedure of this kind and against the use of such methods in passing legislation affecting millions of lives and billions of dollars....It is safe to say that in normal times, after careful study of a printed copy and after careful debate and consideration, this bill would never have passed this House or any other House. Its passage could be accomplished only by rapid procedure, hurried and hectic debate, and a general rush for voting without roll call....I am suspicious of this railroading of bills through our House of Representatives, and I refuse to vote for a measure unseen and unknown.

I want the Record to show that I was, and am, against this bill and this method of procedure; and I believe no good will come out of it for America.

[March 9, 1933]

Senator Long

We were told on Thursday afternoon that the banks were going to open on Friday morning, and thereupon the legislation was passed. The banks have not opened yet, Mr President; they are not going to open today; and no one knows how many and when any of them are going to open.

[March 11, 1933]

Senator Robinson of Indiana

Nobody had an opportunity to read it. It was passed "sight unseen." [March 11, 1933]

Senator Robinson of Indiana

Mr. President, I would like to invite the attention of the Senator from Louisiana [Mr. Long] to this colloquy between himself and the Senator from Virginia [Mr. Glass], which took place last Thursday on this floor:

Mr. Long. As I understand, the State banks, under the observation of my distinguished friend from Pennsylvania, are allowed to borrow from member banks. I should like to know about how much help they are going to get from member banks when they are closed today, and it is taking all the power of the Government to enable them to open.

Mr. Glass. They are not going to get anything today, and they will not get anything tomorrow if this legislation is defeated here in the Senate; but if this legislation is enacted, they will have access to banks representing 64 percent of the resources of the Federal Reserve Banking System.

It had to be done by midnight, and all Members stayed here and heard the Senator from Virginia make that statement. It was assumed, of course, that a vote against the measure would make it impossible for the banks to open yesterday morning. A vote for it would permit the banks to open. They are still closed, I submit to my friend from Louisiana, and may be closed for some time to come. The legislation was rushed through as a result of statements made here by those who were at least charged with knowledge that it would permit the banks to open the next morning; otherwise anyone who voted against the measure would impede the return of prosperity and the reopening of the banks. They are still closed.



I think the Senator from Louisiana has a great deal of company in this body who would join him in destroying their votes if they could. The measure was passed without anybody's understanding it at all. I hope nothing like that will ever again be attempted.

[March 11, 1933]

[This is happening again Americans, with the crime bill and the health care bill. How long will the American people remain asleep, and go along to get along.]

## **Dictatorship**

Senator La Follette

It is moreover provided that the Reconstruction Finance Corporation may purchase in unlimited amounts preferred stock of the reorganized banks and subsequently sell such preferred stock in the open market. These powers will vest in the financial interests of New York a virtual dictatorship over the banking of the entire Nation. [March 9, 1933]

Congressman Steagall

The first provision of the bill (the banking bill passed March 9, 1933) validates and maintains the authority exercised by the President of the United States in the proclamation relating to the banks of the Nation issued by the President on March 6, 1933.

Section 2 confers upon the President the powers bestowed under the act of October 6, 1917, regardless of whether or not the country is involved in war.

Section 3 gives authority to regulate transactions in gold and to exercise such powers as are required from time to time to conserve our supply of gold to prevent hoarding and to protect the currency of the United States.

Section 4 confers specific authority to control the banking operations of national banks and State banks that are members of the Federal Reserve System to the end that the public may have restored to them, at the earliest possible hour, such banking as may be afforded by banks that are in position to transact banking activities without restriction. [March 9, 1933]

## **New Money**

Congressman McFadden

The current press reports indicate there will be issued under this authority some \$2,000,000 or more of new currency, and made available to the banks. Is that correct?

Congressman Steagall

To be frank with the gentleman, I should not like to be bound in my answer by estimates outlined in newspaper reports. The issue might greatly exceed the amount suggested.

Congressman McFadden

Will the gentleman say how much it is possible to be issued or is contemplated to be issued?

Congressman Steagall

No one knows. It is not an arbitrary expansion. The purpose is to provide an elastic expansion to meet the exigencies and development of banking and business conditions.

Congressman McFadden

I think it is fairly clear from the colloquy that has just taken place that the increased Federal Reserve circulation is to be in the form of Federal Reserve bank notes and not the present Federal Reserve notes that are in circulation to the extent of approximately \$4,000,000,000, which are secured by 60 percent of eligible paper or Government bonds and 40 percent of gold. This is a new issue which is authorized under the Federal Reserve Act, which has not to any great extent been resorted to heretofore.

Congressman Britten

Will the gentleman yield for a question?

Congressman McFadden

I will.

Congressman Britten

From my observation of the bill as it was read to the House, it would appear that the amount of bank notes that might be issued by the Federal Reserve System is not limited. That will depend entirely upon the amount of collateral that is presented from time to time for exchange for bank notes. Is that not correct.

Congressman McFadden

Yes. I think that is correct.

Congressman Britten

So that it might run to \$20,000,000,000?

Congressman McFadden

In the discretion of the President and the Secretary of the Treasury. These notes are to be secured by assets that are approved, that are turned over by financial institutions to the Treasury of the United States.[March 9, 1933]

## **Bankers**

Congressman Rankin

Those influences and individuals most responsible for the direful conditions through which we are now passing have resisted us at every point. We have been ridiculed and abused by the very money changers whose misconduct produced this terrible panic, with all its misery, its poverty, its hunger, its human suffering and human distress. "Whatsoever man soweth, that shall he also reap." The very ones who sowed the seeds of this panic are now reaping the fruits of their own misconduct as they see their monetary Tower of Babel crash amid a confusion of tongues. [March 9, 1933]

## Senator Long

I am sorry to say—some of our own councils; there is not any difference; the same men who sat and conferred about the kind of financial policy that was going to govern this country—Mr. Parker Gilbert, of J. P. Morgan & Co.; Eugene Meyer, the chairman of the Federal Reserve, and Mr. Ogden L. Mills, together with the distinguished Senator from Virginia [Mr. Glass]—have every one had their finger in the pie during the last 20 years. There has not been any difference in what they advocated then and what they are advocating now, and they are doing now just what they have done for the last 12 years....Here in the United States the Federal Reserve System has been dominated and controlled, and the financial structure of America has been dominated, controlled, and negotiated through a certain little clique, and it has brought this country to wreck and to ruin; and now we have the same set here giving us orders to close 90 percent of the banks in the United States and open 10 percent, and we are still following that kind of prophet....Had I been the President of the United States—and I guess it is a good thing that I never was—I never would have sent for Eugene Meyer, the chairman of the Federal Reserve Board. He has been here, the carcass hovering over the lives and fortunes of these people, for many, many years. He has been the raven that has said to the American people. “Nevermore!”

Food could not be had for the people, but it can be had for the financial barons. The land had become barren of a means of exchange to live upon, and when they had killed their neighbors, and their brothers, and starved their children to death, broke their banks, depopulated their houses, wrecked their firesides, then they came and said, “Oh, yes, inflation is necessary, not to save the people of the United States, but to save us, who have been guilty of the destruction from which this country is now suffering.”

That is the equity of what we are about to do. Yes; you are going to close us down. Yes; you have already closed us down, and have been doing it long before this year. Our President says that for 3 years we have been on the way to bankruptcy. We have been on the way to bankruptcy longer than 3 years. We have been on the way to bankruptcy ever since we began to allow the financial mastery of this country gradually to get into the hands of a little clique that has held it right up until they would send us to the grave.

In 1 month we have been told that there could be no medium of exchange allowed under the United States Government, because, they said, if we inflate, it will destroy the credit of the United States Government. But today, when they have closed down all the banks, they come back and say, “No; it will not ruin the credit of the United States Government to inflate, but you must inflate for the financial masters and not for the people.” They have come back, Mr. President, and they have said, “We have decided to inflate.” Abel and Cain have become the same the man. Ephraim is joined to his idols; let him alone. They have come back and said. “We have to inflate, but we are going to inflate and keep open the big masters who have wrecked and destroyed the communities and the banks and have ruined the hopes for the present time of the people of the United States living in the country. We are going to save the big masters, who have compelled it, and condemn to an eternal damnation, to hell and destruction every man who was outside this clique that brought this wreckage onto the people of the United States.”

You cannot blame the consequences upon anybody except yourselves, because you have come back and said, “Oh, what you have prescribed is necessary for the life of the country, but we are not going to let any part of the country have it except a few financial masters that we have seen fit to prefer.”

Mr. President, I am sorry for the vote I cast on Thursday night. I voted for the bill. I did not have an opportunity to read it at all, except while the clerk was reading it at the desk....I am sorry for that

vote. I wonder if I could get unanimous consent to withdraw my vote and have it entered "nay"? I do not know what the rule is, but if I could do that, I would like to have it done....But I am very sorry for the vote I cast. I promise the Senate I will never again be a party to anything like that. Never again will I be a party to bringing a bill in and swallowing it hook, line, and sinker as I did that day.

I want to compliment the Senators who did not vote for the bill. They showed more sense than I did. If I ever do such a thing again, I want to be bored for the hollow horn....But it seems I have hoped in vain, and therefore the basis on which I cast my vote was a faulty one and I regret having voted that way.

[March 11, 1933]

Congressman Patman

Something has to be done now, and while we are clamoring to do something for the aid and benefit of the people in this crisis, the powerful bankers who have caused it and brought ruin to our country are at the doors of Congress, under the guise of promoting the general welfare, endeavoring to get a stronger grip on the throats of the American people and endeavoring to get more privileges and monopolies by reason of the distress that they have brought upon our country.

....Why is it necessary to have Government ownership and operation of banks? Let us go back to the Constitution of the United States and follow it, and this country will be safe. Give the people the truth at all times; do not deceive them, do not keep anything from them, but at all times and under all conditions tell them the truth about economic conditions. Jefferson was right when he said, "When the people get the truth, the country is safe." The trouble is that during the last few months and years the great metropolitan daily newspapers have printed only one side of a proposition; they have failed to give the people the facts. The same criticism can be urged against the radio, screen, and stage.

The Constitution of the United States says that Congress shall coin money and regulate its value. That does not mean, and I do not believe that anyone can construe it to mean, that the Congress of the United States, composed of the duly elected representatives of the people, have a right to farm out the great privilege to the banking system, until today a few powerful bankers control the issuance and distribution of money—something that the Constitution of the United States says Congress shall do. Let us get back to the mandate of the Constitution of the United States.

I want to show you where the people are being imposed upon by reason of the delegation of this tremendous power. I invite your attention to the fact that section 16 of the Federal Reserve Act provides that whenever the Government of the United States issues and delivers money, Federal Reserve notes, which are based on the credit of the Nation—they represent a mortgage upon your home and my home, and upon all the property of all the people of the Nation—to the Federal Reserve agent, an interest charge shall be collected for the Government. [Did you get that Americans? Go back and read A Country Defeated In Victory.] When the Federal Reserve agent delivers the notes—currency—to the private banking institutions, the law says the Federal Reserve agent shall collect from the bank such interest charge as the Federal Reserve Board may assess. The law makes it a mandatory duty upon the Federal Reserve Board to require the payment of interest for the use of the Government's credit. The money collected on interest charges should go into the Treasury. Has that ever been done? No; it has never been done. Billions and billions of dollars have been issued and are being issued every year, and they have been delivered to the private bankers without interest and without charge, and if the law had been complied with they would owe this Government billions of dollars today....So if you want to balance your Budget, and

you are really honest and conscientious about it, why do you not make the bankers who have ruined this country pay their share?

[March 13, 1933]

Answer: Because the American people don't care, all their interested in is how many things they can get with their weekly pay check and how long is their vacation going to be.

## **Call for Investigation**

Congressman Patman

For the information of the Members, permission having been granted for that purpose, I am inserting a copy of the resolution that has been introduced by me to investigate the Treasury of the United States, and the monetary, financial, banking, and currency laws of the United States.

