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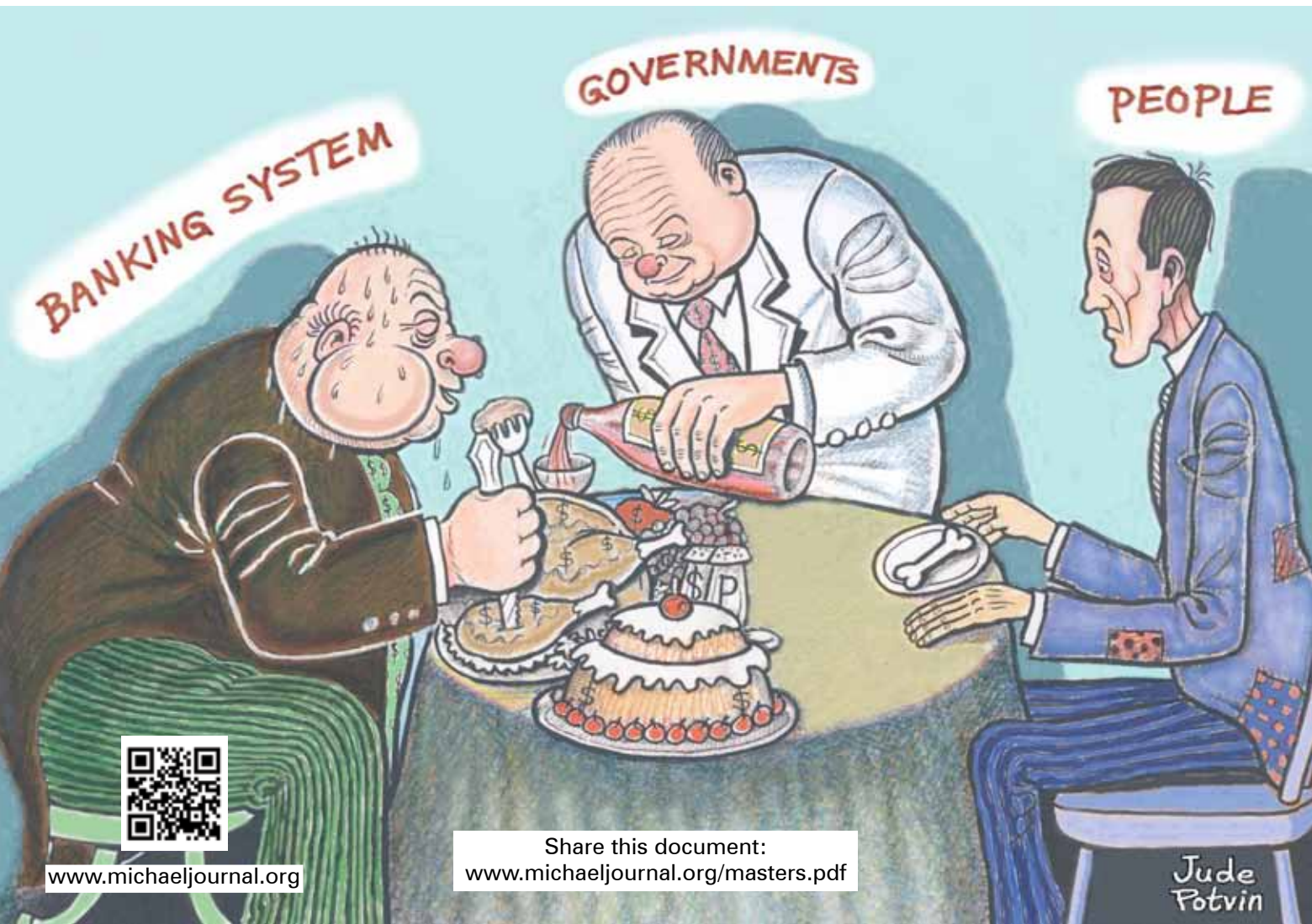
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Special issue



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Jude
Potvin



Who are the REAL rulers of the world?
Special Issue



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**Louis Even
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This brochure is a free special edition of the Michael Journal, a periodical of Catholic-inspiration founded in Canada in 1939 by Louis Even (1885-1974) to make known the financial proposals of Scottish engineer Clifford Hugh Douglas (1879-1952) known as economic democracy

or social credit, which would end the perpetual indebtedness of nations, and give each citizen a sufficient purchasing power to meet at least the basic needs. For the implementation of these proposals, the education of the population is needed. Since 1962, the headquarters of the Michael Journal is based in Rougemont, Quebec, and since 1992 is called the Louis Even Institute for Social Justice.



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The Money Myth Exploded

Money is created as debt

by Louis Even

"The Money Myth Exploded" was one of the first writings of Louis Even in the mid-1930's. One must keep in mind that it was right in the middle of the Depression, with the gold standard still prevailing, and millions of people living in poverty.

Even though the story talks about five Canadians, the conclusion can be applied to any country: all countries are borrowing money at interest from private banks, which create debts that cannot be repaid. The solution is for each nation to issue its own debt-free currency, which would be distributed to the population in the form of dividends, since we are all co-heirs of progress and natural resources.

1. Shipwreck survivors

An explosion had blown their ship apart. Each one grabbed the first bit of available wreckage. When it was over, five men huddled on a raft which the waves carried at will. There was no sign of the other victims of the disaster.

Their eyes searched the horizon hour after long hours. Would

some passing ship see them? Would their make-shift raft find its way to some friendly shore?

Suddenly a cry rang out: "Land! Look! Over there, in the direction the waves are carrying us!"

And as the vague silhouette proved itself to be in fact, the outline of a shore, the five men on the raft danced with joy.

There was Frank, a carpenter, large-framed and energetic. It was he who had first cried, "Land!"

Then Paul, a farmer. You can see him, front and left in the picture, on his knees, one hand against the floor and the other gripping the mast of the raft.

Next is Jim, an animal breeder; he's the one in the striped pants, kneeling and gazing in the direction of land.

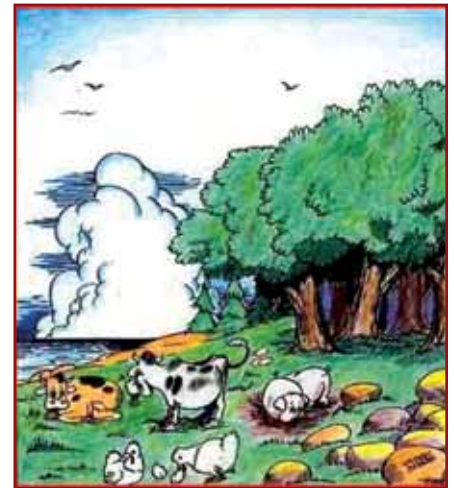
Then there is Harry, an agriculturist, a little on the stout side, seated on a trunk salvaged from the wreck.

And finally Tom, a prospector and a mineralogist; he is the merry fellow standing in the rear of the picture with his hand on the carpenter's shoulder.

2. A providential island

To these five men, setting foot on land was like returning to life from the grave. When they had dried and warmed themselves their first impulse was to explore this little island on to which they had been cast.

A quick survey was sufficient to raise their spirits. The island was not a barren rock. True enough, they were the only men on it at the moment, but judging from the herds of semi-domesti-



cated animals they encountered, there must have been men here at some time before them. Jim, the animal breeder, was sure he could completely domesticate them and put them to good service.

Paul found the island's soil, for the most part, to be quite suitable for cultivation.

Harry discovered some fruit trees which, if properly tended, would give good harvests.

Most important were the large stands of timber containing many types of wood. Frank, without too much difficulty, would be able to build houses for the little community.

As for Tom, the prospector, the rock formations of the island showed signs of rich mineral deposits. Despite lacking tools, Tom still felt his ingenuity and initiative could produce metals from the ores.

Each could serve the common good with his special talent, and all agreed to call the place Salvation Island, giving thanks to Providence for the reasonably happy ending to what could have been total tragedy. ▶



3. True wealth

Here are the men at work.

Each man worked at his own trade. Whatever surpluses he might have of his own produce, he exchanged for the surplus products of the others.

As season follows season Salvation Island, the heritage of the five men, became richer and richer.

Its wealth was not that of gold or of paper bank notes but one of true value; a wealth of food and clothing and shelter, of all the things to meet human needs.



Life wasn't always as smooth and complete as they would have wished it to be. They lacked many of the things to which they had been accustomed in civilization, but their lot could have been a great deal worse.

Besides, all had experienced the depression in Canada. They still remembered the empty bellies of people standing outside stores crammed with food.

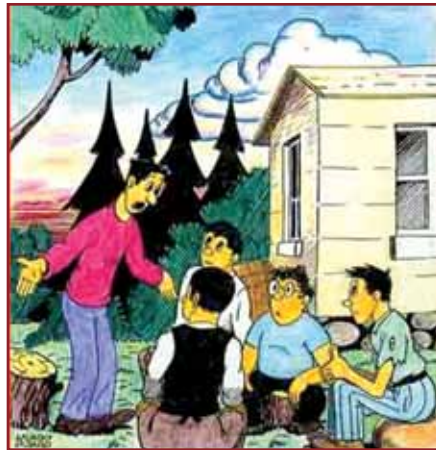
At least, on Salvation Island, they weren't forced to watch the things they needed rot before their eyes. Taxes were unknown here. Nor were they in constant fear of property seizure by the bailiff. They worked hard but at least they could enjoy the fruits of their toil.

