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MONEY LENDING

The Banking System which was foisted on this country in 1694 and during succeeding years over most of the world, has been the main means by which the Jews have brought misery and impoverishment everywhere. By their manipulation of finance, they have been the cause of most wars and economic and social troubles. They have been able to obtain control of governments and of the means of publicity (Press, Radio, Films, Publishing Houses, News Services, etc.) and so have been able to suppress the truth and propagate the lie. This has enabled them to fool and bully the people of the world into following the most suicidal courses until they are now in the position of expecting to clamp final dominion upon the world by means of a supranational organisation and some form of irresistible world police force which they would control.

To understand how the banking system has been the main means of enslaving us, it is essential to grasp one or two elementary and all important facts which have been successfully hidden from the public and even, apparently, from an overwhelming proportion of bank officials and economists.

Contrary to general belief, banks, by their own actions, create and destroy money. In his *Elements of Banking*, H. D. Macleod, the Victorian economist, wrote: "When it is said that a great London Joint Stock Bank has perhaps 25 millions of deposits, it is almost universally believed that it has 25 millions of actual money to "lend out" as it is called. It is a complete and entire delusion. These "deposits" are not deposits in cash at all—they are nothing but an enormous superstructure of credit."

More than fifty years later, in 1931, this was confirmed by paragraph 74 of the *Report of the Macmillan Committee*, set up by the Government to enquire into Finance and Industry. This said: "It is not unnatural to think of the deposits of a bank as being created by the public through the deposit of cash representing either savings or amounts which are not, for the time being, required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for, by granting loans, allowing money to be drawn on an overdraft or purchasing securities, a bank creates a credit on its books, which is the equivalent of a deposit."

When a bank grants a loan, the borrower has to provide a

guarantee of its repayment. But what does the bank do when it makes its so-called loan, or when it allows an overdraft or buys securities? It does not touch any depositor's account; in general, it parts with nothing and, at the most, it only parts with some promissory notes—promises to pay—and some coin, usually only a small fraction of the "loan". So the total of what banks are said to loan is far in excess of anything with which they part. Financially, debts pile up to them, while they part with very little. The difference between that with which banks part and that which they "loan" is called bank credit, because the public believe in their promises to pay and are willing to give goods and services in exchange for them, although the banks could never honour them all. It is only legal, now, to demand of banks another promissory note or coin which is cumbersome and, therefore, comparatively little used.

But the passage of coin complicates the whole thing to the average person as, in ordinary affairs, this means gain or loss to him. Our coin is issued originally by the Treasury to the Bank of "England"; but offset against our continuously growing debt it is infinitesimal. It can be disregarded in the bankers' balances because, overall, the amount of coin which goes into banks, balances, the coin which passes out of them and makes little difference to them or their debts. So, in making a loan, a bank only parts with pieces of paper but, in doing so, it confers the power of drawing on a third party's goods. In reality, i.e., in goods and services, such loans are made by anyone but the banker. He only parts with almost costless symbols of the reality. But financially—by the above means, which the *Encyclopaedia Britannica* (14th Edition) summarised as "Banks lend credit. They create the means of payment out of nothing"—mounting debts become due to the banker.

When a bank debtor has collected enough money in any form to repay a bank loan, the repayment wipes out the debt; and that amount of the banker's permits-to-use, which function as money, goes out of existence. The total money remains diminished to this extent if the banks do not wish to lend or buy for any reason.

"Thus all money is bank indebtedness and it is this cardinal fact that gives to the banking system the power to expand or contract the quantity of money by increasing or diminishing the quantity of bank debts." (*Midland Bank Review*, Feb.-March, 1934).

The late Rt. Hon. Reginald McKenna, one time Chancellor of the Exchequer and for long the Chairman of the Midland Bank, said on January 25th, 1924, to a meeting of the bank's shareholders: "I am afraid that the ordinary citizen will not like to be told that the banks can, and do, create and destroy money." But the ordinary citizen should know so that he may come to under-

stand the immense power the banks receive from the function, because, whilst the banks power and gain from the issuing of money is vast, that from the prerogative of withdrawing it is even greater. This gives them the power to reduce monetary demand and thus to lower all prices and to wreck the whole business world. Then, with their power to create credits in their books, which are the equivalent of deposits, they can buy up industrial securities at slump prices and increase their control of industry, the wheels of which are set turning again by the very credits which have gained them the increased control.

“ There are enough substantial quotations in existence to prove to the uninitiated that the banks do create credit without restraint and that they do create within themselves the means of repayment ”, said an editorial in *Branch Banking* (July, 1938). But, while authorities inform us about bankers’ **methods**, they never refer to the bankers’ **ends**. Thus they tell us only half the truth. Pre-war, investigation showed that an average of 60 per cent. of the receipts of large organisations ultimately go to the banker as debt-charges, but the majority of the debentures of the large industrial concerns have already gone to him.