## **House Resolution 31**

Whereas it has been charged and there is reason to believe that a shortage of currency and a monopoly of credit exists in the United States and that the power to control the issue of the public currency, which is one of the sovereign powers of the United States Government, has been given over to private interests and that the said private interests have abused that power and have been guilty of unlawful practices in connection with it and have unlawfully extended credit to themselves and to foreigners and foreign central banks at the expense of, and to the great injury of, the people of the United States and that by reason of such practices the people and the Government of the United States have suffered great financial losses; and

Whereas, although the law requires a certain agency of the United States Government to fix an interest rate on all issues of the public currency advanced at the request of the aforesaid private interests and requires that the aforesaid private interests shall pay such interest charges to the United States Government it has been charged and there is reason to believe that this law has for 17 years been deliberately disobeyed and that the Government and the people of the United States have thereby been deliberately defrauded of immense sums of money and that such sums of money are due to the Government from the aforesaid private interests; and

Whereas it has been charged and there is reason to believe that vast profits which have been made in times past by the private interests to whom was farmed out the great privilege of controlling the currency of the United States have not been properly accounted for and that the knowledge of such profits has been concealed from the people by bookkeeping devices and that the legal share of such profits belonging to the Government has not been in its entirety set aside or paid over to the Government but has on the contrary been used speculatively by the said private interests for their own benefit and that the published reports of the said private interests are not acceptable to the people of the United States and should be examined by the representatives of the people; and

Whereas it has been charged and there is reason to believe that although it is unlawful to accept time drafts and bills of exchange drawn upon them, and by permitting national banks to buy and sell with their endorsement time drafts, bills of exchange, and trade acceptances, and by rulings to the effect that such circulating evidences of debt, including those drawn in dollars by foreigners for their own purposes, are re-discountable here and purchasable here in the open discount market and may be used by the aforesaid private interests as collateral security for new issues of United States currency, great losses have been inflicted upon the Government and the

people of the United States, the Government having unwisely been made the guarantor of that particular kind of currency, and that such losses have and are now being paid by the exportation of gold; and

Whereas it has been charged and there is reason to believe that although the original provision of law for the issue of currency on the security of time drafts or bills of exchange to be used in financing the importation of goods, contemplated goods, which were to be imported into or exported out of the United States, the fact that the words "United States" were omitted from the law gave excuse for a ruling which extends this provision to time drafts and bills of exchange financing goods imported and exported by foreign countries from and to foreign countries; and that this provision has been extended to cover time drafts and bills of exchange financing goods in domestic shipment or stored in domestic warehouses, and to time drafts and bills of exchange financing goods belonging to foreigners or others, which are stored in foreign warehouses, and has like wise been extended to cover time drafts and bills of exchange drawn to finance goods shipped between two or more foreign countries, and to time drafts and bills of exchange not related to goods of any character by merely designed to furnish cheap exchange to foreigners, and that all such time drafts and bills of exchange have been made collateral security for United States currency which the United States Government is obligated to redeem in gold, and that great losses have been inflicted upon the Government and the people of the United States by reason of these rulings and extensions, by the abuse of acceptance privileges, and by the use of such time drafts and bills of exchange as collateral security for United States currency; and

Whereas it has been charged and there is reason to believe that although the original provision of law under which the private interests aforesaid assumed power to control the issue of the public currency inaugurated the use of a new currency based solely on notes and bills accepted for rediscount, the private interests aforesaid had amendments added to existing laws giving them power to use each and every kind of debt paper, purchasable in the open discount market, as collateral security for new issues of United States currency, and that, by means of these and other vicious amendments to existing law the Government of the United States has been put in debt by the aforesaid private interests indiscriminately in all parts of the world as the enforced backer of private debtors, and that the Government has thus been made the backer of swindlers, smugglers, and speculators, and that low elements in all nations have been allowed to operate on the public credit of the United States Government, supplemented by the bank deposits of the American people, and that immense losses have thereby been inflicted upon the Government and the people; and

Whereas the reserves of the national banks have been confiscated and impounded in a central pool and placed under the control of the aforesaid private interests, and it has been charged and there is reason to believe that the said private interests have drawn immense sums of gold out of the said reserves belonging to our national-bank depositors and have lent such sums to foreign central banks and have lost other such sums in speculative enterprises and have transferred other such sums in gold to themselves and their foreign principals, thus requiring the continuous replenishment of the reserves in the pool at the expense of the American public and to the great injury of the Government and the people, and that the said private interests have established control and operate for their private benefit by means of their control of the said pool of confiscated bank reserves belonging to our national-bank depositors, and that they use United States Government obligations unlawfully in the operating of the said discount market, and that they have made the New York Stock Exchange and other exchanges adjuncts of the said discount market and that by reason of their control of the discount market they control the entire money market of the United States, all money rates, including the call-money rate, the prices of all stocks

and bonds on the exchanges, the prices of all commodities, the wages of all our people, and the value of all property both real and personal; and

Whereas it has been charged and there is reason to believe that by permitting certain banks in the United States to become the agents of foreign central banks, the wealth of the United States has been conveniently placed at the disposal of the said foreign banks and their customers; and that property belonging to American citizens has been taken from them without their knowledge and consent and without due process of law and that such property has been exported to foreign lands for the benefit of foreign central banks and their customers and that such property has likewise been exported to foreign lands to satisfy debts incurred by the aforesaid private interests and that such property belonging to the bank depositors of the United States is now being exported to satisfy claims held by foreigners against other foreigners in default, the aforesaid private interests having abused their power over the public currency so as to make the United States Government the backer of the defaulters, and that other such property belonging to the people of the United States is likewise being exported to finance foreigners in competition with American producers, and for other purposes; and

Whereas it has been charged and there is reason to believe that the division of the United States into arbitrary financial areas has violated the principle of the sovereignty of the separate States of the Union and has diminished the importance and hindered the growth of certain States and threatens the financial stability of such States by making it possible for the resources of such States to be drawn outside of their border and exported to foreign lands; and

Whereas it has been charged and there is reason to believe that the aforesaid private interests have injured our foreign trade, reduced our trade balances, adversely affected the prices of our goods and commodities, and have benefited foreigners and themselves at the expense of the Government and the people of the United States, and have financed foreign countries, cities, towns, public utilities, banks, corporations, and individuals with funds belonging to American bank depositors, and that "blocks" of bonds and stocks issued by foreign governments, cities, railroads, industrial corporations, and the like have had debentures issued against them for sale to American investors and that foreign securities of small value or of doubtful value and of no marketability abroad have thus been sold to American investors to the extent of billions of dollars at a great profit to the aforesaid private interests and to foreigners but to the great loss of American investors, and that mass credits have been opened in the United States for foreign interests and have been withdrawn from the United States by means of drafts drawn in dollars re-discountable here or purchasable here in the open market and paid for in gold taken from our national-bank reserves or in United States currency redeemable in gold upon demand, and that corporations have been accorded extraordinary privileges, including the right to incur liabilities equal to 10 times their capital stock and surplus and that these and other corporations have been instrumental in having questionable foreign acceptances drawn in dollars rediscounted here and purchased here and used as collateral security for United States currency; and that there has been an abuse of acceptance facilities in the United States, and an abuse of open-market privileges and an abuse of Government funds and obligations and an abuse of the public currency; and

Whereas there is a decrease of business and industry in the United States and thousands of business enterprises have failed and the owners thereof been forced into bankruptcy; and thousands of banks have been obliged to close their doors with a resultant loss to American bank depositors of several billions of dollars; and wage-earners by the millions have been thrown out of employment; and a condition of widespread misery, want, and suffering has been created among the people of the United States and a breaking up of American homes and families has taken place and a dispersal of American children has occurred which has removed them from the care of

their natural protectors and there is an unprecedented condition of crime and disrespect on the part of certain elements in the population for law and duly constituted authority, all of which is said to betoken an economic and financial crisis in the affairs of the Nation, and it has been charged that there is reason to believe that this crisis has been caused by the conditions set forth herein, and other graver irregularities, crimes, and abuses; and

Whereas it has been charged and there is reason to believe that the independent United States Treasury has been destroyed and its functions taken over by the private interests which control the public currency and that public moneys raised from the people by taxation have been used speculatively and that such funds have been improperly secured and losses and abuses have occurred in connection with them, and that irregularities have been disclosed in the accounts of the War Finance Corporation and that Government obligations have been unlawfully used to control the money market for the benefit of the aforesaid private interests and their foreign principals; and

Whereas there is a deficit in the estimated receipts of the United States Treasury and it has been charged and there is reason to believe that a proper scrutiny and examination of the accounts of the fiscal agents of the Government and of the United States Treasury and all related matters is necessary in order to safeguard the rights of the people; and

Whereas it has been charged and there is reason to believe that the monetary, financial, banking, and currency laws of the United States have been evaded, mal-administered, disregarded, abused, and disobeyed, and that private interests have made false representations and have thereby obtained laws, and amendments to existing laws, and illegal and unfair rulings for their own benefit and financial profit at the expense of the Government and the people of the United States, and that the proper framing emendation, administration, and impartial execution of the banking and currency laws of the United States are matters of vital concern to we people of the United States; and

Whereas legislation is now pending involving important changes in our banking, currency, and monetary systems and vitally affecting the Federal Government and the United States Treasury, United States foreign trade and commerce, United States foreign relations, our national banks and other financial institutions, and bills have been introduced having for their purpose the amendment of the act generally known as the federal antitrust law; and

Whereas it is deemed advisable to investigate the monetary, banking, currency, and fiscal affairs of the United States in their entirety and to gather the facts bearing on the aforesaid conditions and chargers or in any way relating thereto or to any of the subjects above mentioned as a basis for remedial and other legislative purposes:

Therefore be it Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee consisting of five members and such substituted members as may be from time to time selected by him to fill vacancies, if any occur, in the special committee, and that the said special committee is authorized and directed to fully investigate and to inquire into each and all of the above-recited matters and into all matters and subjects connected with or appurtenant to or bearing upon the same; be it further

Resolved, That said committee as a whole or by subcommittee is authorized to sit during the sessions of the House and during the recess of Congress. Its hearings shall be open to the public. The committee as a whole or by subcommittee is authorized to hold its meeting both during the sessions of Congress and throughout the recesses and adjournment thereof and in such cities and places in the United States as it may from time to time designate; to employ counsel, experts,



accountants, bookkeepers, clerical, and other assistants; may summon and compel the attendance of witnesses; may send for persons and papers, and administer oaths to witnesses. The Comptroller of the Currency, the Secretary of the Treasury, the Director of the Bureau of Engraving and printing, the Director of the Mint, the head of the Department of Commerce, the Secretary of State, the Interstate Commerce Commission, the president of the Reconstruction Finance Corporation, and their respective assistants and subordinates are hereby respective departments, to procure for the committee from time to time such information as is subject to their control or inspection, and to allow the use of their assistants for the making of such investigations with respect to matters under their respective jurisdiction as the committee or any subcommittee may from time to time request. Such committee shall take such testimony, have such printing and binding done, and make such expenditures as it deems necessary; and be it further

Resolved, That no person shall be excused from giving testimony or from answering any question or from otherwise disclosing any fact within his knowledge as an individual or as a member of a board, an officer or director of a bank, corporation, or otherwise, or from producing any book, paper, or document on the ground that the giving of such testimony or the production of such book, paper, or document would tend to incriminate him, or for any other reason. It shall be within the power of the committee or subcommittee to grant immunity from prosecution with respect to any matter or thing concerning which he may be interrogated and as to which he shall truthfully make answer under oath upon such investigation. The Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

I have asked the Committee on Rules for a hearing on this resolution and hope to get favorable action on it in a short time.

An investigation will disclose that our President had sufficient reasons to say that the money-changers should be driven from the temple.