So, still in possession of life and health, those two greatest of blessings, they continued developing the island, thanking God

and hoping for some day reunion with their families

4. A serious inconvenience

The men often got together to talk over their affairs.



Under the simple economic system which had developed, one thing was beginning to bother them more and more; they had no form of money. Barter, the direct exchange of goods for goods, had its drawbacks. The products to be exchanged were not always at hand when a trade was discussed. For example, wood delivered to the farmer in winter could not be paid for in potatoes until six months later.

Sometimes one man had an article of considerable size which he wished to exchange for a number of smaller articles produced by different men at different times.

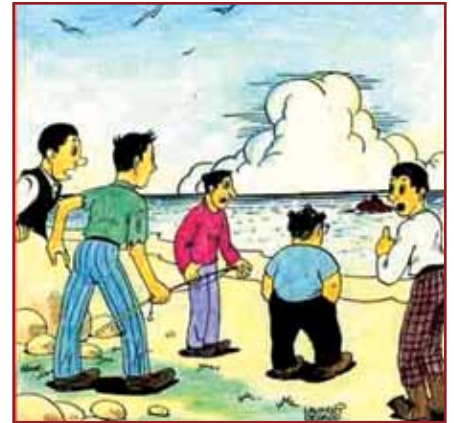
All this complicated business and laid a heavy burden on the memory. With a monetary system, however, each one could sell his products to the others for money. With this money he could buy from the others the things he wanted when he wished and also when they were available.

It was agreed that a system of money would indeed be very convenient. But none of them knew how to set up such a system. They knew how to produce true wealth – goods. But how to produce money, the symbol of this wealth, was something quite beyond them. They were ignor-

ant of the origin of money and although they needed it, they didn't know how to produce it. Certainly, many men of education would have been in the same boat; all our governments were in the same predicament during the ten years prior to the war. The only thing the country lacked at that time was money and the governments apparently didn't know what to do to get it.

5. Arrival of a refugee

One evening, when our boys were sitting on the beach going over their problem for the hundredth time, they suddenly saw a small boat approaching with a solitary man at the oars.



They learned that he was the only survivor of a wreck. His name was Oliver.

Delighted to have a new companion, they provided him with the best that they had and took him on an inspection tour of the colony.

"Even though we're lost and cut off from the rest of the world," they told him, "we haven't too much to complain about. The earth and the forest are good to us. We lack only one thing – money. — to make it easier for us to exchange our products."

"Well, you can thank Providence," replied Oliver, "because I am a banker and in no time at all, I'll set up a system of money guaranteed to satisfy you. Then you'll have everything that people in civilization have."

A banker!... A BANKER!... An angel coming down out of the clouds couldn't have inspired more reverence and respect in our men. For after all, aren't we accustomed to genuflect before bankers, these men who control the lifeblood of finance?

6. Civilization's god

"Mr. Oliver, as our banker, your only occupation on this island will be to look after our money; no manual labour."

"I shall, like every other banker, carry out to complete satisfaction my task of forging the community's prosperity."

"Mr. Oliver, we're going to build you a house that will be in keeping with your dignity as a banker. But in the meantime, do you mind if we lodge you in the building that we use for our get-togethers?"



"That will suit me, my friends. But first of all, unload the boat. There's paper and a printing press, complete with ink and type and there is a little barrel which I exhort you to treat with the greatest care."

They unloaded everything. The small barrel aroused intense curiosity in our good fellows.

"This barrel," Oliver announced, "contains a treasure beyond dreams. It is full of... gold!"

Full of gold! The five all but swooned. The god of civilization here on Salvation Island! The yellow god, always hidden, yet terrible in its power, whose presence or absence or slightest caprice

could decide the very fate of all the civilized nations!

"Gold! Mr. Oliver, you are indeed a great banker!" "Oh august majesty! Oh honorable Oliver! Great high priest of the god, gold! Accept our humble homage and receive our oaths of fidelity!"

"Yes, my friends, gold enough for a continent. But gold is not for circulation. Gold must be hidden. Gold is the soul of healthy money and the soul is always invisible. But I'll explain all that when you receive your first supply of money."

7. The secret burial

Before they went their separate ways for the night, Oliver asked them one last question.

"How much money will you need to begin with in order to facilitate trading?"

They looked at one another, then deferentially towards the banker. After a bit of calculation, and with the advice of the kindly financier, they decided that \$200 each would do.

The men parted, exchanging enthusiastic comments. And in spite of the late hour, they spent most of the night lying awake, their imaginations excited by the picture of gold. It was morning before they slept.



As for Oliver, he wasted not a moment. Fatigue was forgotten in the interests of his future as a banker. By dawn's first light, he dug a pit into which he rolled the barrel. He then filled it in, transplanting a small shrub to the spot

about which he carefully arranged sod. It was well hidden.

Then he went to work with his little press to turn out a thousand \$1 bills. Watching the clean new banknotes come from his press, the refugee turned banker thought to himself:

"My! How simple it is to make money. All its value comes from the products it will buy. Without produce, these bills are worthless. My five naive customers don't realize that. They actually think that this new money derives its value from gold! Their very ignorance makes me their master."

And as evening drew on, the five came to Oliver on the run.

8. Who owns the new money?



Five bundles of new banknotes were sitting on the table. "Before distributing the money," said the banker, "I would like your attention.

"Now, the basis of all money is gold. And the gold stored away in the vault of my bank is my gold. Consequently, the money is my money. Oh! Don't look so discouraged. I'm going to lend you this money and you're going to use it as you see fit. However, you'll have to pay interest. Considering that money is scarce here, I don't think 8% is unreasonable."

"Oh, that's quite reasonable, Mr. Oliver."

"One last point, my friends. Business is business, even between pals. Before you get the money, each of you must sign a

► paper. By it you will bind yourselves to pay both interest and principal under penalty of confiscation of property by me. Oh! This is a mere formality. Your property is of no interest to me. I'm satisfied with money. And I feel sure that I'll get my money and that you'll keep your property."

"That makes sense, Mr. Oliver. We're going to work harder than ever in order to pay you back."

"That's the spirit. And any time you have a problem, you come and see me. Your banker is your best friend. Now here's two hundred dollars for each one of you."

And our five brave fellows went away, their hands full of dollar bills, their heads swimming with the ecstasy of having money.

9. A problem in arithmetic

And so Oliver's money went into circulation on the island. Trade, simplified by money, doubled. Everybody was happy.

And the banker was always greeted with unflinching respect and gratitude.



But now, let's see... Why does Tom, the prospector, look so grave as he sits busily figuring with a pencil and paper? It is because Tom, like the others, has signed an agreement to repay Oliver, in one year's time, the \$200 plus \$16 interest. But Tom has only a few dollars in his pocket and the date of payment is near.

For a long time he wrestled

with this problem from his own personal point of view, without success. Finally, he looked at it from the angle of the little community as a whole.

"Taking into consideration everyone on the island as a whole," he mused, "are we capable of meeting our obligations? Oliver turned out a total of \$1000. He's asking in return \$1080. But even if we bring him every dollar bill on the island, we'll still be \$80 short. Nobody made the extra \$80. We turn out produce, not dollar bills. So Oliver can take over the entire island, since all the inhabitants together can't pay him back the total amount of the capital and the interest.

"Even if a few, without any thought for the others, were able to do so, those others would fail. And the turn of the first person spared would come eventually. The banker will have everything. We'd better hold a meeting right away and decide what to do about it."

Tom, with his figures in his hand, had no difficulty in proving the situation. All agreed that they had been duped by the kindly banker. They decided upon a meeting at Oliver's.

10. The benevolent banker

Oliver guessed what was on their minds but he put on his best front. While he listened, the impetuous Frank stated the case for the group.

"How can we pay you \$1080 when there is only \$1000 on the entire island?"

"That's the interest, my friends. Has not your rate of production increased?"

"Sure, but the money hasn't. And it's money you're asking for, not our products. You are the only one who can make money. You've made only \$1000, and yet you ask \$1080. That's an impossibility!"

"Now listen, fellows. Bankers, for the greater good of the community, always adapt themselves

to the conditions of the times. I'm going to require only the interest, which is only \$80. You will go on holding the capital."



"Bless you, Mr. Oliver! Are you going to cancel the \$200 each of us owes you?"

"Oh no! I'm sorry but a banker never cancels a debt. You still owe me all the money you borrowed. But you can pay me the interest each year. If you meet the interest payments faithfully each year, I won't push you for the capital. Maybe some won't be able to repay even the interest because of the money changing hands among you. Well, organize yourselves like a nation. Set up a system of money contributions, what we call taxes. Those who have more money will be taxed more; the poor will pay less. See to it that you bring me, in one lump sum, the total of the amount of interest and I'll be satisfied. And your little nation will thrive."

So our boys left, somewhat pacified but still dubious.

11. Oliver exults

Oliver is alone, deep in reflection. His thoughts go something like this:

"Business is good. These boys are good workers but stupid. Their ignorance and naivety is my strength. They ask for money and I give them the chains of bondage. They give me flowers and I pick their pockets.

"True enough, they could mutiny and throw me into the sea. But pshaw! I have their signa-

tures. They're honest and they will honor their pledges. Honest, hardworking people were put into this world to serve the Financiers.