Money is said to be a means of distribution, but it has become, above all else, a means of centralisation ; a means that, with minor alterations, has remained unchanged since the days of Greece and Babylon. The end—centralisation—is almost complete. And, be it noted, the centralisation is that of all power and property into the hands of the inner ring of international financiers who, in fact, control the financial and banking systems of the world, including the Soviet part. After the Communists grabbed power in Russia, the country was brought under an orthodox financial system, i.e., the Russian Government bases its currency, as far as possible, on gold and creates bank deposit money or other credit as a debt at interest just as does every other country that has elected to remain within the ambit of the international money system. Russia, in spite of its “ Socialist ” theories became a “ super-capitalist ” country. The banking system was fastened on to it and the system is still controlled by a Jew, V. Ashberg, and the opposite number to Bernard Baruch in the Western world. It is important to notice that these Jew financiers, whether they be superficially “ Dutch ”, “ German ” or “ American ”, etc., have always been working for the same end—world dominion. They use nations in turn as best suits their purpose, under the conditions applying at any given time.

William Cobbett wrote in *The Political Register XVIII*, July 14th, 1810:

“ I set to work to read the Act of Parliament by which the Bank of England was created (in 1694). The investors knew well what they were about. Their design was to mortgage by degrees

the whole of the country . . . lands . . . houses . . . property . . . labour, the scheme . . . has produced what the world never saw before—starvation in the midst of abundance.”

How right he was! The British people, by means of the banking system, have been practically robbed of their country and reduced to the position of being wage or salary slaves in it, entirely at the mercy of the international financiers for sustenance in return for their labour. The object of “full employment” is slavery, i.e., to keep everyone toiling for existence with no time to observe and think.

The financial system has been thoroughly exposed in books by a number of authors, but it is noticeable that they do not seem to be in general use for educational purposes or even to have been heard of by the general public, or by the people who should be familiar with them, such as bankers, economists, business men, Treasury officials, Chancellors of the Exchequer and politicians. A remarkably good book on the subject is *Human Ecology*, by Dr. Thomas Robertson, of Glasgow. It is difficult to get hold of because the publishers, William Maclellan, went bankrupt soon after publishing it and the author has not been able to get a publisher to take on the job since. There can be little doubt that the Money Power is responsible for this suppression. There are also books by C. H. Douglas, Vincent C. Vickers, Maurice Colbourne, C. Marshall Hattersley, the late Duke of Bedford, etc., which cover the subject adequately.

The money the British Government spends comes from the Bank of “England” and not from taxation. It is money created for the specific purpose of financing government expenditure and it is claimed by the Bank as a repayable loan. Ever since the system started our Governments have acceded to this fraudulent claim—fraudulent because it cannot be a loan unless the Bank gives up or goes without something, which it does not. In an attempt to repay this fictitious loan, the Government taxes the people and the money thus extracted from the people is an arbitrary amount fixed by the Government, as agent for the Bank, just as the Income Tax officials fix the amount of tax on any doubtful income. The amount is as much as the public will hand over without too much protest. The rest of this “debt” to the Bank of “England”, which has not been repaid out of taxation, is added to the National “Debt”, which is mostly the accumulation of unpaid bank loans.

As the National “Debt” ranks as a first class security it is almost entirely owned by, that is owed to, banks. Its repayment to them, as was explained earlier, would cause this amount of money to go out of existence and so would create, absurdly, a national financial crisis. While this unreal debt is represented in the national balance sheet, which the budget is supposed to be, our real national assets are not.

The Budget is, therefore, a deception, as is all monetary taxation. Taxation reflected truth when, in a primitive society, without money or a banking system, a tithe of the production was collected to give a non-productive servant of the society the means to live. It deviated from the truth firstly when it became payable in money which was not issued by the owner of the goods. The issuer of the money received a claim on the society's production equal to the difference in the value of the money taken over the cost of its making. Another error arose when the rise in power production enabled enough for all to be produced without taxing society's physical resources to the full.

Since the coming of mechanised production, there has been no justification for anyone to be impoverished because this great source of power could be fully exploited for man's benefit if money served to facilitate production and distribution, instead of being used, as it is at present, for building up "debt" to the few, who have acquired the sole monopoly of money creation and manipulation for the satisfaction of their lust for power.

Taxation has been supported by the Socialist theory that the "poor are poor because the rich are rich" leading to an attempt to tax the rich for the benefit of the poor but it has only led to the deprivation of the rich without real benefit to the poor. In fact, it has led to the real harm of all classes and is designed to do so by the hidden powers. All classes would have benefited if the real wealth had been produced as abundantly as it could be and its distribution by a satisfactory mechanism, devised to this end, had been permitted. But when workers demand more in wages, financial costs—and therefore prices—are increased. For them to abstain from work in order to get more money increases financial costs in two ways and harms all, even including themselves, when others follow their example, for it sets up a vicious spiral of price, which operates against them. Whatever gain they may have received is negligible in comparison to the wealth which the realities could have bestowed upon them. Had they demanded that prices should drop with new invention while wages remained constant, it would have reflected facts more and been better for all.