## **A Call for Impeachment**

May 23, 1933

Impeachment Charges

Congressman Mr. McFadden:

Mr. Speaker, I rise to a question of constitutional privilege. On my own responsibility as a Member of the House of Representatives, I impeach Eugene Meyer, former member of the Federal Reserve Board; Roy Meyer, former member of the Federal Reserve Board; Roy A. Young, former member of the Federal Reserve Board; Edmund Platt, former member of the Federal Reserve Board; Eugene R. Black, member of the Federal Reserve Board and officer of the Federal Reserve Bank of Atlanta; Adolph Caspar Miller, member of the Federal Reserve Board; Charles S. Hamlin, member of the Federal Reserve Board; George R. James, member of the Federal Reserve Board; Andrew W. Mellon, former Secretary of the United States Treasury and former ex-officio member of the Federal Reserve Board; Ogden L. Mills, former Secretary of the United States Treasury and former ex-officio member of the Federal Reserve Board; William H. Woodin, Secretary of the United States Treasury and ex-officio member of the Federal Reserve Board; John W. Pole, former Comptroller of the Currency and former ex-officio member of the Federal Reserve Board; J. F. T. O'Connor, Comptroller of the Currency and ex-officio member of the Federal Reserve Board; F. H. Curtiss, Federal Reserve agent of the Federal Reserve Bank of Boston; J. H. Case, Federal Reserve agent of the Federal Reserve Bank of New York; R. L. Austin, Federal agent of the Federal Reserve Bank of Philadelphia; George De Camp, former Federal Reserve agent of the Federal Reserve Bank of Cleveland; L. B. Williams, Federal Reserve

agent of the Federal Reserve Bank of Cleveland; W. W. Hoxton, Federal Reserve agent of the Federal Reserve Bank of Richmond; Oscar Newton, Federal Reserve agent of the Federal Reserve Bank of Atlanta; E. M. Stevens, Federal Reserve agent of the Federal Reserve Bank of Chicago; J. S. Wood, Federal Reserve agent of the Federal Reserve Bank of St. Louis; J. N. Peyton, Federal Reserve agent of the Federal Reserve Bank of Minneapolis; M. L. McClure, Federal Reserve agent of the Federal Reserve Bank of Kansas City; C. C. Walsh, Federal Reserve agent of the Federal Reserve Bank of Dallas; Isaac B. Newton, Federal Reserve agent of the Federal Reserve Bank of San Francisco, jointly and severally, of high crimes and misdemeanors, and offer the following resolution:

Whereas I charge the aforesaid Eugene Meyer, Roy A. Young, Edmund Platt, Eugene R. Black, Adolph Caspar Miller, Charles S. Hamlin, George R. James, Andrew W. Mellon, Ogden L. Mills, William H. Woodin, John W. Pole, J. F. T. O'Connor, members of the Federal Reserve Board; F. H. Curtiss, J. H. Case, R. L. Austin, George De Camp, L. B. Williams, W. W. Hoxton, OscarNewton, E. M. Stevens, J. S. Wood, J. N. Peyton, M. L. McClure, C. C. Walsh, Isaac B. Newton, Federal Reserve Agents, Jointly and severally, with violations of the Constitution and laws of the United States, and whereas I charge them with having taken funds from the United States Treasury which were not appropriated by the Congress of the United States, and I charge them with having unlawfully taken over \$80,000,000,000 from the United States Government in the year 1928, the said unlawful taking consisting of the unlawful creation of claims against the United States Treasury to the extent of over \$80,000,000,000 in the year 1928 and I charge them with similar thefts committed in 1929, 1930, 1931, 1932 and 1933, and in years previous to 1928, amounting to billions of dollars; and

Whereas I charge them, jointly and severally, with having unlawfully created claims against the United States Treasury by unlawfully placing United States Government credit in specific amounts to the credit of foreign governments and foreign central banks of issue; private interests and commercial and private banks of the United States and foreign countries, and branches of foreign banks doing business in the United States, to the extent of billions of dollars; and with having made unlawful contracts in the name of the United States Government and the United States Treasury; and with having made false entries on books of account; and

Whereas I charge them, jointly and severally, with having taken Federal Reserve notes from the United States Treasury and with having issued Federal Reserve notes and with having put Federal Reserve notes into circulation without obeying the mandatory provision of the Federal Reserve Act which requires the Federal Board to fix an interest rate on all issues of Federal Reserve notes supplied to Federal Reserve banks, the interest resulting therefrom to be paid by the Federal Reserve banks to the Government of the United States for the use of the said Federal Reserve notes, and I charge them with having defrauded the United States Government and the people of the United States of billions of dollars by the commission of this crime; and

Whereas I charge them, jointly and severally, with having purchased United States Government securities with United States Government credit unlawfully taken and with having sold the said United States Government securities back to the people of the United States for gold or gold values and with having again purchased United States Government Securities with United States with United States Government credit unlawfully taken and with having again sold the said United States Government securities back to the people of the United States for gold or gold values, and I charge them with having defrauded the United States by this rotary process; and

Whereas I charge them, jointly and severally, with having unlawfully negotiated United States Government securities, upon which the Government's liability was extinguished, as collateral

security for the Federal Reserve notes, and with having by this process defrauded the United States Government and the people of the United States, and I charge them with the theft of all the gold and Federal Reserve currency they obtained by this process; and

Whereas I charge them, jointly and severally, with having unlawfully issued Federal Reserve currency on false, worthless, and fictitious acceptances and other circulating evidences of debt, and with having made unlawful advancements of Federal Reserve currency, and with having unlawfully permitted renewals of acceptances and renewals of other circulating evidences of debt, and with having permitted acceptance bankers and discount dealer corporations and other private bankers to violate the banking laws of the United States; and

Whereas I charge them, jointly and severally, with having conspired to have evidences of debt to the extent of over \$1,000,000,000 artificially created at the end of February 1933 and early in March 1933, and with having made unlawful issues and advancement of Federal Reserve currency on the security of the said artificially created evidences of debt for a sinister purpose, and with having assisted in the execution of the said sinister purpose; and

Whereas I charge them, jointly and severally, with having brought about a repudiation of the currency obligations of the Federal Reserve banks to the people of the United States, and with having conspired to obtain a release for the Federal Reserve Board and the Federal Reserve banks from their contractual liability to redeem all Federal Reserve currency in gold or lawful money at any Federal Reserve bank, and with having conspired to have the debts and losses of the Federal Reserve Board and the Federal Reserve banks unlawfully transferred to the Government and the people of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully substituted Federal Reserve currency and other irredeemable paper currency for gold in the hands of the people after the decision to repudiate the Federal Reserve currency and the national currency was made known to them, and with having thus obtained money under false pretenses; and

Whereas I charge them, jointly and severally, with having brought about a repudiation of the national currency of the United States in order that the gold value of the said currency might be given to private interests, foreign governments, foreign central banks of issue, and the Bank for International Settlements; and

Whereas I charge them, jointly and severally, with conniving with the Edge law banks and other Edge law institutions, accepting banks, and discount corporations, unlawfully to finance foreign governments, foreign corporations, and foreign individuals with funds unlawfully taken from the United States Treasury; and I charge them with having unlawfully permitted and made possible a mass financing "of foreigners at the expense of the United States Treasury to the extent of billions of dollars and with having unlawfully permitted and made possible the bringing into the United States of immense quantities of foreign securities, created in foreign countries for export to the United States, and with having unlawfully permitted the said foreign securities to be imported into the United States instead of gold, which was lawfully due to the United States on trade balances and otherwise, and with having unlawfully permitted and facilitated the sale of the said foreign securities in the United States in a manner prejudicial to the public welfare and inimical to the Government of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully made loans of gold and of gold values belonging to the bank depositors and the general public of the United States to foreign governments, foreign central banks of issue, foreign commercial banks, foreign corporations, and

individuals, and the Bank for International Settlements, to the loss and detriment of the Government and the people of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully exported gold reserves belonging to the national bank depositors and gold belonging to the general public of the United States to foreign countries, and with having converted the said gold into foreign currencies, and with having used it for the benefit of foreigners, and for speculative purposes abroad, and with having unlawfully converted to the United States stored or held in foreign countries, and with having unlawfully prevented the shipment to the United States of the said gold which was due to the United States, and with having permitted the importation under their supervision of false, worthless, and fictitious trade paper and foreign securities of doubtful value in lieu of it, and with having caused the United States to lose the said gold; and

Whereas I charge them, jointly and severally, with having unlawfully exported United States coins and currency for a sinister purpose, and with having deprived the people of the United States of their lawful circulating medium of exchange, and I charge them with having arbitrarily and unlawfully reduced the amount of money and currency in circulation in the United States to the lowest rate per capita in the history of the Government, so that the great mass of the people have been left without a sufficient medium of exchange, and I charge them with concealment and evasion in refusing to make known the amount United States money in coins and paper currency exported abroad and the amount remaining in the United States, as a result of which refusal the Congress of the United States is unable to ascertain where the United States coins and issues of currency are at the present time and what amount of United States currency is now held abroad; and

Whereas I charge them, jointly and severally, with having arbitrarily and unlawfully raised and lowered the rates on money and with having arbitrarily increased and diminished the volume of currency in circulation for the benefit of private interests and foreign speculators at the expense of the Government and the people of the United States and with having unlawfully manipulated money rates, wages, salaries, and property values, both real and personal, in the United States, by unlawful operations in the open discount market and by resale and repurchase agreements unsanctioned by law; and

Whereas I charge them, jointly and severally, with having brought about the decline in prices on the New York Stock Exchange and other exchanges in October 1929 by unlawful manipulation of money rates and volume of United States money and currency in circulation; by thefts of funds from the United States Treasury; by gambling in acceptances and United States Government securities; by services rendered to foreign and domestic speculators and politicians, and by the unlawful sale of United States gold reserves, and whereas I charge that the unconstitutional inflation law imbedded in the so-called "Farm Relief Act: by which the Federal Reserve Board and the Federal Reserve banks are given permission to buy United States Government securities to the extent of \$3,000,000,000 and to draw forth currency from the people's Treasury to the extent of \$3,000,000,000 is likely to result by connivance on the part of the said accused with others in the purchase by the Federal Reserve banks of the United States Government securities to the extent of \$3,000,000,000 with the United States Government's own credit unlawfully taken, IT BEING OBVIOUS THAT THE FEDERAL RESERVE BOARD AND THE FEDERAL RESERVE BANKS DO NOT INTEND TO PAY ANYTHING OF VALUE TO THE UNITED STATES GOVERNMENT FOR THE SAID UNITED STATES GOVERNMENT SECURITIES—NO PROVISION FOR PAYMENT IN GOLD OR LAWFUL MONEY APPEARING IN THE SO-CALLED "FARM RELIEF ACT:—\*(Here Congressman Mcfadden is telling you that payment in anything but gold or silver is of no real value and is not lawful money! emphasis mine) and that the United States Government will thus be

placed in the position of conferring a gift of \$3,000,000,000 in United States Government securities on the Federal Reserve Board and the Federal Reserve banks to enable them to pay more of their bad debts to foreign governments, foreign central banks of issue, private interests, and private and commercial banks, both foreign and domestic, and the Bank for International Settlements, and whereas the United States Government will thus go into debt to the extent of \$3,000,000,000 in currency unlawfully created against it and whereas no private interests should be permitted to buy United States Government securities with the Government's own credit unlawfully taken and whereas currency should not be issued for the benefit of the said private interests or any interests on United States Government securities so acquired, and whereas it has been publicly stated and not denied that the inflation amendment to the Farm Relief Act is the matter of benefit which was secured by Ramsay MacDonald, the Prime Minister of Great Britain, upon the occasion of his latest visit to the White House and the United States Treasury, and whereas there is grave danger that the accused will employ the provision creating United States Government securities to the extent of \$3,000,000,000 and \$3,000,000,000 in currency to be issuable thereupon for the benefit of themselves and their foreign principals, and that they will convert the currency so obtained to the uses of Great Britain by secret arrangements with the Bank of England of which they are the agents, and for which they maintain an account and perform services at the expense of the United States Treasury, and that they will likewise confer benefits upon the Bank for International Settlements for which they maintain an account and perform services at the expense of the United States Treasury; and

Whereas I charge them, jointly and severally, with having unlawfully concealed the insolvency of the Federal Reserve Board and the Federal Reserve banks and with having failed to report the insolvency of the Federal Reserve banks to the Congress and with having conspired to have the said insolvent institutions continue in operation, and with having permitted the said insolvent institutions to receive United States Government funds and other deposits, and having permitted them to exercise control over the gold reserves of the United States and with having permitted them to transfer upward of \$100,000,000,000 of their debts and losses to the general public and the Government of the United States, and with having permitted foreign debts of the Federal Reserve banks to be paid with the property, the savings, the wages, and the salaries of the people of the United States, and with the farms and homes of the American people, and whereas I charge them with forcing the bad debts of the Federal Reserve banks upon the general public covertly and dishonestly and with taking the general wealth and savings of the people of the United States under false pretenses, to pay the debts of the Federal Reserve banks to foreigners, and

Whereas I charge them, jointly and severally, with failure to protect and maintain the gold reserves and the gold stock and gold coinage of the United States and with having sold the gold reserves of the United States to foreign governments, foreign central banks of issue, foreign commercial and private banks, and other foreign institutions and individuals at a profit to themselves, and I charge them with having sold gold reserves of the United States so that between 1924 and 1928 the United States gained no gold on net account, but suffered a decline in its percentage of central gold reserves from 45.9 percent in 1924 to 37.5 percent in 1928 notwithstanding the fact that the United States had a favorable balance of trade throughout that period; and