"Oh great Mammon! I feel your banking genius coursing through my entire being! Oh, illustrious master! How right you were when you said: 'Give me control of a nation's money and I won't mind who makes its laws.' I am the master of Salvation Island because I control its money.

"My soul is drunk with enthusiasm and ambition. I feel I could rule the universe. What I, Oliver, have done here, I can do throughout the entire world. Oh! If only I could get off this island! I know how I could govern the world without wearing a crown.

"My supreme delight would be to instill my philosophy in the minds of those who lead society: bankers, industrialists, politicians, reformers, teachers, journalists – all would be my servants. The masses are content to live in slavery when the elite from among them are constituted to be their overseers."

12. The cost of living unbearable



Meanwhile, things went from bad to worse on Salvation Island. Production was up and bartering had dropped to a minimum. Oliver collected his interest regularly. The others had to think of setting money aside for him. Thus, money tended to clot instead of circulating freely.

Those who paid the most in

taxes complained against those who paid less. They raised the prices of their goods to compensate for this loss. The unfortunate poor who paid no taxes lamented the high cost of living and bought less.

If one took a salaried job with another, he was continually demanding increases in salary in order to meet the mounting cost of living.

Morale was low. The joy went out of living. No one took an interest in his work. Why should he? Produce sold poorly. When they would make a sale, they had to pay taxes to Oliver. They went without, this was a real crisis. And they accused one another of wanting in charity and of being the cause of the high cost of living.

One day, Harry, sitting in his orchard, pondered over the situation. He finally arrived at the conclusion that this "progress", born of a refugee's monetary system, had spoiled everything on the island. Unquestionably, all five had their faults but Oliver's system seemed to have been specifically designed to bring out the worst in human nature.

Harry decided to demonstrate this to his friends and to unite them for action. He started with Jim, who was not hard to convince. "I'm no genius," he said, "but for a long time now there's been a bad smell about this banker's system."

One by one they came to the same conclusion and they ended up by deciding to have another conference with Oliver.

13. Enslaved by Oliver

A veritable tempest burst about the ears of the banker.

"Money's scarce on the island, fellow, because you take it away from us! We pay you and pay you and still we owe you as much as at the beginning. We work our heads off! We've the finest land possible and yet we're

worse off than before the day of your arrival. Debts! Debts! Up to our necks in debts!"

"Now boys, be reasonable! Your affairs are booming and it's thanks to me. A good banking system is a country's best asset. But if it is to work beneficially, you must have faith in the banker. Come to me as you would to a father... Is it more money that you want? Very well. My barrel of gold is good for many thousands of dollars more. See, I'm going to mortgage your latest acquisitions and lend you another thousand dollars right now."



"So! Now our debt goes up to \$2000! We are going to have twice as much interest to pay for the rest of our lives!"

"Well, yes – but I'll lend you more whenever the value of your property increases. And you'll never pay anything but the interest. You'll lump all your debts into one – what we call a consolidated debt. And you can add to the debt, year after year."

"And raise the taxes, year after year?"

"Obviously. But your revenues also increase every year."

"So then, the more the country develops each year because of our labor, the more the public debt increases!"

"Why, of course! Just as in your country – or in any other part of the civilized world for that matter. The degree of a country's civilization is always gauged by the size of its debt to the bankers." ▶

► 14. The wolf devours the lambs

"And that's a healthy monetary system, Mr. Oliver?"

"Gentlemen, all sound money is based on gold and it comes from the banks in the form of debts. The national debt is a good thing. It keeps men from becoming too satisfied. It subjugates governments to the supreme and ultimate wisdom, that which is incarnate in bankers. As a banker, I am the torch of civilization here on your little island. I will dictate your politics and regulate your standard of living."

"Mr. Oliver, we're simply uneducated folks but we don't want that kind of civilization here. We'll not borrow another cent off of you. Sound money or not, we don't want any further transactions with you."

"Gentlemen, I deeply regret this very ill-advised decision of yours. But if you break with me, remember, I have your signatures. Repay me everything at once – capital and interest."

"But that's impossible, sir. Even if we give you all the money on the island, we still won't be square with you."

"I can't help that. Did you or did you not sign? Yes? Very well."

"By virtue of the sanctity of contracts, I hereby seize your mortgaged property which was what you agreed to at the time you were so happy to have my help. If you don't want to serve willingly the supreme authority of money, then you'll obey by force. You'll continue to exploit the island but in my interests and under my conditions. Now, get out! You'll get your orders from me tomorrow."

15. Control of the press

Oliver knew that whoever controlled the nation's money, controlled the nation. But he knew also that to maintain that control, it was necessary to keep the people in a state of ignorance and to distract them by a variety of means.



Oliver had observed that of the five islanders, two were conservatives and three were liberals. That much had evolved from their evening conversations, especially after they had fallen into slavery. And between the conservatives and those who were liberals, there was a constant friction.

On occasions, Harry, the most neutral of the five, considering that all had the same needs and aspirations, had suggested the union of the people to put pressure on the authorities. Such a union, Oliver could not tolerate; it would mean the end of his rule. No dictator, financial or otherwise, could stand before a people united and educated.

Consequently, Oliver set himself to foment, as much as possible, political strife between them.

The refugee put his press to work, turning out two weekly newspapers, "The Sun" for the Liberals and "The Star" for the Conservatives.

The general tenor of "The Sun" was: "If you are no longer master, it is because of those traitorous Conservatives who have sold out to big business."

That of "The Star" stated: "The ruinous state of business and the national debt can be traced directly to the political responsibility of those unmentionable Liberals."

Circulate this document

16. Precious salvage

One day, Tom, the prospector, found a lifeboat on a small beach, hidden by tall grass at one end of the island. It was empty except for a trunk in good condition lying in the bottom of it.

He opened the trunk. Among the articles within, an album caught his eye: "The First Year of Social Credit." Between the covers he found a Social Credit publication.

Curious, Tom sat down and began to read the volume. His interest grew and his face lit up.

"Well, just look at this!" he cried out loud. "This is something we should have known a long time ago."

"Money gets its value, not from gold but from the products which that money buys.

"Simply put, money should be a sort of accounting system, with credits passing from one account to another according to purchases and sales. The total of money will depend upon the total of production.

"Each time production increases, there is a corresponding increase in the amount of money. Never at any time should interest be paid on new money. Progress is marked, not by an increase in the public debt but by the issuance of an equal dividend to each individual... Prices are adjusted to the general purchasing power by a coefficient of prices and incomes. Social Credit..."

But Tom could no longer contain himself. He got up and set off at a run, the book in his hands, to share this glorious discovery with his four comrades.

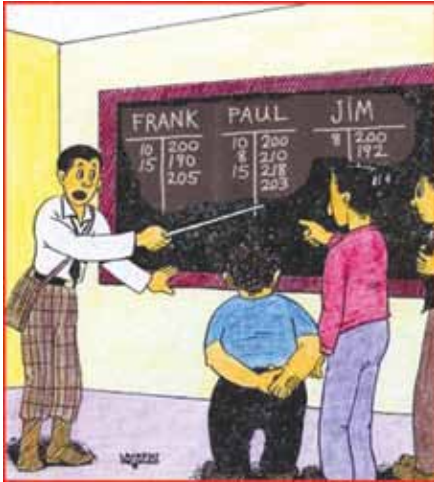
17. Money – basic accounting

So Tom became the teacher. He taught the others what he had learned from that Heaven-sent Social Credit publication.

"This," he said, "is what we can do without waiting for a bank-

er and his keg of gold or without underwriting a debt.

"I open an account in the name of each one of you. In the right-hand column are the credits which increase your account; to the left are the debits which subtract from your account.



"Each wants \$200 to begin with. Very well. We write \$200 to the credit of each. Each immediately then has \$200.

"Frank buys some goods from Paul for \$10. I deduct \$10 from Frank, leaving him \$190. I add \$10 to Paul and he now has \$210.

"Jim buys from Paul to the amount of \$8. I deduct from Jim \$8, leaving him \$192. Paul now has \$218.

"Paul buys wood from Frank for \$15. I deduct \$15 from Paul, leaving \$203. I add \$15 to Frank's account, and it goes back to \$205.

"And so we continue from one account to another, in the same fashion that paper banknotes go from one man's pocket to another's.

"If someone needs money to expand production, we issue him the necessary amount of new credit. Once he has sold his products, he repays the sum to the credit fund. The same with public works that are paid for with new credits.

"Likewise, each one's account is periodically increased but without taking credits from anyone, in order that all may benefit from the progress society makes. That's the national dividend. In this fashion,

money becomes an instrument of service."

18. The banker's despair

Everyone understood. The members of this little community became Social Crediters. The following day, Oliver, the banker, received a letter signed by the five:

"Dear sir! Without the slightest necessity you have plunged us into debt and exploited us. We don't need you anymore to run our money system. From now on, we'll have all the money we need without gold, debts, nor thieves. We are establishing, at once, the system of Social Credit on the island. The national dividend is going to replace the national debt.

"If you insist on being repaid, we can repay you all the money you gave us. But not a cent more. You cannot lay claim to that which you have not made."

Oliver was in despair. His empire was crumbling. His dreams shattered. What could he do? Arguments would be futile. The five were now Social Crediters: money and credit were now not more mysterious to them than they were to Oliver.