The Socialist concept is that "Capital" obtains its profits from giving "Labour" less than it is worth; but such words as "Capital" and "Labour", abstracted from reality and used in the vague way they are, lead to misunderstanding. The real position can only be grasped by imagining ourselves deprived of all knowledge of power and production which we have inherited, except our physical strength. The return from the last alone would be almost negligible; and that would be the return from our labour so that "Labour" is seen to receive far more than its due. In contradistinction to this, however, we have inherited enormous assets of power, the result of past labour, which goes unrecognised and in

respect of this inheritance we are all due for some form of dividend.

When, as a result of our labour and our inheritance, goods and services have been produced, the nation needs to bring enough claims on them, money, into existence and to ensure that they are distributed in a manner reasonably representative of the mode of production; wage reflecting the labour and dividend the inheritance. Otherwise, neither the production will be fully employed nor the heritage fully enjoyed. Wages plus this dividend should be sufficient to enable the price of all goods and services produced for sale to be met. The producer, assured of his costs, could then produce to the full or to sufficiency and inventions would not need to be suppressed and there would be no point in having restrictive practices.

Abraham Lincoln, U.S. President, 1861-65, in *Senate Document No. 23, 76th Congress, page 91*, said: "The Government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the consumers. The privilege of creating and issuing money is the supreme prerogative of Government, the Government's greatest creative opportunity." During the Civil War, Lincoln made the following statement to Congress: "I have two great enemies, the Southern Army in front of me and the financial institution in the rear. Of the two, the one in my rear is my greatest foe."

Thomas Jefferson, the third President of the U.S., about 1800, said: "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the Government at defiance. The issuing power (of money) should be taken from the banks and restored to the Government and to the people to whom it belongs. If the American people ever allow private banks to control the issuance of their currency, first by inflation and then by deflation, the corporation that will grow up around them will deprive the people of all their property, until their children will wake up homeless on the land their fathers conquered."

It will be seen that both Cobbett in England and Jefferson in America, at about the same time, fully grasped the evil purpose of the banking system and that, as in each case the system has been allowed to pursue its course, their prophecies have now come to pass and the British and Americans have been dispossessed in favour of the banking system, behind which are the international financiers.

Most of the above section on finance has been taken from an essay on the subject by a friend, Mr. R. L. Duck, because it appeared to be very suitable for the purpose, but the whole subject is dealt with exhaustively in the books by Robertson, Douglas, etc.,

to which reference should be made by anyone anxious to study it. Robertson explains that a study of history shows that the world is an organism suffering from a disease with a wide variety of symptoms which always appear in a definite order. They appear in every part of the globe, except its "uncivilised" parts, and, irrespective of race, nationality, climate or position. The symptoms are the whole range of social disorders, the main ones being poverty amidst plenty, civil and political disorder, frustration, loss of liberty and strife of every kind, finally ending in war. They appear under every condition except one, being found in countries on the gold standard or off it, in ones with blocked currencies, managed currencies or on barter; in countries with free trade or on tariffs, in countries full of gold or those with none, in those with access to all raw materials and those with very little, in industrial and in agricultural societies and in countries which chiefly export and those which do not. Also they appear with equal indifference under all political systems, in monarchies (constitutional or not), in plutocracies and democracies, under dictatorships of race or proletariat, under Conservatism, Liberalism, Socialism or Communism, or any other kind of politics so far tried; and also under every religion or none. They also appear under Federal Union.

An examination of the factors present in these various cases shows that there is only one which is common to all and that is financial credit—the international money system, which has almost escaped notice. The money system must therefore be the basic cause of all the troubles. This is proved to be true by the fact that where the money system is the most powerful the disease is worst and by the fact that the only communities free from the symptoms are the "uncivilised" ones which have not been fully corrupted by the money system.

History shows how disastrous have been the effects on all peasant societies when a usurious money system has been introduced, whether in ancient Rome or, of more recent times, under the British in India, Fiji and Tanganyika, etc.

It will be noted that in the Bible and in the Koran, usury is strongly condemned as an evil thing. By usury is meant, not merely the charging of an inordinately high rate of interest, but the charging of any interest at all. If a usurious money system is introduced into a community, it is inevitable that the value of the money must continually depreciate and that the public must come into irredeemable "debt" to the people who have the power of creating and destroying the money.

It must also be realised that, as Douglas puts it, "power comes not from charging interest but in creating new claims and appropriating them." When the usurer lent the original gold coinage, he

created a debt claim and appropriated the interest. When, however, he began to create and lend money, he appropriated both interest and capital. The bankers' wealth and power finally derive from this credit creation and we are now reaching the stage where the bankers can view the disappearance of interest with composure so long as they are left in sovereign control of money creation. So it would be no use just stopping the charging of interest while allowing money only to be made by being lent into existence.

History shows that all societies with a usurious money system have collapsed in time. Do not forget that banks operated as long ago as in ancient Greece and Babylon. Rome was destroyed by the same means as those by which we are now being destroyed. Will we never learn? See Guglielmo Ferrero's *The Greatness and the Decline of Rome* and Dr. G. T. Wrench's *The Restoration of the Peasantries and Reconstruction by Way of the Soil*. The system always has the effect of destroying the sturdy peasantry, the aristocracy and agriculture and of breeding rootless urban mobs who are ultimately at the disposal of the unscrupulous financiers because of their control of the sources of information, propaganda and bribery.