Whereas the United States was the only country which lost a considerable quantity of gold during that period, to wit, 1924 to 1928, inclusive, I charge them with the theft and sale of the said gold to their foreign principals, and I charge them with the theft and sale of 10 percent of the entire gold stock of the United States during the last 4 months of 1927 and during 1928 after crediting all importations of gold received by the United States during that period, this theft and sale of 10 percent of the gold stock of the United States occasioning the largest gold outflow from the United

States that had ever theretofore occurred, and I charge them with the theft and sale of all the gold reserves exported from the United States from the year 1928 to the present time, a period during which the United States has lost gold continuously and has gained no gold on net account, notwithstanding the fact that the balance of trade and accounts throughout the entire period has been in favor of the United States; and

Whereas the United States has received no gold on net account since 1923, a period of 10 years during which the United States has had a favorable balance of trade and has had large sums due to it and payable in gold from foreign nations and has not received such sums in gold, I charge them, the said accused, with the theft of gold belonging to the United States, and with the unlawful diversion of United States gold to the treasuries and central banks of foreign countries, and I charge them with concealment of the true condition and amount of the gold reserves of the United States; and

Whereas I charge them, jointly and severally, with having fictitiously paid installments on the national debt with Government credit unlawfully taken; and

Whereas I charge them, jointly and severally, with the loss of United States Government funds entrusted to their care; and

Whereas I charge them, jointly and severally, with having destroyed independent banks in the United States and with having thereby caused losses amounting to billions of dollars to the depositors of the said banks and to the general public of the United States; and

Whereas I charge them, jointly and severally, with failure to furnish true reports of the business operations and the condition of the Federal Reserve banks to the Congress and the people, and with having furnished false and misleading reports to the Congress of the United States; and

Whereas I charge them, jointly and severally, with having published false and misleading propaganda intended to deceive the American people and to cause the United States to lose its independence; and

Whereas I charge them, jointly and severally, with having entered into secret agreements and illegal transactions with Montague Norman, governor of the Bank of England; and

Whereas I charge them, jointly and severally, with swindling the United States Treasury and the people of the United States in pretending to have received payment from Great Britain of the amount due on the British war debt to the United States in December 1932; and

Whereas I charge them, jointly and severally, with having conspired with their foreign principals and others to defraud the United States Government and to prevent the people of the United States from receiving payment of the war debts due to the United States from foreign nations; and

Whereas I charge them, jointly and severally, with having robbed the United States Government and the people of the United States by their theft and sale of the gold reserve of the United States and other unlawful transactions, and with having created a deficit in the United States Treasury which has necessitated to a large extent the destruction of our national defense and the reduction of the United States Army and the United States Navy and other branches of the national defense; and

Whereas I charge them, jointly and severally, with having reduced the United States from a first-class power to one that is dependent, and with having reduced the United States from a rich and powerful Nation to one that is internationally poor; and

Whereas I charge them, jointly and severally, with the crime of having treasonably conspired and acted against the peace and security of the United States, and with having treasonably conspired to destroy constitutional government in the United States; therefore be it

Resolved, That the Committee on the Judiciary is authorized and directed, as a whole or by subcommittee, to investigate the official conduct of Eugene Meyer, Roy A. Young, Edmund Platt, Eugene R. Black, Adolph Caspar Miller, Charles S. Hamlin, George R. James, Andrew W. Melton, Ozden L. Mills, William H. Woodin. John W. Pole, J. F. T. O'Connor, members of the Federal Reserve Board; and F. H. Curtiss, J. H. Case, R. L. Austin, George De Camp, L. B. Williams, W. W. Hoxton, Oscar Newton, E. M. Stevens, J. S. Wood, J. N. Payton, M. L. McClure, C. C. Walsh, Issac B. Newton, Federal Reserve agents, to determine whether, in the opinion of the said committee, they have been guilty of any high crime or misdemeanor which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such resolution or resolutions of impeachment or other recommendations as it deems proper.

For the purposes of this resolution the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

## **CONGRESSIONAL RECORD**

### **Seventy-third Congress, Second Session**

#### **Franklin D. Roosevelt, the Apostle of Irredeemable Paper Money**

### **SPEECH OF HON. LOUIS T. McFADDEN**

#### **of Pennsylvania**

In the House of Representatives Wednesday, January 24, 1934. Mr. McFadden. Mr. Chairman, a citizen of the United States has asked me to explain for his benefit and for the benefit of other United States citizens the real meaning of the Roosevelt gold bill, the bill which the House passed last Saturday by 360 votes to 40, with 32 Members not voting.

Mr. Chairman, a law against the Constitution is void. The gold bill creates a nullity. Old John Marshall said that the words of the Constitution are not to be twisted out of their plain, everyday meaning. The Constitution says Congress shall have power to coin money and to regulate the value thereof. This, Mr. Chairman, means that Congress has power to make coins of metal and to stamp the true value upon each one of them. It does not mean that Congress shall refuse to furnish the people of the United States with an adequate coinage, and it does not mean that a theoretical amount of un-coined metal shall be called a coin. A coin is an object which may be seen and felt and even heard if one tests the ring of it.

Mr. Chairman, the gold bill attempts to cut out, delete, and destroy that part of our great written Constitution pertaining to the power of Congress to coin money and to regulate; that is, to

stamp on the metal coin the value thereof. The bill is unconstitutional on its face because it seeks to nullify the Constitution. Moreover, it is a bill which is contrary to the common law and to the law of custom upon which the common law rests. It attempts to legalize robbery. It attempts by force to deprive the people of the United States of their right to the currency of the Constitution. It gives the international bankers power to send the gold belonging to the people of the United States to a place of deposit reserved to themselves in Europe. Mr. Chairman, the gold bill cannot become a valid law by any constitutional means.

Now, Mr. Chairman, let us look at the bill to see if the legal hirelings of the Bank of England and their agents, the Federal Reserve Board and the Federal Reserve banks, have been able to disguise its purpose. Let us see if they were able to clothe the grisly skeleton of their greed with echoes of glib religiosity, according to the fashion set by the present administration. The first thing that meets my eye is the title.

We read:

A bill to protect the currency system of the United States, to provide for a better use of the monetary gold stock of the United States, and for other purposes.

It is indeed a bill to protect the present currency system of the United States, but it is a bill to protect it from the just wrath of United States citizens. It is a bill to save for the Federal Reserve Board and the Federal Reserve banks their gigantic monopoly of a special paper currency which they steal from the Treasury and upon which they charge the people of the United States a heavy toll of interest. It is indeed a bill to provide for a better use of the monetary gold stock of the United States if better use means the issuance of two sets of obligations against one piece of security. It is indeed a bill for "other purposes," and those are purposes which the proponents dare not mention.

Among the purposes of the gold bill not mentioned in the title is that of pretending to take into the Treasury the gold now held by the Federal Reserve Board and the Federal Reserve banks and a great effort has been made to have it appear that the Federal Reserve banks are unwilling to surrender the gold they now hold to the United States Treasury. This effort is dishonest for two reasons. First, the Federal Reserve Board and the Federal Reserve banks have already made a profit of some billions of dollars out of the President's gold seizures and those billions were stolen from the people of the United States; and, second, the transfer is fictitious. The President sought to convince Members of Congress that the Federal Reserve banks were resisting his efforts to have the Treasury take possession of the gold, but one of the members of the Federal Reserve Board spoiled that argument by declaring that the Federal Reserve Board had asked the President to have the Treasury take the gold.

You see, Mr. Chairman, under this bill the United States Treasury has to pay for the gold. Although the gold belongs to the people and was taken away from their bank deposits and their cash registers and their pocketbooks in the first place and put into the Federal Reserve banks, and although the Federal Reserve banks tricked and fooled the people into giving it to them for Federal Reserve currency, which they now refuse to redeem, and although that gold does not belong to the Federal Reserve Board and the Federal Reserve banks, the United States Treasury has to pay the Federal Reserve Board and the Federal Reserve banks for it. Well, how does this bill propose to pay the Federal Reserve outfit, how does this bill provide that the Government shall take over the stolen goods? It provides that the United States

Government shall give the Federal Reserve Board and the Federal Reserve banks new gold certificates to the full value of the loot. The gold certificates will give the Federal Reserve Board



and the Federal Reserve banks legal title to the gold, and the United States Treasury will be nothing more than its physical custodian. The Secretary of the Treasury will give the Federal Reserve banks gold for their new gold certificates whenever they ask for it. It is a fraudulent transfer.

When the individual citizens of the United States were required to surrender their gold they were required to surrender their gold certificates as well as their gold coin and bullion. The Federal Reserve Board and the Federal Reserve banks are private corporations, but they did not obey the gold orders. They did not surrender any gold coin, gold certificates, or gold bullion. On the contrary, the gold which was commandeered from the people was given to them as a free gift, and now, after they have taken into their possession all the gold belonging to the people they are ready to make a pretended transfer of that gold to the Government. Evidently there is law for the common man and no law for the Federal Reserve Board and the Federal Reserve banks. The common man must toe the mark, but the Federal Reserve Board and the Federal Reserve banks are the agents of the Bank of England, and the law, it seems, does not apply to them. Many of the officials of the Federal Reserve outfit have had charges of impeachment brought against them, but those charges have not been investigated.

The Federal Reserve outfit now has in its possession gold coin, gold certificates, and gold bullion. But this bill does not require them to surrender their present holdings of gold certificates. After this bill becomes law, if such a catastrophe should occur, the Federal Reserve Board and the Federal Reserve banks will still hold their present gold certificates. They may exchange those gold certificates for gold between the time this bill becomes law and the day the President makes his proposed devaluation proclamation. Is not this gift of over \$1,000,000,000 in gold a great treasure to bestow upon the Federal Reserve Board and the Federal Reserve banks—the corrupt and sinister organization which has bankrupted the country? Does this not make favorites of the financial crooks who control it?

Mr. Chairman, all the gold in the possession of the Federal Reserve Board and the Federal Reserve banks belongs to the people of the United States. During the last 20 years, under the vicious Federal Reserve Act, they have taken it from the people in exchange for Federal Reserve currency and it has not cost them one penny. Now they come forward to make a pretended transfer of the people's gold coin and bullion to the United States Treasury. Not one penny of the gold they pretend to transfer to the United States Treasury is owned by them; every dollar of it belongs to the individual citizens of the United States. The United States Treasury is to buy it on credit and to pay for it with new gold certificates. How does this transfer title to the United States Treasury? Can the Congress lend itself to such a transaction? Last May I stated that, in my opinion, the people's gold, unjustly impounded in the Federal Reserve banks, should be placed in the people's Treasury, but I did not state that it should be placed there as the property of the Federal Reserve Board and the Federal Reserve banks, to be withdrawn by them with gold certificates and to made exportable from the United States Treasury to the Bank for International Settlements in Europe. What this bill proposes to do in connection with the President's message suggesting that this United States gold may be sent to Europe to be kept in the Bank for International Settlements with the loot of the central banks of other countries is one of the greatest fiscal frauds in history. It is one of the biggest swindles of all time.

Again, Mr. Chairman, as you very well know, the Federal Reserve Board and the Federal Reserve banks had paper currency outstanding to the extent of about \$5,000,000,000 when the present administration came into power. That currency was redeemable in gold. It constituted the people's title to all the gold held by the Federal Reserve outfit. It constituted a first and paramount

lien on all the assets of the Federal Reserve Board and the Federal Reserve banks. Instead of taking over the gold and the assets of the Federal Reserve Board and the Federal

Reserve banks, including the great hoard of United States wealth which they have hidden in foreign countries, and honestly administering those assets for the benefit of the people who had been defrauded by the Federal Reserve Board and the Federal Reserve banks from their legal liability to redeem their Federal Reserve currency in gold, or in lawful money convertible into gold, and from the surrender of all their assets. Every dollar that was unlawfully taken from the people of the United States by Roosevelt's gold order was given to the Federal Reserve Board and the Federal Reserve banks in preparation for this great steal, this wholesale robbery of the masses for the benefit of the privileged few. And now that American citizens have lost their gold, an entirely fictitious transfer has been arranged to deceive the people. Mr. Chairman, the President may underrate the mental capacity of the American people as much as he likes, but I venture to say there is no man in the United States so dumb that he cannot understand how this bill tricks and deceives him.