"Oh!" said Oliver. "These men have been won to Social Credit! Their doctrine will spread far more quickly than mine. Should I beg forgiveness? Become one of them? I, a financier and a banker? Never! Rather, I shall try and put as much distance between them and me as I can!"

19. The fraud unmasked

To protect themselves against any future claim by Oliver, our five men decided to make him sign a document attesting that he again possessed all he had when he first arrived on the island.

An inventory was taken; the boat, the oars, the little press and the famous barrel of gold.

Oliver had to reveal where he had hidden the gold. Our boys hoisted it from the hole with considerably less respect than the day they had unloaded it from the boat.



Social Credit had taught them to despise gold.

The prospector, who was helping to lift the barrel, found it surprisingly light for gold. If the barrel was full, he told the others, there was something in it besides gold.

The impetuous Frank didn't waste a moment; a blow of the axe and the contents of the barrel were exposed. Gold? Not so much as a grain of it! Just rocks – plain, worthless rocks! Our men couldn't get over the shock.

"Don't tell us that he could bamboozle us to this extent!"

"Were we such muttonheads as to go into raptures over the mere mention of gold?"

"Did we mortgage all of our possessions for a few pieces of paper based on a few pounds of rocks? It's robbery, compounded with lies!"

"To think that we sulked and almost hated one another because of such a fraud! That devil!"

Furious, Frank raised his axe. In great haste, the banker had already taken flight towards the forest.

After the opening of the barrel and the revelation of his duplicity, nothing further was heard of Oliver.

Shortly after, a ship, cruising off the normal navigation route, noticed signs of life on this uncharted island and cast anchor a short distance offshore.

The men decided to take with them what they could carry, first of all, the book on social credit, which had proven to be their salvation from the hands of the financier

Louis Even



From parable to reality



by Louis Even
A debt-money system

The debt-money system introduced by Oliver into the Salvation Island made the little community sink into financial debt in proportion as it developed and enriched the island by its own work.

This is exactly what happens in our civilized countries, is it not?

Canada of today is certainly richer, in real wealth, than it was 50, 100 years ago, or in the pioneers' age. But compare the national debt, the sum of all public debts of Canada today with this sum 50, 100 years, three centuries ago!

Yet the Canadians themselves produced this enrichment by their labour and their know-how. Then why should they be collectively indebted for the result of their own activities?

For example, consider the schools, the municipal aqueducts, the bridges, roads and other fabrics of public character. Who built them all? Builders of the country. Who supplied them with the needed materials? Manufacturers of the country. And how come they can be employed in public works? Because there are other kinds of workers who produce food, clothes, shoes, who supply all the things and services required for the wants of the constructors and manufacturers.

Thus the whole population of Canada by its work of different kinds, produce all those developments. If we must obtain goods from abroad, we send other goods abroad in exchange for them.

Now, what do you see? Competent and skilled people are required for the construction of schools, hospitals, bridges, roads and other public works. All the members of society agree to compensate these workers for their contribution.

You pay much more than the double price

So far, no problem. However, the population is made to pay more than the price of what it produced. Their own production — a real enrichment — has become for the Canadians a debt burdened with interest. When years add to years, the sum of the interests can equal or even exceed the amount of the debt imposed by the system.

It happens that the population may have to pay two, three times the cost of what its members produced.

In addition to the public debts, there are industrial debts, also loaded with interests. They compel the manufacturers and contractors to increase their prices beyond the cost of production, in order to reimburse the capital and the interests; otherwise they would become insolvent, bankrupt.

Both public and industrial debts are paid, plus interest, by the Canadian population, to the financial system. We pay taxes for the public debts, and a surplus of price for the industrial debts. Prices are swelling while the purse is flattened by taxes.

A tyrannical system

These and many other facts are indicative of a money system, a financial system which controls instead of being a servant; a system to dominate the people — as Oliver dominated the fellows of the Island before they rebelled.

And if the money masters refuse to lend, or if they make their conditions unbearable for the public bodies or for the manufacturers, what happens? It happens that the public bodies give up many projects, no matter how urgent; and the manufacturers give up development or production plans that would answer to real needs of Canadians. This is a cause of unemployment. And those who still have something, or who earn a salary, must be taxed to prevent the unemployed from starving completely.

Can you imagine a more tyrannical system, with so baneful effects on every Canadian?

A bar to distribution

And this is not all. Not only the money system indebts the producers, or paralyzes the production it refuses to finance, but it is a wretched financial tool for the distribution of the goods.

Notwithstanding the fact that stores, shops and warehouses are full, and that everything is at hand for an even greater production, the distribution of the goods already produced is stunted.

You can obtain only that what you can pay. In face of an abundant production, there should be an abundance of purchasing power, of money in the wallets of the people. Such is not the fact. The reali-

ty of the current system is that the total price of the finished goods is always higher than the amount of money distributed as purchasing power in the course of their production. This is inherent to the accountancy of the present system of finance which has no mechanism to fill the gap.

The capacity to pay is not made to equal the capacity to produce. Finance and reality do not work at the same rate. Reality means an abundance of goods easy to produce. Finance means a shortage of money which is hard to obtain.

To correct what is wicked

Thus the present money system is truly an oppressive one, when it should be a system of service.

This does not mean that we must do away with it, but we must correct it. The application of the financial principles known as Social Credit would make this correction magnificently. (Do not confound Social Credit with the political parties which usurped that name while pursuing other ends and practising an adverse policy.)

The principles of Social Credit, when applied, would make the money system a servant instead of a master. They were discovered and enunciated by a genius, C. H. Douglas (deceased in 1952). His first writings on this subject were published in 1918.

Social Credit gives priority to the realities over the financial symbols that are not realities, symbols that must simply represent, and faithfully represent, the realities. This is why Social Credit makes a distinction between real credit (a reality) and financial credit (a representation or symbol).

The word "credit" comes from the Latin word "credere" and bears the idea of confidence. Even in everyday language, to give credit to someone, is it not to indicate that we have confidence in him?

Social Credit calls real credit of a country what really gives confidence in that country, confidence that one can live there without too much difficulty. The real credit of a country is its production capacity. It is its degree of possibility to produce and deliver the goods to the needs.

And Social Credit affirms that financial credit must be the exact representation of the real credit.

It is therefore the production capacity that must determine the movement of finance. It is absolutely not for finance to command, paralyze or limit the production capacity.

This is why Social Credit demands the establishment of a credit office that would keep an account of national (or provincial) credit. Any production, those of consumption goods and those of capital goods, would then be entered as an increase of wealth. And all consumptions (or destruction, or

depreciation) would then be entered as a decrease of wealth. The net increase in wealth would be production minus consumption.

With very few and passing exceptions where a country would live at the expense of another, the production of a country surpasses its consumption. The country is becoming richer. It is therefore absurd to say that it is going into debt. The public debt is an absurdity.

A dividend to all

And when a country is getting richer, its citizens must certainly draw advantage from this. This is what Social Credit recognizes, when speaking of a dividend to all. The modern production, in fact, is more and more the result of applied science, of inventions, of improvements in production techniques, and of all these things that constitute a common good: a heritage transmitted and increased from one generation to the next. Modern production is less and less the result of individual labour.

Hoping to distribute the production only through the reward of human labour, is therefore contrary to the facts. It is at the same time impossible, for the money distributed as recompense for work can never buy the production that contains other elements in its prices.

Seeking salary increases with decreases in human labour, is also to change the meaning of the word salary. It is no more a recompense for work; it is the inclusion in the salary of the hired persons of what should be a dividend for all, since it is the fruit of progress and not of labour. This deviation is a hindrance to the desired goal, since in becoming a salary instead of remaining a dividend, these additional amounts go into the prices.

Social Credit would distribute the dividend to everyone, directly, without charging it to industry. It would truly raise everyone's purchasing power.

Besides being the recognition of a very productive community capital, this social dividend would at the same time be an excellent way of satisfying the primary destination of the earthly goods. "Earth and its riches were created for all men" (Pius XII). This is totally ignored by the present economic regime in its financial technique of distribution.

Contact us in Africa

Ghana

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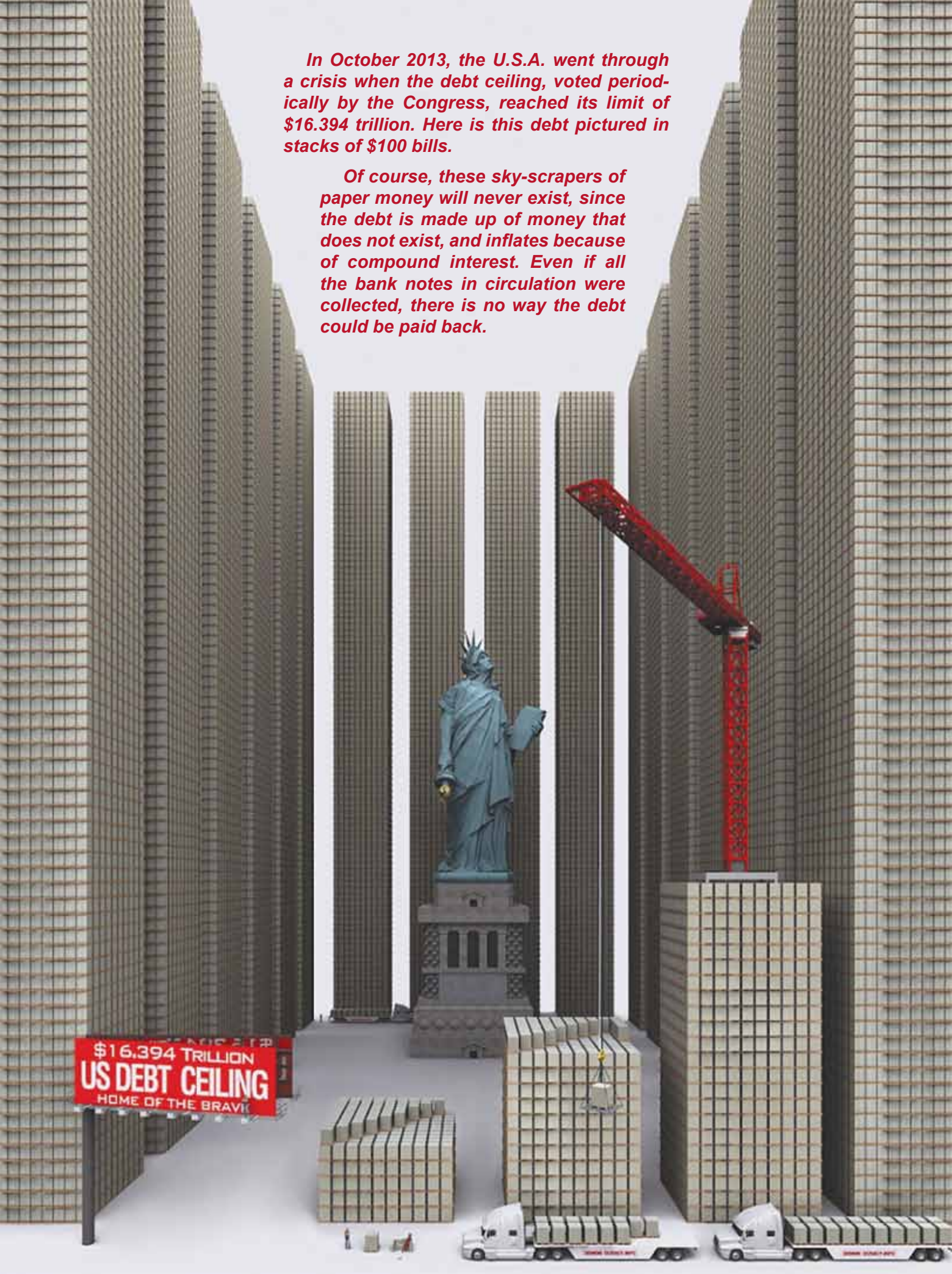
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Fr Vincent Muhindo 256 77 66 00 369

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In October 2013, the U.S.A. went through a crisis when the debt ceiling, voted periodically by the Congress, reached its limit of \$16.394 trillion. Here is this debt pictured in stacks of \$100 bills.

Of course, these sky-scrapers of paper money will never exist, since the debt is made up of money that does not exist, and inflates because of compound interest. Even if all the bank notes in circulation were collected, there is no way the debt could be paid back.





There is no way we can get out of debt

Since all money is created as a debt

by Alain Pilote

It is very important to understand this point: the total debt can never be paid off, for it represents money that does not exist. Louis Even explained it so brilliantly and simply in his fable, *The Money Myth Exploded*. (See page 3.) In the fable, Oliver lends money at a rate of 8%, but any rate – even 1% – would create an impossibility to pay back the entire loan, principal and interest.

Let us suppose the five shipwrecked people on the island decide to borrow from Oliver a total of \$100, at 6% interest. At the end of the year, they must pay Oliver the interest of 6%, that is to say, \$6. 100 minus 6 = 94, so there is \$94 left in circulation on the island. But the \$100 debt remains. The \$100 loan is therefore renewed for another year, and another \$6 of interest is due at the end of the second year. 94 minus 6, leaves \$88 in circulation. If they continue to pay \$6 in interest each year, by the seventeenth year, there will be no money left in circulation on the island, but the debt will still be \$100, and Oliver will be authorized to seize all the properties of the island’s inhabitants.

Production has increased on the island but not the money supply. It is not products that the banker wants but money. The island’s inhabitants were making products, but not money. Only the banker has the right to create money. So, it seems that it was not wise for our five fellows to pay the interest yearly.

Even borrowing the interest won’t solve anything but will only delay the final bankruptcy. Let us suppose that at the end of the first year, the five fellows decide not to pay the interest, but to borrow it from Oliver, thereby increasing the loan principal to \$106. “No problem,” says Oliver, “the interest on the additional \$6 is only 36 cents; it is peanuts in comparison with the \$106 loan!” So the debt at the end of the second year is: \$106 plus the interest at 6% of \$106, \$6.36, for a total debt of \$112.36 after two years.

At the end of the fifth year, the debt is \$133.82 and the interest is \$7.57. “It is not so bad,” thought the five guys, “the interest has only increased by \$1.57 in five years. We can handle that.” However, after 50 years, the situation is quite different. The debt is \$1,842.02 and the interest due on the debt is \$104.26. **At no time can the debt be paid off with the money that exists in circulation, not even at the end of the first year:** there is only \$100 in circulation, and a debt of \$106 remains. And at the end of the fif-

Year	Original borrowed capital	Debt at year end *	Interest due at year end	Money in circulation
1	\$100	\$106.00	\$6.00	\$100
2	(remains the same)	\$112.36	6.36	(remains the same)
3	"	119.10	6.74	"
4	"	126.25	7.15	"
5	"	133.82	7.57	"
10	"	179.08	10.14	"
20	"	320.71	18.15	"
30	"	574.35	32.51	"
40	"	1,028.57	58.22	"
50	"	1,842.02	104.26	"
60	"	3,298.77	186.72	"
70	"	5,907.59	334.39	"

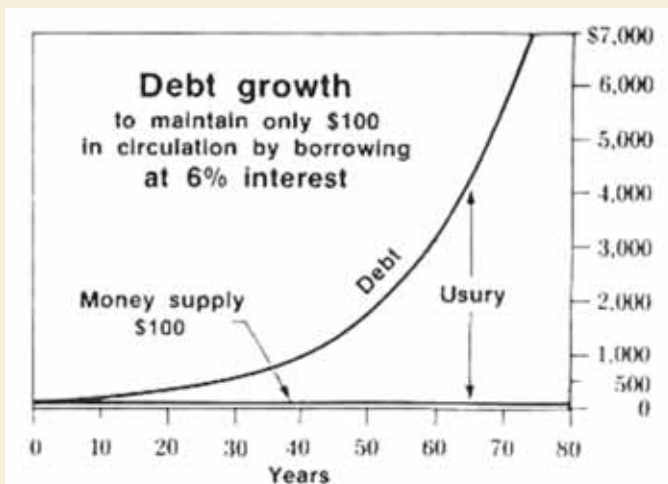
* includes interest due

tieth year, all the money in circulation (\$100) won’t even pay the interest due on the debt: \$104.26.

All money in circulation is a loan and must be returned to the bank, increased with interest. The banker creates money and lends it, but he has the borrower’s pledge to bring all this money back, plus money not created. Only the banker can create money: he creates the principal, but not the interest. And he demands that we pay him back, in addition to the principal that he created, the interest that he did not create, and that nobody else created either. (In the example mentioned above, the banker lends \$100 and wants to get \$106 back.)

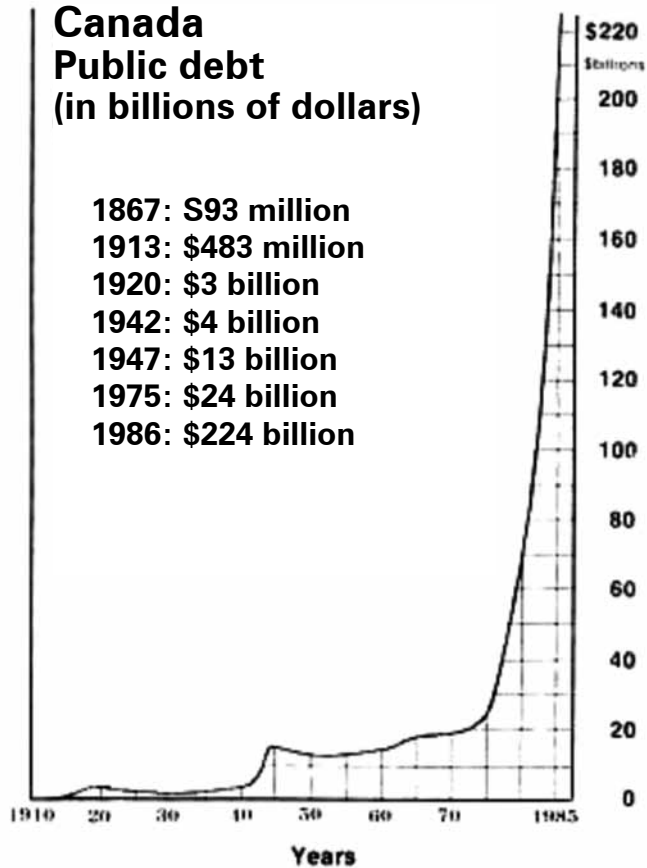
As it is impossible to pay back money that does not exist, debts accrue. The public debt is made up of money that does not exist, that is to say, the interest that has never been created, but that governments nevertheless have committed themselves to paying back. An impossible contract, represented by the bankers as a “sacrosanct contract”, to be abided by, even though human beings die because of it.