The Federal Reserve Board and the Federal Reserve banks have profited to the extent of \$5,000,000,000 or more by being released from their obligation to redeem their outstanding \$5,000,000,000 of paper Federal Reserve currency in gold. They have profited by having had over a billion dollars in gold certificates saved to them. They have profited during the last 20 years by the criminality of the Federal Reserve Board, which never charged them one penny in interest on the great mass of Federal Reserve currency they have taken from the Government. They have profited from their own wrongdoing by the unlawful creation of fictitious claims against the United States Government and the giving of those claims to foreigners, and they have profited by their control of all the public revenues. And now they come forward with a scheme to sell the gold they have taken from the American people to the Treasury for new gold certificates which will give them a legal title to that gold and permit them to do as they please with it. An era of corruption is culminating in one of the greatest crimes that has ever been perpetrated against the people. Mark my words, Mr. Chairman, there will be trouble here if this bill becomes law.

Why, Mr. Chairman, this fiscal fraud, this crime is so stupendous that the instigators and manipulators of it did not dare to have all the transactions performed by one man. Each man did his part and then got out of Washington pretending that he disagreed with the President's money policy or pretending that he was ill. William H. Woodin, who sat beside Albert H. Wiggin on the board of the Federal Reserve Bank of New York and who acquiesced in and helped to perpetrate the Financial misdeeds which bankrupted the country, is now hiding in a western sanitarium. Dr. Sprague, the tool of the international bankers and an employee of the Bank of England, was, in my opinion, put into the Treasury to resign at a certain time and to create uncertainty in the minds of the people by the manner of his going and his subsequent articles pleading for sound money. Mr. Chairman, all the bickering and the resignations and the artful propaganda that has been thrown around the monetary policy of Franklin D. Roosevelt cannot disguise the fact that he was selected by the international bankers to carry on the work they started with the great depression; that is, the pauperization of the masses and the seizure of American property for their own use and benefit, and that he has lent himself to their schemes by unconstitutionally demanding and assuming the dictatorial powers which will enable him to carry them out.

Another purpose of this bill not mentioned in the title is the transference of a very large quantity of United States gold to the Bank for International Settlements. One of the chief objects of the gold policy of the present administration is the sending of gold taken by force from its lawful American owners to the Bank for International Settlements in Europe, where it will be kept with the property of the central banks of the world. According to the Hague convention, under which the

Bank of International Settlements was formed, gold deposited in the vaults of the Bank for International Settlements is safe from seizure. Our gold, when it goes there, will certainly be safe from seizure by the United States. The Bank of International Settlements is dominated by the Bank of England. It is not on American soil. It is in Europe. American gold, therefore, will be kept in Europe. It will be placed where none of the wage slaves of the United States will ever be able to acquire any of it. It will be the capital and means of oppression of that international super-state, that financial super-state, which has been after Uncle Sam's gold money ever since the wealth of this country attracted the attention of greedy European bankers and brought them flocking over here to set up the suction pumps of the Federal Reserve Board and the Federal Reserve banks.

The Bank for International Settlements is an international bankers' bank. It is a central bank of central banks. The international bankers, who brought about the depression, have been drawing gold to themselves from the common people of every land. It is their intention to use that gold for their own purposes. They propose two kinds of money. Gold—the real money—is what they intend to have for themselves, and paper money, which has no intrinsic value in itself, and which is made out of nothing and is worth nothing unless it can be redeemed by the holder in gold—that is for the common people, or, as they call us, the peasants.....

Franklin D. Roosevelt, the high priest of repudiation, the apostle of irredeemable paper money, and the man who intends to send United States gold out of the United States to a place where no American citizen can claim it, this Franklin D. Roosevelt characterizes all those who do not agree with his monetary policy as mules. If that is true, what an awful mule President Woodrow Wilson must have been. Concerning Andrew Jackson, Wilson said:

“He had no idea of allowing the country to undertake the fatal experiment of an irredeemable paper currency.”

This is the fatal experiment Franklin D. Roosevelt has undertaken. This is a part of his policy of “bold experimentation.” Not long ago he told the people at Savannah that George Washington, like himself, was an experimenter. Mr. Chairman, there are no points of resemblance between George Washington and Franklin D. Roosevelt, experimental or otherwise. George Washington did not take orders from money changers. He did not rob the people of their gold. George Washington abhorred dishonor in all its forms. He would have died before he would have violated his oath of office or tampered with the Constitution of the United States in the manner of Franklin D. Roosevelt. \* \* \*

Now, Mr. Chairman, let us hear the true purpose of the \$2,000,000,000 fund which this bill proposes to set up. I quote from the prophecies of Henry Morgenthau, Mr. Baruch's Secretary of the United States Treasury, as shown by the following article which appeared in the Washington Times of January 16, 1934:

### **Treasury Sees United States Need of Blue Chips**

When you play poker you want just as many blue chips as the other fellow.

That, in a man's language, was the gist of Secretary Morgenthau's summing up of the Roosevelt proposal for a \$2,000,000,000 stabilization fund to protect the currency of the United States.

In other words, the American Government is engaged in probably the greatest gamble of all time. The stake is the credit of the United States.

## **To Equal British**

When asked why a figure of 2,000 millions for the stabilization fund had been asked, Morgenthau said:

We figured we might need an amount substantially equal to the British stabilization fund.

If we are going to play, we must have as many chips as the other fellow.

We want every piece of machinery the other countries have. We want to be in a position to buy gold and to sell gold.'

The 2,000-million stabilization fund will be derived from the Government's profit on the debasing of the value of the dollar to from 50 to 60 percent of the normal valuation.

## **Fund From Profits**

If the debasement is 50 per cent, the profit to the Government will be \$4,000,000,000 in round numbers. A 60-cent dollar will mean about 2,666 millions in profits.

Out of these profits will come the stabilization fund to be administered by the Secretary of the Treasury, the remainder being available for any Government expenditure. Morgenthau said:

"It is possible that the mere existence of the fund will be sufficient to carry out the law which requires that the Secretary of the Treasury maintain all lawful money of the Government on parity with gold."

The Secretary of the Treasury is charged with the responsibility of administration of the fund to carry out that purpose. If any particular type of currency issued—United States notes, for instance—should become depreciated in value, the Treasury would go into the market and buy a sufficient quantity of that currency to maintain its parity. Operations in the foreign markets to protect possible depreciation of the dollar would be similar.

Let this quotation from Morgenthau go down into history. Long from now some curious investigator of the present age of witchcraft and magic in the White House may unearth it and reconstruct the financial history of the "new deal" from it, as science from a single part reconstructs the entire animal.

Mr. Chairman, it is not the gambler's voice in Mr. Morgenthau's confession which most deserves political attention. We are becoming accustomed here to gambling terms as they are employed by the executive branch of the Government, and we can well understand that the Executive and his favorites must of necessity speak the lingo of their kind. This is a gambler's administration, and all the "big shot" gamblers are here to revel in it. Mr. Roosevelt does not deny his gambling propensities. He is a "new dealer." He is "on his way," but he "doesn't know where he is going." He is for a policy of "bold experimentation," just as Samuel Insull was for a policy of bold experimentation. He has not been Ben Smith's patron all these years for nothing. But, Mr. Chairman, there is something apart from the vice of gambling to be observed in Mr. Morgenthau's utterance, and that is its entire untruthfulness. He would have us believe that the United States is on one side of the fence and Great Britain on the other. That, of course, is not the case. THE UNITED STATES HAS BEEN PLACED IN A POSITION OF FINANCIAL SERVITUDE TO GREAT BRITAIN, and Mr. Morgenthau's loud-sounding propaganda is designed to conceal that fact from the people. Great pains have been taken to conceal it. It would be very damaging to this

administration if certain people in the United States should find out about the great sums of United States money which have been sent to England during the past summer. Those funds were appropriated by the Congress for the people of the United States.

MR. CHAIRMAN, WHY SHOULD TAX MONEY PAID BY AMERICAN CITIZENS BE SENT TO LONDON? When England makes her periodical gesture of insult toward the United States by paying a small installment on the war debt she owes us, she pays us in debased coins, in "token" coins, to be exact. But when Mr. Roosevelt sends American money to England he sends it in gold or its equivalent. When Mr. Morgenthau obtains his "kitty," for this, I have been told, is what he called the proposed stabilization fund at the White House a week ago last Sunday evening, American funds will be fed to Europe more expeditiously and with less secrecy than such operations now require. If Congress puts the people's property into a "kitty," someone, if he cannot by the knight of the bedchamber, can at least pose before royalty as the knight of the "kitty."

Mr. Chairman, understanding that Henry Morgenthau is related by marriage to Herbert Lehman, Jewish Governor of the State of New York, and is related by marriage or otherwise to the Seligmans, of the international Jewish firm of J. & W. Seligman, who were publicly shown before a Senate committee of investigation to have offered a bribe to a foreign government; and to the Lewissohns, a firm of Jewish international bankers; and to the Warburgs, whose operations through Kuhn, Loeb & Co., the International Acceptance Bank, and the Bank of Manhattan Co. and other foreign and domestic institutions under their control, have drained billions of dollars out of the United States Treasury and the bank deposits belonging to the United States citizens; and to the Strauses, proprietors of R. H. Macy & Co., of New York, which is an outlet for foreign goods dumped upon this country at the expense of the United States Government, which is compelled to issue paper money on the said foreign goods of the Strauses; and that Mr. Morgenthau is likewise related or otherwise connected with various other members of the Jewish banking community of New York and London, Amsterdam, and other foreign financial centers, and that he has as his assistant, presiding over public funds, Earle Bailie, a member of the firm of J. & W. Seligman, bribe givers as aforesaid, it seems to me that Henry Morgenthau's presence in the United States Treasury and the request that Congress now give him a \$2,000,000,000 "kitty" of the people's money for gambling purposes is a striking confirmation of the statement made by me on the floor of the House on May 29, 1933, which statement was as follows:

"\* \* \* Now, Mr. Chairman, we have come to the place where we must decide whether we shall serve God or Mammon. Shall we nullify the Constitution at the behest of the moneychangers who have unlawfully taken all our gold and lawful money into their own possession or shall we take a stand here in defense of the faith of our fathers? Mr. Chairman, my mind is made up. I will stand by the Constitution. If I should fail to do so, I should expect to be met at the train when I go home to my district by a delegation of honest Pennsylvania citizens with 50 or 100 feet of rope. I should expect to be escorted to the nearest tree to be taught what it means to vote for a nullification of the Constitution in the House of Representatives."

Mr. Chairman, the provisions of this repudiation bill were foretold by a writer in the Dearborn Independent some years ago. There is, therefore, nothing novel or original about them. The writer of the article in the Dearborn Independent made the following quotation prophesying some of the measures which have been introduced here by the President of the United States:

(2) Confiscation of money in order to regulate its circulation.

(3) We must introduce a unit of exchange based on the value of labor units, regardless of whether paper or wood is used as the medium. We will issue money to meet the normal demands

of every subject, adding a total sum for every birth and decreasing the total amount for every death.

(4) Commercial paper will be bought by the Government, which \* \* \* will grant loans on a business basis. A measure of this character will prevent the stagnation of money, parasitism, and laziness, qualities which were useful to us as long as the Gentiles maintained their independence, but which are not desirable to us when our kingdom comes.

(5) We will replace stock exchanges by great Government credit institutions, whose functions will be to tax trade paper according to Government regulations. These institutions will be in such a position that they may market or buy as many as half a billion industrial shares a day. Thus all industrial undertakings will become dependent on us. You may well imagine what power that will give us.

Remember that when next you hear the Jewish plan that 'Gentiles' shall do business with their own bits of paper, while Jews keep the gold reserve safely in their own hands. If the crash comes, 'Gentiles' have the paper and the Jews have the gold.

Says protocol XXII:

We hold in our hands the greatest modern power—gold; in 2 days we could free it from our treasuries in any desired quantities.

The Jews are economists, esoteric and exoteric: They have one system to tangle up the "Gentile," another which they hope to install when "Gentile" stupidity has bankrupted the world. The Jews are economists. Note the number of them who teach economics in the State universities.

Says protocol VIII:

"We will surround our Government with a whole world of economists. It is for this reason that the science of economics is the chief subject of instruction taught by the Jews."