Put all these results on a chart: the horizontal line across the bottom of the chart is marked off in years, and the vertical line is marked off in dollars. By connecting all these points by a line, we trace a curve, and you see the effect of compound interest and the growth of the debt. (See chart next page.) ▶



Canada Public debt (in billions of dollars)

1867: \$93 million
1913: \$483 million
1920: \$3 billion
1942: \$4 billion
1947: \$13 billion
1975: \$24 billion
1986: \$224 billion



► The curve is quite flat at the beginning, but then becomes steeper as time goes on. The debts of all countries follow the same pattern, and are increasing in the same way. Let us study, for example, Canada's public debt.

When Canada was founded in 1867 (the union of four provinces — Ontario, Quebec, New Brunswick, and Nova Scotia), the country's debt was \$93 million. The first major increase took place during World War I (1914-18), when Canada's public debt went up from \$483 million in 1913 to \$3 billion in 1920. The second major increase took place during World War II (1939-45), when the debt went up from \$4 billion in 1942 to \$13 billion in 1947. These two increases may be explained by the fact that the Government had to borrow large sums of money in order to take part in these two wars.

But how can be explained the phenomenal increase of these last years, when the debt almost increased ten times, passing from \$24 billion in 1975 to \$224 billion in 1986, in peacetime (then \$575 billion in 1996), when Canada had no need to borrow for war? It is the effect of **compound interest**, like in the example of the island in *The Money Myth Exploded*.

Debts of federal governments represent huge sums, but they are only the peak of the iceberg: If there are public debts, there are also private debts! The Federal Government is the biggest single borrower, but not the only borrower in the country: there are also individuals and companies. In the United States, in 1992, the public debt was \$4 trillion, and the total debt was \$16 trillion, with an existing money supply of only \$950 billion. In 2006, the debt of the U.S. government reached \$17 trillion, and the total debt (states, corporations, consumers) was over \$100 trillion!

In his November 1993 report, Canada's Auditor General calculated that of the \$423 billion in net debt accumulated from Confederation to 1992, only \$37 billion went to make up the shortfall in program

spending. The remaining \$386 billion covered what it has cost to borrow that \$37 billion. In other words, 91% of the debt consisted of interest charges, the Government having spent only \$37 billion (8.75% of the debt) for actual goods and services.)

Fortunately, more and more people understand this fraudulent scheme of creating money as a debt. For example, Mr. Gilbert Vik of Cathlamet, Washington, wrote a few years ago, this very interesting letter:

"For every person in our country, there is \$20,000 of money in existence. Sounds good! But there is \$64,000 of debt! Apply your \$20,000 to the debt, and that money will cease to exist, leaving you without any money and \$44,000 of debt. Your options are to forfeit your assets or borrow more money to attempt to pay. You cannot borrow yourself out of debt!

"Since the method of money creation is itself the cause of the ever-increasing debt, it is not possible to correct the problem using any method that deals with money after it has been created.

"Working harder will not correct it. Working longer hours will not correct it. Having a job for everyone in the family will not correct it. Neither raising nor lowering wages will correct it. Full employment will not correct it. Less spending will not correct it. More spending will not correct it. (*And the list goes on...*)

“The only thing that will correct it is the one thing that is sacrosanct in the media, in education, in politics, and, yes, even in our social circles. The only thing that will correct it is to strip private companies (banks) of their power to create money as debt at interest, and to adopt a method of money creation whereby the United States Treasury creates money as credit!

“This issue is the key issue to the financial future of our nation and world! This chicanery is practiced throughout the world! We must turn an entrenched, centuries old financial establishment on its ear! Read about it. Study it. Understand it. Talk about it. Then raise some hell!” The best way to do all that is to get people around you to subscribe to the “Michael” Journal!

Alain Pilote

The goldsmith who became a banker – A true story

by Louis Even

If you have some imagination, go back a few centuries to a Europe already old, but not yet progressive. In those days, money was not used much in everyday business transactions. Most of those transactions were simple direct exchanges, barter. However, the kings, the lords, the wealthy, and the big merchants owned gold, and used it to finance their armies’ expenses, or to purchase foreign products.

However, the wars between lords or nations, and armed robberies, were causing the gold and the diamonds of the wealthy to fall into the hands of robbers. So the owners of gold, who had become very nervous, made it a habit to entrust their treasures for safekeeping to the goldsmiths who, because of the precious metal they worked with, had very well protected vaults. The goldsmith received the gold, gave a receipt to the depositor, and took care of the gold, charging a fee for this service. Of course, the owner could claim his gold, all or in part, whenever he felt like it.

The merchant leaving for Paris or Marseille, or travelling from Troyes, France, to Amsterdam, could provide himself with gold to make his purchases. But here again, there was danger of being attacked along the road; he then convinced his seller in Marseille or Amsterdam to accept, rather than metal, a signed receipt attesting his claim to part of the treasure on deposit at the goldsmith’s in Paris or Troyes. The goldsmith’s receipt bore witness to the reality of the funds.

It also happened that the supplier, in Amsterdam or elsewhere, managed to get his own goldsmith in London or Geneva to accept, in return for transportation services, the signed receipt that he had received from his French buyer. In short, little by little, the merchants began to exchange among themselves these receipts rather than the gold itself,

in order not to move the gold unnecessarily and risk attack from robbers. In other words, a buyer, rather than getting a gold plate from the goldsmith to pay off his creditor, gave to the latter the goldsmith’s receipt, giving him a claim to the gold kept in the vault.

Instead of the gold, it was the goldsmith’s receipts which were changing hands. For as long as there was only a limited number of sellers and buyers, it was not a bad system. It was easy to follow the journey of the receipts.

The gold lender

The goldsmith soon made a discovery, which was to affect mankind far more than the memorable journey of Christopher Columbus himself. He learned, through experience, that nearly all of the gold that was left with him for safekeeping remained untouched in his vault. Barely more than one-tenth of the owners of this gold ever took it out of the vault to conduct their business transactions, instead

using their receipts for the purpose.

The thirst for gain, the longing to become rich faster than by means of the jeweller’s tools, sharpened the mind of our man, and he made a daring gesture. “Why,” he said to himself, “would I not become a gold lender!” A lender, mind you, of gold which did not belong to him. And since he did not possess a righteous soul like that of Saint Eligius (or St. Eloi, the master of the mint of French kings Clotaire II and Dagobert I, in the seventh century), he hatched and nurtured the idea. He refined the idea even more: “To lend gold which does not belong to me, at interest, needless to say! Better still, my dear master (was he talking to Satan?), instead of the gold, I will lend a receipt, and demand payment of interest in gold; that gold will be mine, and my clients’ gold will remain in my vaults to back up new loans.”



► He kept the secret of his discovery to himself, not even talking about it to his wife, who wondered why he often rubbed his hands in great glee. The opportunity to put his plans into operation did not take long in coming, even though he did not have “The Globe and Mail” or “The Toronto Star” in which to advertize.

One morning, a friend of the goldsmith came to see him and asked for a favour. This man was not without goods — a home, a farm with arable land — but he needed gold to settle a transaction. If he could only borrow some, he would pay it back with an added surplus; if he did not, the goldsmith would seize his property, which far exceeded the value of the loan.

The goldsmith got him to fill out a form, and then explained to his friend, with a disinterested attitude, that it would be dangerous for him to leave with a lot of money in his pockets: “I will give you a receipt; it is just as if I were lending you the gold that I keep in reserve in my vault. You will then give this receipt to your creditor, and if he brings the receipt to me, I will in turn give him gold. You will owe me so much interest.”

The creditor generally never showed up. He rather exchanged the receipt with someone else for something that he required. In the meantime, the reputation of the gold lender began to spread. People came to him. Thanks to other similar loans by the goldsmith, soon there were many times more receipts in circulation than real gold in the vaults.

The goldsmith himself had really created a monetary circulation, at a great profit to himself. He quickly lost the original nervousness he had when he had worried about a simultaneous demand for gold from a great number of people holding receipts. He could, to a certain extent, continue with his game in all safety. What a windfall; to lend what he did not have and get interest from it, thanks to the confidence that people had in him — a confidence that he took great care to cultivate! He risked nothing, as long as he had, to back up his loans, a reserve that his experience told him was enough. If, on the other hand, a borrower did not meet his obligations and did not pay back the loan when due, the goldsmith acquired the property given as collateral. His conscience quickly became dulled, and his initial scruples no longer bothered him.

The creation of credit

Moreover, the goldsmith thought it wise to change the way his receipts were set out when he made loans; instead of writing, “Receipt of John Smith...” he wrote, “I promise to pay to the bearer...”. This promise circulated just like gold money. Unbelievable, you will say? Come on now, look at

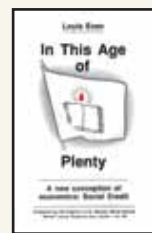
your dollar bills of today. Read what is written on them. Are they so different, and do they not circulate as money?

A fertile fig tree — the private banking system, the creator and master of money — had therefore grown out of the goldsmith’s vaults. His loans, without moving gold, had become the banker’s creations of credit. The form of the primitive receipts had changed, becoming that of simple promises to pay on demand. The credits paid by the banker were called deposits, which caused the general public to believe that the banker loaned only the amounts coming from the depositors. These credits entered into circulation by means of cheques issued on these loans. They displaced, in volume and in importance, the legal money of the Government which only had a secondary role to play. The banker created ten times as much paper money as did the State.