Mr. Chairman, have not most of these predictions come to pass? Is it not true that, in the United States today, the 'Gentiles' have the slips of paper while the Jews have the gold and lawful money? And is not this repudiation bill, a bill specifically designed and written by the Jewish international moneychangers themselves, in order to perpetuate their power? What else do you make of it, Mr. Chairman? Does it not cancel the war debts? Does it not defraud the holders of Liberty bonds and every other obligation calling for the payment of money? Does it not defraud the veterans of the World War and take the value out of their adjusted—compensation certificates?

Mr. Chairman, do you not see in this "kitty" bill the identical features outlined in the Protocols of Zion? Do you not see the Protocols of Zion manifested in the appointment of Henry Morgenthau as Secretary of the Treasury? It is not by accident, is it, that a representative and a relative of the money Jews of Wall Street and foreign parts has been so elevated?

Why, Mr. Chairman, this "kitty" bill takes the hitherto obscure young Henry Morgenthau and makes of him a central bank of the United States. It makes of him a central bank, an institution which Jefferson declared is one of deadly hostility to the free institutions of the United States. It exalts him above all other men. Under the powers to be granted him, his conduct is not subject to review or control by any other officer of the United States Government, not even the President.

What this “kitty” bill really does is to slide into the hands of Henry Morgenthau the emergency powers which Congress granted to the President. Those powers which Congress granted to the President. Those powers will not lapse. Instead, they are being slyly and dishonestly transferred to the bankers and after the bankers, in the person of Henry Morgenthau, have exercised them long enough to get the gold of the United States into their exclusive possession and to transfer it to their den of thieves, the Bank for International Settlements, Congress may take back its constitutional power over the monetary gold of the people of the United States will, like the sons of the people, be buried in a foreign field.

MR. CHAIRMAN, IF YOU, AS ONE OF THE PARTY IN POWER, ARE THINKING OF REMAKING THE WORLD SO THAT THE OLD AMERICA WE KNEW AND LOVED IS TO BE NO MORE; IF YOU ARE ONE OF THOSE WHO IS COUNTENANCING THE PLACING OF THIS COUNTRY UNDER THE BRITISH CROWN AND THE POOLING OF ALL AMERICAN RESOURCES WITH THOSE OF ENGLAND AND SOVIET RUSSIA; IF YOU ARE ONE OF THOSE TO WHOM A TITLE OF NOBILITY APPEARS TO BE MORE DESIRABLE THAN PLAIN CITIZENSHIP IN THE REPUBLIC FOUNDED BY GEORGE WASHINGTON, I trust that you will some day descend from the Speaker’s chair and let us know the reasons for your preference. If, on the other hand, you are not what these words depict, I trust that you will come down to the floor and tell us how constitutional government is to be maintained in this country if the plutocratic managers of the Democratic Party continue their efforts to destroy it. You, if anyone, should be able to give the people of the United States an answer to this question.

UNDER THIS ADMINISTRATION THE RESULT OF THE AMERICAN REVOLUTION HAS BEEN REVERSED. THE UNITED STATES HAS BECOME AN ECONOMIC VASSAL OF GREAT BRITAIN. The once proud Republic of the United States with its great charter of human freedom, the Declaration of Independence, and its written Constitution, which had kept it free and independent for over 140 years, and its flag, first made by the hands of Betsy Ross in Philadelphia, and its national anthem, born within earshot of the British guns that shelled Fort McHenry—all these, like the American dollar, were brought down from their high estate.

"Oh say, can you see by the dawn's early light  
What so proudly we hailed at the twilight's last  
gleaming?"

MR. CHAIRMAN, YOU KNOW VERY WELL THAT YOU CANNOT SEE THAT FLAG THERE AS IT USED TO BE. OTHERS STARTED VERY CAUTIOUSLY TO PULL IT DOWN. BUT IT WAS FRANKLIN D. ROOSEVELT, IN HIS UNLAWFUL AND UNCONSTITUTIONAL ASSUMPTION OF DICTATORIAL POWERS, WHO FINALLY LOWERED IT AND TORE IT FROM ITS STANDARD.

Now that the “Gold Bill” is explained and the reader knows why he “turned in” his gold, and what became of it, what about that “Soldiers’ Bonus” we used to hear so much about? Have our Congressmen forgotten the “boys” that “made the world safe for democracy,” or was it safe for the Money Changers? We, as a nation, are pledged by law to pay them their “bonus” or “compensation” certificates in 1945, and they surely need it now if they ever will! Will the reader please remember how President Lincoln issued sixty million dollars in Full Legal Tender “Greenbacks” and paid his soldiers!

Would the reader like some real authority on this subject? Then listen to Robert H. Hemphill, financial authority and editorial writer on financial matters in the Hearst papers and a really profound student on such matters. Writing in the Hearst papers of March 17, 1934, Mr. Hemphill has the following to say:

## **Sound Money**

During the month of February, 1934, we imported \$371,347,100 in gold.

We paid for it with 'fiat' money. Treasury notes of the United States; 'printing press money'; 'paper money'; 'greenbacks'; irredeemable in gold, silver or any specific metal; lawful money of the United States—'fiat' money in every sense of the word.

We have now no other kind of currency.

It is the best money in the world.

Despite the unlimited quantity offered in exchange for gold, and the treat inherent in our huge secret stabilization fund, it has been so far almost impossible to prevent our 'fiat' money from commanding a constant premium over its theoretical par in exchange for the most prized possession of European Nations—their gold.

It is very important to remember this.

We are rapidly approaching a situation where the government MUST issue additional currency.

It will very soon be the only move remaining.

IT SHOULD HAVE BEEN THE FIRST STEP IN THE RECOVERY PROGRAM.

Immediately upon a revival of the demand that the government increase the supply of currency, we shall again be subjected to a barrage of skillfully designed and cunningly circulated propaganda by means of which a small group of international bankers have been able, for two centuries to frighten the peoples of the civilized world against issuing their own good money in sufficient quantities to carry on their necessary commerce.

By this simple, but amazingly successful device these 'money changers'—parasites in a busy world intent on creating and exchanging wealth—have been able to preserve for their private and exclusive right the monopoly of manufacturing an inferior substitute for money which they have hypnotized civilized nations into using, because of their pressing need to exchange goods and services.

We shall never recover on credit. Even if it were obtainable, it is uncertain, unreliable, does not expand in accordance with demand, and contracts unexpectedly and for causes unrelated to the needs of commerce and industry.

Demand deposits cannot be loaned to commerce and industry.

Many bankers have known this for a long time.

It required this depression and the complete freezing of the whole banking system to teach the rest, but with a very few exceptions, they have all learned.

I am convinced that the NRA experiment is running into a jam. It has developed into a wholly different doctrine than the original conception.

Having failed to stimulate recovery, the present idea is to distribute nonexistent profits from one group to another.



Under any system of reasoning, the purchasing power, however, will remain the same.

Instead of providing for expansion, which means the creation and exchange of more wealth, its underlying philosophy is the creation and exchange of less wealth.

It is difficult to believe adult human beings at any stages in the development of civilization could be led into serious consideration of a system founded on such an absurd doctrine.

We need in circulation \$250.00 per capita in permanent un-contractible currency, deposited in depositaries and payable on demand, to sustain the standard of living to which we had arrived in 1927-29, to pay the then prevailing prices, wages and costs; to produce incomes and restore the property values of that period.

It makes no difference how this currency is put into circulation. We are all producers and we are likewise all consumers; each one of us buys from all of the others.

If one thousand million of new currency is thrown into circulation anywhere in the system, it becomes almost immediately distributed throughout the nation.

It increases the transactions of the nation an average of 36,000 millions per year, and because we all buy the same things in the same order of preference, our business increases in the normal manner, first the necessities of life, next the necessary luxuries, and lastly capital goods.

We are all so anxious to produce and trade our products, our goods and our services, with our neighbors, that we will accept almost any kind of money which we have a fair chance of passing on for the things we want.

In our present situation the issue of additional currency is the only way out."

Is there any good reason that Congress cannot or should not do this now?—or pass a bill to "remonetize" silver? Is there any reason why that should not be done either?

Yes, dear reader, there is, and that reason is—"The control of our whole country by the Foreign Money Changers through the Federal Reserve System of Banks, that have the power to issue unlimited amounts of their own "greenbacks" redeemable by our government, and to withhold loans and call loans and inflate and deflate the currency and the country at their own pleasure and for their own profit!!

How long, OH GOD WILL THE AMERICAN PEOPLE STAND FOR SUCH A CONDITION; when all they need is a safe, sane, reasonable plan of economic security and "United Action" to put it into operation?

After this Country was forced into bankruptcy (financial slavery), war was declared on the American people. This Country has been destroyed from within first by taking over its finances and then the taking over and possession of the United States government. The Presidency was taken over when President Franklin Roosevelt was elected. Through him the banks were able to declare war on the American people and enslave them through the social programs that were enacted by Congress. Congress went along to get along, the majority of these men were lawyers and they sold out the American people.

Because voting is a privilege and not a right and proves your membership in the metaphorical term, United States Corporation; Congress had the legal right, but not the moral right to enact legislation that made every American that voted for that Congress a "alien enemy", which is a legal term. Which simply means that you have been declared an enemy of the United States and the Bankers, because the citizens of 1933 voted in the government officials that took this action and because of association they were responsible. However, according to the law the children of these Americans (alien enemies) have the right to remain alien enemies or

could elect to no longer be an alien enemy. To remain an alien enemy means to continue receiving benefits given by the government, to see what these benefits are, re-read A Country Defeated In Victory, part 1. To discontinue being a alien enemy means to stop taking the government's benefits. Now, will this rejection of benefits stop the government from forcing you to be a slave? This is doubtful, because the men that created the conditions of your slavery still wish you to be a slave. Their purpose is to establish a one world government. These men and those that replaced them are still in power and control every aspect of your life. They will not give up a slave just because the slave no longer wishes to be a slave. So what is the purpose of resisting your enslavement? Should we do as Congress did and go along to get along? Let me ask you this; did our anti-federalist fore fathers give in for financial comfort? No! If you believe in God Almighty and have received the redemptive blood of Jesus Christ His Son, and you also believe that the Bible is the living Word of God Almighty.

You also must know that it is not possible to serve to Masters.

Either you serve God Almighty or man. Jesus said in Revelation 20:4: "...Those who had not worshiped the beast or his image, and had not received the mark upon their forehead and upon their hand; and they came to life and reigned with Christ for a thousand years." The reward for rejecting Babylon and the mark of the beast is to reign with Jesus Christ for 1000 years. So, if you choose to be an alien enemy be aware that there are consequences to your actions. The legal term "alien enemies" is defined in the following pages.

The following is a quote from Congressman James Beck:

"I think of all the damnable heresies that have ever been suggested in connection with the Constitution, the doctrine of emergency is the worst. It means that when Congress declares an emergency there is no Constitution. This means its death....But the Constitution of the United States, as a restraining influence in keeping the federal government within the carefully prescribed channels of power, is moribund, if not dead. We are witnessing its death agonies, for when this bill becomes a law, if unhappily it becomes law, there is no longer any workable Constitution to keep the Congress within the limits of its constitutional powers." **Congressman James Beck** in Congressional Record 1933

The following are excerpts from the **Senate Report, 93rd Congress, November 19, 1973, Special Committee On The Termination Of The National Emergency United States Senate.**

Since March 9, 1933, the United States has been in a state of declared national emergency....Under the powers delegated by these statutes, the President may: seize property; organize and control the means of production; seize commodities; assign military forces abroad; institute martial law; seize and control all transportation and communication; regulate the operation of private enterprise; restrict travel; and, in a plethora of particular ways, control the lives of all American citizens.

A majority of the people of the United States have lived all of their lives under emergency rule. For 40 years, freedoms and governmental procedures guaranteed by the Constitution have, in varying degrees, been abridged by laws brought into force by states of national emergency....from, at least, the Civil War in important ways shaped the present phenomenon of a permanent state of national emergency.

In Title 12, in section 95b you'll find the following codification of the emergency war powers: The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subsection (b) of section 5 of the Act of October 6, 1917, as amended (12 USCS, 95a), are hereby approved and confirmed. (March 9, 1933, c. 1, Title 1, 1, 48 Stat. 1)

In the War Powers Act of 1917, Chapter 106, Section 2 (c) it says that these declared war powers did not effect citizens of the United States: Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, OTHER THAN CITIZENS OF THE UNITED STATES, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States of the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

The declared National Emergency of March 9, 1933 amended the War Powers Act to include the American People as enemies. In Title 1, Section 1 it says: The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the Act of October 6, 1917, as amended, are hereby approved and confirmed.