The goldsmith, transformed into a banker, made another discovery: he realized that putting plenty of receipts (credits) into circulation would accelerate business, industry, construction; whereas restriction of credits, which he practised at first in circumstances in which he worried about a run on the bank for gold, paralyzed business development. There seemed to be, in the latter case, an overproduction, when privations were actually great; it is because the products were not selling, due to a lack of purchasing power. Prices went down, bankruptcies increased, the banker’s debtors could not meet their obligations, and the lenders were seizing the properties given as collateral.

The banker, very clear-sighted and very skillful when it came to gain, saw his opportunities, his marvellous opportunities. He could monetize the wealth of others for his own profit: by doing it liberally, causing a rise in prices, or parsimoni-

Three books on Social Credit



Social Credit in 10 lessons In this Age of Plenty From Debt to Prosperity

You can find the full text of these books for free on our website (www.michaeljournal.org) or order them from our office in Rougemont, Canada.



Private banks lend symbols based on the real wealth of nations...

ously, causing a decrease in prices. He could then manipulate the wealth of others as he wished, exploiting the buyer in times of inflation, and exploiting the seller in times of recession.

The banker, the universal master

The banker thus became the universal master, keeping the world at his mercy. Periods of prosperity and of depression followed one another. Humanity bowed down before what it thought were natural and inevitable cycles.

Meanwhile, scholars and technicians tried desperately to triumph over the forces of nature, and to develop the means of production. The printing press was invented, education became widespread, cities and better housing developed. The sources of food, clothing, and comforts increased and were improved. Man overcame the forces of nature, and harnessed steam and electricity. Transformation and developments occurred everywhere — except in the monetary system.

And the banker surrounded himself with mystery, keeping alive the confidence that the captive world had in him, even being so audacious as to advertize in the media, which he controlled; that the bankers had taken the world out of barbarism, that they had opened and civilized the continents. The scholars and wage-earners were considered but secondary in the march of progress. For the masses, there was misery and contempt; for the exploiting financiers, wealth and honours!

Louis Even

Update: The ratio of cash versus loans in Canadian banks was about one for ten in the 1940s. This ratio (a 10% cash reserve requirement) has changed since then. In 1967, the Canadian Bank Act allowed the chartered banks to create sixteen times the sum of their

cash reserves. Beginning in 1980, the minimum reserve required in cash (bank notes and coins) was 5 per cent, which meant that the banker needed only one dollar out of twenty to answer the needs of those who wanted pocket money. The banker knew very well that if he had \$10,000 in cash, he could lend twenty times the sum, or \$200,000.

In practice, the banks could lend out even more than that, since they could increase their cash reserves at will by simply purchasing bank notes from the central bank (the Bank of Canada) with the bookkeeping money they create out of thin air, with a pen. For example, it was established in 1982, before a parliamentary committee on bank profits, that in 1981, the Canadian chartered banks, as a whole, made loans 32 times in excess of their combined capital. A few banks even lent sums equal to 40 times their capital. Moreover, in 1990 in the U.S.A., the total deposits of commercial banks amounted to about \$3,000 billion, and their reserves amounted to approximately \$60 billion. A ratio of deposits to bank reserves of about 50/1. U.S. banks held enough cash to pay off depositors at the rate of only about two cents on the dollar.

Subsection 457(1) of the most recent version of the Canadian Bank Act, enacted on December 13, 1991, states that, as of January, 1994, the primary reserve, in the form of cash, that a chartered bank has to maintain is nil, zero. So the banks are no longer limited by law in creating credit, or money. (And, if all cash is eventually replaced by electronic money, with debit or microchip cards, as is already planned by the banks, they won't even be limited in practice to creating money, which will then not be a piece of paper or an entry in a ledger, but simply bytes, units of information in a computer.)

... and they chain up the whole world with unpayable debts!



What is a monster?

What is a monster? Here is the definition given by the Webster's Dictionary: "An animal, plant, or thing that departs from the customary course of nature." Or else: "A person of unnatural or extreme ugliness, deformity, wickedness, or cruelty."

We may call our monetary system, our system of money, a monster. It is not in conformity with the facts; it does not behave like a money system. It is unnatural in its results, nothing less, than a monster of cruelty. These are serious accusations.

Monstrosity, barbarism

Here are three families. Family A is devoid of everything. It has never more than the strict necessities of life, and these are often long in coming. Parents and children suffer. The little ones vegetate, but the parents do all they can and, confronted with the situation, they are the first to deprive themselves.

Family B possesses a little more. Not in luxury, but a certain level of comfort. Children, like the parents, enjoy an honest living.

Family C draws from a large inherited built fund, which provides it an air-conditioned house, nutrition, varied to choice, modern furniture, spare-time activities, and tourist holidays. All of the family members take advantage of it, each one following his likings, which he moreover endeavors to guide by reason.

The three families are in very different situations. But we have nothing to reproach to the head of family A, nor to the head of family B, nor to the head of family C. In each one, the goods, scarce or abundant, are accessible to all of the family members, in the proportion to which the circumstances allow.

But let's return to family C. Let's say that the parents put their revenue under lock and key, and that they leave their children in tattered garments, reduced to malnutrition, sick and without medical care, ignorant and deprived of the right to get instruction, except maybe for a privileged one in the family who, himself, will have a hundred times more than he is able to make use of.

In such a case, people will say that these parents are barbarous, that they let their children unjustifiably suffer. Their behavior is monstrous!

Now, we have a country, Canada, where workers and machines can bring into the world all that is



needed in order that all the Canadians live in comfort. A regulation is made, by virtue of which, in order to draw on the wealth of Canada, a Canadian must have a permission that is called money.

Nothing bad, in itself, in this regulation which allows to establish a certain order in the distribution.

Besides, if money is at the level of production, seeing that the distribution is at the level of money, it happens that we live according to the possibilities of pro-

duction, and it is in conformity with the facts.

But if, instead of using the regulation to establish order in the distribution, a few individuals are allowed to limit the quantity of permissions to their liking, to decrease the permissions when things are abundant. It is no longer a regulation, but a disorder. It is to subject the multitude to the will of some dictators.

These money dictators are acting in such a way when the wheat remains in the granaries when the families lack bread, that products of all kinds accumulate, that the production has to stop, when there are urgent needs everywhere. These dictators are literally barbarians, their behavior a monstrosity, and the governments' tolerance, a cowardice or a complicity.

It is not lawful!

One can say what he wants in favor or in defense of the money system; it does not function for the common good. It punishes the multitude, even though it suits some individuals.

Money is no longer in conformity with the facts. It does not act according to the end for which it has been invented. It does not distribute the production. It evades a function that it nevertheless reserved to itself.

"Those who control money and credit have become the masters of our lives," said Pope Pius XI. In regulating the level of money and credit, they regulate our level of life, and they regulate it very much below the possibilities of the country.

Therefore it is not necessary to leave Canada in order to find acts of barbarism – odious barbarism, even though it enjoys the governments' protection.

Whatever may be the power of the barbarians and their accomplices, let's have the courage, even if they hold the sword in hand, to shout to them, like John the Baptist: "It is not lawful!" (Mk 6:18: For

John said to Herod, "It is not lawful for you to have your brother's wife.")

It is not lawful! You are not permitted to restrict the distribution of the abundant goods of the earth to human beings who are in deprivation.

It is not lawful! You are not permitted, you today's governments, to protect with your laws the monsters who remove blood from the economic body. The children, the women, the men, who suffer from needs in front of a paralyzed abundance, accuse you before mankind and before the Creator who gave the earth to all of the human species.

You can reduce to silence voices that should denounce you, in stuffing them with money or honors or in threatening them with your vengeance. All the same, there will remain some unmanageable souls to put before your eyes, in broad daylight, your infringements of human rights, and to repeat to you, even though you are shaking with anger: *It is not lawful!* You had been made the guardians of a people. You are hand in glove with its executioners.

They and you will have to account one day for this — to the outraged public perhaps, to God surely.

Louis Even

The happiest population. No interest to pay

The dictatorship of the bankers and their debt-money system are not limited to one country, but exist in every country in the world. They are working to keep their control tight, because the example of what an honest system could be, with one country freeing itself from this dictatorship and issuing its own interest- and debt-free currency, would be enough to bring about the worldwide collapse of the bankers' swindling debt-money system.

This fight of the International Financiers to install their fraudulent debt-money system has been particularly vicious in the United States of America since its very foundation. Historical facts show that several American statesmen were well aware of the dishonest money system the Financiers wanted to impose upon America and of all of its harmful effects. These statesmen were real patriots, who did all that they possibly could to maintain for the USA an honest money system, free from the control of the Financiers. The Financiers did everything in their power to keep in the dark this facet of the history of the United States, for fear that the example of these patriots might still be followed today.