Section 2. Subdivision (b) of section 5 of the Act of October 6, 1917, (40 Stat. L. 411), as amended, is hereby amended to read as follows: emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, BY ANY PERSON WITHIN THE UNITED STATES OR ANY PLACE SUBJECT TO THE JURISDICTION THEREOF.

The phrase, "**subject to the jurisdiction thereof**" is defined in Ballentine's Law Dictionary, it says: A phrase made familiar by inclusion in the Fourteenth Amendment.

As these words are used in the first section of the Fourteenth Amendment of the Federal Constitution, providing for the citizenship of all persons born or naturalized in the United States and subject to the jurisdiction thereof, the purpose would appear to have been to exclude by the fewest words (besides children of members of the Indian tribes, standing in a peculiar relation to the National Government, unknown to the common Law), the two classes of cases, children born of \*ALIEN ENEMIES(emphases mine), in hostile occupation, and children of diplomatic representatives of a foreign state, both of which, by the law of England and by our own law, from the time of the first settlement of the English colonies in America, had been recognized exceptions to the fundamental rule of citizenship by birth within the country. [United States v Wong Kim Ark, 169 US 649, 682](#), 42 L Ed 890, 902, 18 S Ct 456.

The phrase "**Alien Enemy**" is defined in Bouvier's Law Dictionary as:

One who owes allegiance to the adverse belligerent. 1 Kent 73.

He who owes a temporary but not a permanent allegiance is an alien enemy in respect to acts done during such temporary allegiance only; and when his allegiance terminates, his hostile character terminates also; 1 B. & P. 163.

Alien enemies are said to have no rights, no privileges, unless by the king's special favor, during time of war; 1 Bla. Com. 372; Bynkershoek 195; 8 Term 166. [Remember we've been under a declared state of war since October 6, 1917, and amended March 9, 1933 to include every United States citizen.

The phrase "**Alien Enemy**" is defined in Words and Phrases as:

Residence of person in territory of nation at war with United States was sufficient to characterize him as "alien enemy" within Trading with the Enemy Act, even if he had acquired and retained American citizenship. *Matarrese v. Matarrese*, 59 A.2d 262, 265, 142 N.J. Eq. 226.

Residence or doing business in a hostile territory is the test of an “alien enemy”: within meaning of Trading with the Enemy Act and Executive Orders thereunder. Executive Order March 11, 1942, No. 9095, as amended, 50 U.S.C.A. Appendix 6; Trading with the Enemy Act 5 (b). In re Oneida Nat. Bank & Trust Co. of Utica, 53 N.Y.S. 2d. 416, 420, 421, 183 Misc. 374.

“By the modern phrase, a man who resides under the allegiance and protection of a hostile state for commercial purposes is to be considered to all civil purposes as much an ‘alien enemy’ as if he were born there.” *Hutchinson v. Brock*, 11 Mass. 119, 122.

The author of the following is not known, I add it because it is appropriate end to this paper.

## **Secret Knowledge as the Key to Power**

By embracing deception whole-heartedly at every level, finance capitalism, or rule through money, has fashioned the ultimate system yet devised for the secure exercise of power. The hidden masters of finance capitalism control those who head governments and those who head manufacturing. Dominance in all aspects of society is surreptitiously accomplished while the great majority of the ruled, and even most of the visible leaders, believe themselves to be fairly autonomous. Throughout history, secure ruling elites arise through secret knowledge which they carefully guard and withhold from outsiders. The power of such elites or cults diminishes as their hidden knowledge is undermined by truths gained by independent scientific investigation and vanishes as soon as it becomes common sense. Before analyzing the secrets of the finance capitalist money cult, let's look for historical perspective in occult astronomy, the oldest source of stable rule known to man, of which astrology is the remnant.

As soon as men abandoned the life of wandering hunters to till the soil, they needed to predict the seasons. Such knowledge was required in order to know when to plant, when to expect floods in fertile valleys, when to expect rainy seasons, and so forth. Months of backbreaking plowing and planning could be wasted by farming the land at the wrong times. There were no calendars. The men who first studied and grasped the regularities of sun, moon, and stars that presage the seasons had a valuable commodity to sell, and they milked it to the fullest at the expense of their credulous fellowmen. The occult priesthoods of early astronomers and mathematicians convinced their subjects that they alone had contact with the gods, and thus, they alone could assure the return of planting seasons and weather favorable to bountiful harvest. The predicting of solar and lunar eclipses was particularly effective when staged to awe the community. The general success resulting from following the priesthood's timetables for planting insured the priesthood's power. Today's Christmas holiday season continues the tradition set by ancient priesthoods who conducted rituals on the winter solstice to reverse the retreat of the sun from the sky. Their invariable success was followed by wild celebrations. Popular knowledge of seasonal regularities was discouraged by every manner of mysticism and outlandish ritual imaginable. Failures in prediction were blamed on sins of the people and used to justify intensified oppression. For centuries, people who had literally no idea of the number of days between seasons, and couldn't count anyway, cheerfully gave up a portion of their harvests, as well as their most beautiful daughters, to their “faithful servants” in the priesthoods.

The power of our finance capitalist money system rests on a similar secret knowledge, primarily in the field of economics. Our power is weakened by real advance in economic science. Fortunately for us, the public at large, government leaders, and most revolutionaries remain totally ignorant of economy. However, we who are the established money lords have been able to prolong our control by systematically corrupting economic science with fallacious and spurious doctrines. Through our power in the universities and over the mass media, we have been able to reward the sincere professorial cranks whose spurious doctrines happen to rationalize, in terms of “common good”, the government-supported institutions, laws, and economic measures upon which our money powers depend. Keynesianism is the highest form of phony economics yet developed to our benefit. The highly centralized, mixed economy resulting from the policies advocated by Lord Keynes for

promoting” prosperity” has all the characteristics required to make our rule invulnerable to our twin nemeses: real private competition in the economic arena and real democratic process in the political arena. Laissez faire or free-market, classical economics was our original attempt to corrupt economic science. Its beautiful internal consistency blinded economists for many years to the fact that it had virtually nothing to do with current reality. However, we are so powerful today that it is no longer possible to conceal our imposing institutions with the appearances of free competition. Keynesianism rationalizes the omnipotent state, which we require, while retaining the privileges of private property on which our power ultimately rests. Although the interim reforms advocated by Marx in his Communist Manifesto such as central banking, income tax and other centralizing measures can be corrupted to coincide exactly with our requirements, we no longer allow Marxist movements major power in developed countries. Our coercive institutions are already in place. Any real steps toward communism would mean our downfall. Of course, phony Marxism is an excellent ideological veil by which to cloak our puppet dictators in underdeveloped areas of the world.

Secondarily, the power of the money lord rests on secret knowledge in the areas of politics and history. We have quite successfully corrupted these sciences. Although many people are familiar with our secrets through such books as 1984 by the disillusioned George Orwell, few take them seriously and usually dismiss such ideas as paranoia. Since real politics is motivated by individual self-interest, history is viewed most accurately as a struggle for power and wealth. We do our best to obscure this self-evident truth by popularizing the theory that history is made by the impersonal struggles between ideas, political systems, ideologies, races and classes. Through systematic infiltration of all major intellectual, political, and ideological organizations, using the lure of financial support and instant publicity, we have been able to set the limits of public debate within the ideological requirements of our money power.

The so-called Left-Right political spectrum is our creation. In fact, it accurately reflects our careful, artificial polarization of the population on phony issues that prevents the issue of our power from arising in their minds. The Left supports civil liberties and opposes economic or entrepreneurial liberty. The Right supports economic liberty and opposes civil liberty. Of course, neither can exist fully without the other. Our goal is to control the Left-Right conflict such that both forms of liberty are suppressed to the degree that we require. Our own liberty rests not on legal or moral rights, but on our control of the government bureaucracy and courts which apply the complex, subjective regulations we dupe the public into supporting for our own benefit.

Innumerable meaningless conflicts to divert the attention of the public from our operations find fertile ground in the bitter hatreds of the Left-Right imbroglio. Right and Left are irreconcilable on racial policy, treatment of criminals, law enforcement, pornography, foreign policy, women’s lib, and censorship, to name just a few issues. We generally do not take sides in these issues. Instead we attempt to prolong the conflicts by supporting both sides as required. War, of course, is the ultimate diversionary conflict and serves to enlarge our power and wealth. War provides the perfect cover of emergency and crisis behind which we consolidate our power. Since nuclear war presents dangers even to us, more and more we have resorted to economic crises, energy shortages, ecological hysteria, and managed political drama to fill the gap. Meaningless brushfire wars, though, remain useful and profitable.

We promote phony free enterprise on the Right and phony democratic socialism on the Left in all the nations we control. Thus, we obtain a “free enterprise” whose “competition” is carefully regulated by the bureaucracy we control and whose nationalized enterprises are controlled through the governments we direct. In this way we maintain a society in which the basis of our power - legal titles to property and money - remain secure while the peril of free, unregulated competition is avoided and popular sovereignty is nullified. The democratic process is a sitting duck for our money power. Invariably, we determine the candidates of the major parties and then proceed to pick the winners. Any attempts at campaign reforms simply put the rules of the game more firmly under our governments’ control.

Totalitarianism of the fascist or communist varieties is no danger to us as long as bastions of private property remain to serve as our bases of operation. Totalitarian governments of both Right and Left, because of the vulnerability of their highly visible leaders to party rivals, can be manipulated easily from abroad. Primarily, totalitarian dictatorships efficiently prevent new money lords who could challenge our power from arising in whole continents, civilizations, and races.

## **Economics of Central Banking**

Since division of labor is the key to all human achievement and satisfaction, a system of exchange is crucial. Barter is hopelessly complicated. A command economy in which each is told what to do and how he will be compensated is also hopelessly cumbersome and fails to take advantage of individual initiative, ability and concrete knowledge. A medium of exchange - money - is the obvious solution.

When left to themselves, people of a given geographical area settled upon a durable luxury commodity, usually gold or silver, to use as money. Because money is a store of value as well as a medium of exchange, people saved part of their gold income rather than spending it all. This gold was often stored in the vaults of a local goldsmith - the precursor of the modern banker - for safekeeping. The depositor received a receipt that entitled him to an equal quantity and quality of gold on demand from the goldsmith. This receipt could be negotiable by endorsing it over to a seller of goods who in turn could exchange the receipt for gold from the goldsmith. Either the receipt or the gold served as money, and the receipt was easier to carry than transporting the gold it represented. Moreover, the receipt was useless to a thief without the endorsing signature. At some point, a goldsmith realized that there was no reason he couldn't loan out some of the gold for interest as long as he kept gold on hand sufficient to meet the fairly predictable withdrawal rate. After all, he simply promised to pay on demand, not hold the gold as such. Better yet, he could simply issue more receipts for gold than he had gold on hand, and the receipts, renamed notes, could circulate freely among the populace as money.

However, he soon found that there was a definite limit set on this process by reality. Not all the extra notes he issued circulated forever among the public. The rate of note redemption began to increase rapidly as the receipts passed into the hands of people unfamiliar with his reputation and especially when competitive goldsmiths, always eager for more gold reserves, came into possession of his notes. To prevent a disastrous run on his gold reserves, note issuance had to be kept within bounds. But the spending power of over-issuance was a grave temptation. Especially relished was the power over government, industry, and merchants that the miraculous loan power of the goldsmith could obtain. Many succumbed to temptation, overextended themselves, and brought ruin to their depositors while others slowly became wealthy bankers by pursuing conservative loan policies.

According to present-day "reasoning", Central Banks are instituted to protect the public from periodic financial catastrophe at the hands of unscrupulous fractional-reserve bankers. The excuse given as "protection" is far from the truth. Central banks are established to remove the limitation on over-issuance that reality normally places on a competitive banking system. As early as ancient Babylon and India, central banking, the art of monopolizing the issuance of money had been developed into a perfect method for looting the general public. Even today, many bankers copy the traditions of the earlier exploitive priesthoods and design their banks to resemble temples. Defenses of central banking are simply part of the deception that lies at the heart of all power elites.

Let's look at the way a new central bank is created where none had existed previously. We bankers approach the king or ruling assembly - both of whom always want more money to fight wars or curry favor with the people and, typically, are ignorant of economics - with a compelling proposal: "Grant our bank a national charter to regulate private banking and to issue legal tender notes, that is, force our notes to be accepted as payment for all debts, public and private. In exchange, we will provide the government all the notes it prudently requires at interest rates easily payable out of existing taxes. The increased government purchasing power

thus created will simultaneously assure the power and prestige of the currently precarious nation and stimulate the sluggish, credit-starved economy to new heights of prosperity. Most important, the violent banking panics and credit collapses caused by unscrupulous private bankers will be replaced by our even handed, beneficent and scientific management of money and banking. Our public-spirited expertise will be at the disposal of the state, while we retain independent enough of momentary political pressures to assure sound “management”.

For a while, this system seems to work remarkably well with full employment for everyone. The government and public does not notice that we issuers of the new notes are using the notes we create out of thin air to surreptitiously build economic empires at the expense of established interests. Because of the legal tender laws, few of the new notes issued by the Central Bank are returned or redemption in gold. In fact, private banks and even a few foreign banks may begin to use the central bank's notes as reserves or further issuance of credit. Soon though, prices begin to rise as the added notes increase demand relative to the quantity of goods and services available. As the value of their savings decline more and more, foreigners in particular begin to question the value of the central bank's notes and start to demand redemption in gold. We, of course, do not admit responsibility for the rampant inflation when it comes. We blame inflation on evil speculators who drive up prices for personal gain, as well as the greed of organized labor and businesses who are promptly made subject to wage and price controls. Even the consumer can be made to feel guilty for agreeing to pay the high prices. Mistaking symptoms for causes, the government accepts the bankers' analysis of the problem and continues to give the bank free reign in monetary policy.

By slowing the rate of note issuance periodically, the ultimate crisis stage is postponed until many decades after the original Central Bank Charter was granted. Before the rapidly dwindling gold reserves on which faith in our bank depends is exhausted, we abruptly contract our loan volume to private industry and government as well. With the contraction of the money supply, a great deflationary crash begins in earnest with all its attendant unemployment, bankruptcies, and civil strife. We do not admit responsibility for the depression. We blame it on evil hoarders who are refusing to spend their money and on the prophets of doom who are spoiling business confidence. The government accepts this analysis and leaves monetary policy in our hands. If things go well, we bankers channel the fury and unrest into puppet movements and pressure groups that carry our agents into full control of the government. Once in charge, we devalue our outstanding bank notes in terms of gold and make them inconvertible for all but possible foreign central banks and begin plans to restore a “prosperity” that will be totally ours. When lucky, we're able to confiscate the gold of private citizens as punishment for hoarding during the climax of the depression.

Once the old order is subdued during the chaos of the crash and desperation of the depression, the field is open for our full finance capitalist system to be realized, and a new and lasting order can be established. A war timed for this period of consolidation provides the perfect excuse for the regimentation required to crush all opposition.

## **The Uses of a Central Bank in a Mature Economy**

Our central banks are private monopolies of the host nations' money and credit issuance supported by the coercive power of the state. That the central bank be directly in our hands is vital until our new order is firmly established throughout the governmental, business, intellectual, and political spheres of society. After our order is consolidated, formal nationalization of the central bank with great fanfare is usually advisable in order to dispel any lingering suspicion that it is operated for private gain. Of course, only loyal agents of the dynasty are allowed to obtain high offices in the bank, and our power remains intact. Obvious private monopolies are always the targets of sharp reformist agitators. Only the most paranoid, however, can see through the public facade to the private monopoly of the nationalized or quasi-nationalized central bank.

The central bank is the primary monopoly on which all our monopolistic power depends. The hidden power of the central bank to create money out of nothing is the fountainhead that fuels our far-flung financial and

political empire. Basically, the power of our central bank flows from its control over the points of entry into the economy of new, inflationary money which it creates by fiat. Ordinarily, bills of exchange, acceptances, private bonds, government bonds, and other credit instruments are purchased by the central bank through specially privileged dealers in order to put the new money, often only checking accounting entries, into circulation. Our purchase of government securities pleases the government as our purchase of private debt pleases private debtors. As a quid pro quo to assure “good management”, our agents are given directorships, managerial posts, and offices in the corporations and governments so benefited. As the addiction to the narcotic of inflationary easy credit grows and grows, we demand more and more control of our dependent entourage of governments and corporations. When we finally end the easy credit to “combat inflation, the enterprises and governments either fall directly into our hands, bankrupt, or are rescued at the price of our total control.

We ruling bankers control the flow of money in the economy through the wide authority of the central bank to license, audit, and regulate private banks. Banks that loan to interests outside the loyal entourage are “audited” by the central bank and found to be dangerously over-extended. Just a hint of insolvency from the respected central bank is enough to cause a run on the disobedient bank or at least dry up its vital lines of credit. Soon that bank learns to follow automatically the hints and nods of our agents in the central bank.

Further, the periodic cycles of easy money and tight money that we initiate through our control of the central bank cause corresponding fluctuations in all markets. Our inner circle knows in advance the timing of these cycles, and therefore reaps windfall profits by speculating in commodity, stock, currency, gold and bond markets. Monopolistic stock and commodity exchanges are a vital adjunct to our power, made possible by our central bank powers. We do not allow a fair auction market to exist, but make a great show of “tough” government regulation to create a false sense of confidence among small investors. With the aid of our regulatory charade and financial power, we are able to maintain exchanges tailored to our entourage’s need to manipulate stock prices at the expense of independent investors. Our privileged specialists on the floors of our exchanges, aided by the propaganda of our financial press and brokerage houses, continually play on naivete and greed to drain the saving of the unwary into our coffers. The commodities, securities and stocks held in trading accounts by our exchange and brokerage houses provides us with a clout far beyond our own actual holdings with which we can manipulate prices and win proxy fights for corporate takeovers.

There is little danger to our lucrative operations from public-spirited regulation. Our manipulations are so complex that only the most brilliant experts could comprehend them. To most economists, our exchange operations appear to be helpful efforts to “stabilize” the market. We ruling bankers become richer and richer as time passes without the annoyance of exerting productive effort of benefit to others.

## **Social and Business Legislation and Policy**

The danger to our monopolistic system clearly is not that the people will spontaneously rise up and dispossess us. The “people” never initiate anything. All successful movements are led from the top by men with vast resources and brilliant plans, usually without the knowledge of the people in the movement. The real danger arises in the upper middle class. Occasionally these people make vast fortunes through some brilliant technological innovation in their business or through the favor of local politicians who escaped our influence. Because of their ignorance of the reality of our power, however, the new rich usually fall easily into our hands. For instance, they seldom realize until too late that the dozens of loans they may owe to apparently independent banks can be called simultaneously with a mere nod from our top man. Graver danger is presented by those whose enterprises are so successful as to be self-financing. Since the advent of the corporate income tax, truly self-financing corporations are extremely rare. Most disquieting is when these upstarts acquire the covert or open support and advice from our major international banking antagonists. This is particularly dangerous to us in countries with long democratic traditions where it is difficult to make our arbitrary rulings stick.



The best solution is to enact comprehensive taxes and business regulations in the name of the common good. Such measures reduce the incidence of significant upstart competition to manageable levels. This policy, of course, strangles innovation and productivity. Reduction of the Gross National Product in countries under our control would be acceptable in the interests of secure power under the pretext of conservation, ecology, or no-growth stability except that if carried too far, our clout vis-a-vis our international rivals would be impaired. The most difficult problem for the money lord is determining the level of social and economic freedom he dares allow for the sake of his international power. One method is to maintain a home base of carefully monitored, relative freedom on which to base the economic and military strength required to maintain his empire of totalitarian dictatorships abroad.

The following measures are most effective in maintaining our control of nations:

**1. A steeply graduated income tax.** This does not affect us because our money was accumulated before the tax was imposed, and most of it is now safely protected in our network of tax-exempt foundations. Foundation income and capital can legally be used to finance the bulk of our social, economic, literary, and even political propaganda. In a pinch it is easily diverted to illegal uses. Expensive “studies” required by our profitable economic operations can be legitimately financed through our foundations.

For the middle classes, income tax makes life into an endless treadmill. Even the most productive find themselves unable to accumulate significant capital. They are forced into the clutches of our central bank entourage for injections of the inflationary credit which we are privileged to create out of nothing. The self-financing wealth of the legendary 19th century robber barons and early 20th century tycoons is no longer possible since those wide-open conditions no longer exist. We were the advocates of the erection of the tax wall that is now in place. Our eternal vigilance is required in democratic countries to prevent our tax shield from being riddled by conniving legislators, who are usually of tax-oppressed, upper middle class origins themselves.

**2. Business Regulation.** When upstarts slip through our financial tentacles and tax shields, a second line of defense becomes vital. We control the licensing of radio and television to keep damaging information about our system from getting to the public or upsetting the political and social influence we have been exerting over a nation. This makes serious upstart-led mass political challenge impossible. Harassment by bureaucrats armed with arbitrary and voluminous industrial safety regulations is a new and increasingly effective technique to stifle raw competition against our established corporations. Security registration requirements, “to protect the small investor”, can cause fatal delays in an upstart’s ability to raise capital on the stock market. Ecological considerations are easily perverted to stymie the plans of those who would upset the stability of our carefully planned system. Anti-trust law, however, is our ultimate weapon. The handy doctrine of “pure and perfect competition”, which we have fostered in our universities, is ideally suited to convicting any successful competitor at our discretion. Also, product quality, safety, and testing regulations are excellent methods by which we insulate our established industries from potential competition.

**3. Subsidies, tariffs, and foreign aid.** Although direct subsidies can occasionally be procured for our entourage of corporations by appealing to the desire of the masses to preserve jobs, this exploitive technique is usually too obvious. Tariffs are easily passed, but lead to retaliation against our foreign holdings. Foreign aid and government-guaranteed loans that are sure to be defaulted, fill the bill perfectly under modern conditions. Foreign aid maintains our empire of foreign dictators abroad while providing guaranteed, highly profitable sales to our corporations at home base. Foreign aid should always be contingent on the purchase of goods, usually military hardware, that only our entourage of firms can provide. Few people have the courage to oppose such altruistic aid to the “starving masses” of the third world.

**4. Centralization of power.** Real division of power between national, state, and local government is dangerous to our system. When local politicians have real autonomy, even in limited spheres, they can do much to enable upstarts to challenge our power. Our program is to bring all levels of government under our

sway through such innovations as federal aid, revenue sharing, high federal taxation, and regional government.

**5. Alliance with the lower classes.** In order to keep our valuable regulatory machinery in place and under our control, we must have the mass support of the numerous lower classes against vigorous, but scarce, middle class upstarts. The best method is to provide the lower classes with subsidies at the expense of the middle class. This creates a mutual hatred that prevents the middle class from appealing effectively to the lower classes for support. Social Security, free health care, unemployment benefits, and direct welfare payments, while doing nothing for us directly, create a dependent class whose support for our critical measures can easily be made part of a package deal. Also, the major labor unions began with our financing and are led to this day by leaders of our choosing. No one can rise to or remain at the top of a rough and tumble union without our financial backing. In spite of their rebellious rhetoric, bought union leaders are the source of our power over the management of firms with widely held stock. Unions are the ultimate weapon we have for destroying otherwise invulnerable, self-financing upstarts. "Bread and circuses" are as useful today as in Roman times for mobilizing the mob against our staid adversaries.

## **The Role of Public Education**

In order to maintain our system of power, the institution of universal public education is indispensable. The anarchy of private education in which any manner of dangerous ideas could be spread cannot be tolerated. Thus we make private education financially impossible to all but the few, mostly the elite offspring of our financial entourage, by means of burdensome taxation and regulation. The primary purpose of public education is to inculcate the idea that our crucial institutions of coercion and monopoly were created for the public good by popular national heroes to blunt the past power of the malefactors of great wealth. It is crucial to create the impression that, although the people have been exploited in the past, today the wealthy are at the mercy of an all-powerful government which is finally in the hands of the people or do-good liberals.

For those of more sophistication who reject this Pollyanna view of reality, we promote the "liberal reformer mentality", which holds that a new era of reform is on the verge of crushing forever the last vestiges of money-lordism. Of course, the reforms, after taking shape as a bewildering myriad of regulatory agencies and taxes, are found to be ineffective in subordinating our power to the popular will, whereupon we stir up another era of progressive reform.

James Franklin Montgomery