Benjamin Franklin

Here are some facts that the Financiers would like the population not to know:

We are in 1750. The United States of America does not yet exist; it is the 13 Colonies of the American continent, forming "New England", a possession of the motherland, England. Benjamin Franklin wrote about the population of that time: **"Impossible to find a happier and more prosperous population on all the surface of the globe."** Going over to England to represent the interests of the Colonies, Franklin was asked how he accounted for the prosperous conditions prevailing in the Colonies, while poverty was rife in the motherland:

"That is simple," Franklin replied. **"In the Colonies we issue our own money. It is called Colonial Scrip. We issue it in proper proportion to make the products pass easily from the producers to the consumers. In this manner, creating our own paper money ourselves, we control its purchasing power, and we have no interest to pay to any one."**

The English bankers, being informed quickly, had a law passed by the British Parliament prohibiting the Colonies from issuing their own money, and ordering them to use only the gold or silver debt-money that was provided in insufficient quantity by the English bankers. The circulating medium of exchange was reduced by half.

"In one year," Franklin stated, **"the conditions were so reversed that the era of prosperity ended, and a depression set in, to such an extent that the streets of the Colonies were filled with unemployed."**

Then the Revolutionary War was launched against England, and was followed by the Declaration of Independence in 1776. History textbooks erroneously teach that it was the tax on tea that triggered the American Revolution, but Franklin clearly stated:

"The Colonies would gladly have borne the little tax on tea and other matters, had it not been the poverty caused by the bad influence of the English bankers on the Parliament: which has caused in the Colonies hatred of England, and the Revolutionary War."

The Founding Fathers of the United States, bearing all these facts in mind, and to protect themselves against the exploitation of the International Bankers, took good care to expressly declare, in the American Constitution, signed at Philadelphia in 1787, Article 1, Section 8, paragraph 5:

"Congress shall have the power to coin money and to regulate the value thereof."

Alain Pilote

Who are the REAL rulers of the world?

by Louis Even

The following article was first published in 1939. A lot of information comes from the book of Gertrude Coogan, "Money Creators," published in 1935. Ms. Coogan died mysteriously at age 29, shortly after this book's publication.

The current banking system is pure banditry: anyone who bothers to study the issue (the creation of money-debt credit by banks and absolute control of the medium of exchange by banks), cannot doubt it. But it is nevertheless a legalized banditry, that is to say, banks act within the "legal" limits of their charter, while leading this racket for the benefit of a small clique of individuals thriving on the backs of the public. Their charter is a law granted by the sovereign government to a machine that is bleeding and kills mankind.

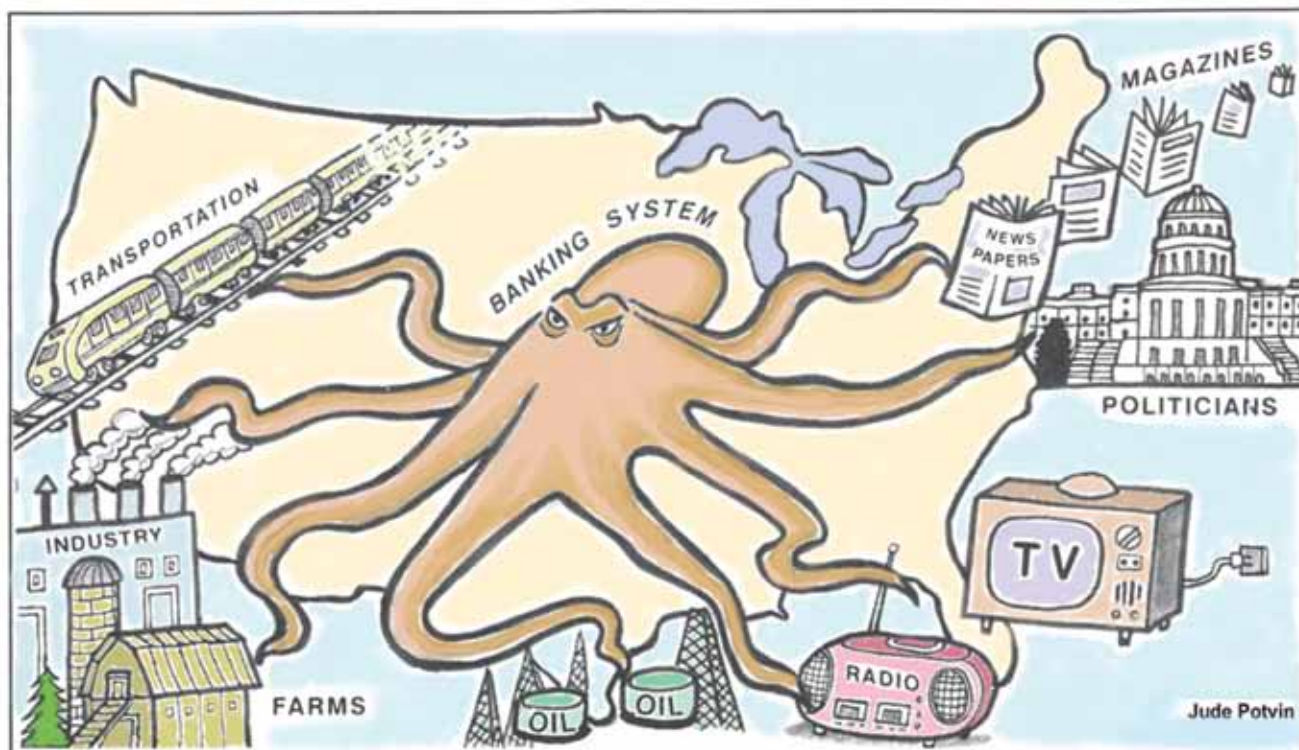
Since the Renaissance and Protestant Reform, we find people opening offices to lend money and, through usury, managing to control the money supply of the countries where they operate. The holders of gold quickly learned to

commercialize the credulity of the ignorant public and to lend to them what they did not have in the first place. (See the article "The goldsmith who became a banker" on page 15.) Gold remained in their vaults; receipts of those who entrusted their gold to the bankers circulated alongside gold itself and was just as profitable.

Legalization of banditry

In 1694 these bankers legally obtained the right to manufacture and lend at interest money to the sovereign government as well as to individuals. That year, King William III of England needed money to wage war. Since the revolution of 1688, a company of rich men using the name of "Company of the Bank of England", led by William Paterson, had established themselves in London. We quote from *The Breakdown of Money*, by Christopher Hollis :

"In 1694 the Government of William III was in sore straits for money. A company of rich men under the leadership of one William Paterson offered to lend William £1,200,000 at 8 per cent on the condition that 'the Governor and



The monster of the banking system is taking control of all real wealth

Company of the Bank of England,' as they called themselves, should have the right to issue notes to the full extent of its capital.

"That is to say, the Bank got the right to collect £1,200,000 in gold and silver and to turn it into £2,400,000, lending £1,200,000, the gold and silver, to the Government, and using the other £1,200,000, the bank-notes, themselves.

"Paterson was quite frank about it that this privilege which had been given to the Bank was a privilege to make up money. 'If the proprietors of the Bank,' he wrote, 'can circulate their own funds of twelve hundred thousand pounds without having more than two or three hundred thousand pounds lying dead at one time with another, this Bank will be in effect as nine hundred thousand pounds or a million of fresh money brought into the nation.' In practice they did not keep a cash reserve of nearly two or three hundred thousand pounds. By 1696 we find them circulating £1,750,000 worth of notes against a cash reserve of £36,000."

So private banking became more powerful than the king. From the beginning of the takeover of public affairs by this association of exploiters, we find the new money machine working primarily to finance wars; it is in this time that it laid the foundation for perpetual considerable profits. This machine had lost none of its powers in 1914; no government ran out of money to drive its citizens to the great slaughter of World War I. The phrase "No money", defeaning us today, was not pronounced once from 1914 to 1918 in any of the warring nations.

War provides the greatest risk-free profit opportunity for international finance and banking, as they generously fund both sides. Each side promises to repay through then reclaims its tons of flesh from the "winner's" on-going taxation of their surviving citizens and war reparation payments for the losers. During time of peace and prosperity, international banks gladly provide loans for the most fantastic development schemes until it is time for the next war.

The House of Rothschild

The international House of Rothschild House is a fine example of fortune built thanks to wars. One reads in *Money Creators*, by Gerture Coogan: "Meyer Amschel Rothschild entered the scene. His family of five sons and five daughters had taken the name of Rothschild from the Red

If all American money was manufactured by the government, the United States would have no public debt. The same thing can be said of Canada and any other country. The existence of public debts shows that the present financial system is wrong, that money is flawed from its inception.

Shield which hung in front of Meyer's shop in Frankfort-on-the-Main in Germany as his trademark. Meyer conceived the idea of enlisting young men as mercenary troops, painting to them the glories of military service, etc.

"When King George III of England was unable to secure British soldiers to fight their cousins across the Atlantic, he went to the Landgrave of Hesse Cassel, at Hanau, near Frankfort. George III paid \$20,000,000 to the Landgrave for approximately 16,800 Hessian mercenaries (\$1,200 per head) who had been organized and trained by Meyer Amschel. The Landgrave loaned this \$20,000,000 to Meyer Amschel at a very low rate of interest for ten years.

"It is well known that the foreign borrowing of funds for the American Revolution was accomplished through the efforts of Robert Morris. It is not so well known that Morris secured his funds from Haym Solamon. Those who know anything of international banker solidarity will appreciate immediately that Meyer Amschel loaned the money to Solamon, which was in turn loaned through Robert Morris to the American Colonies. Thus, George III paid for the American Revolution and the international financiers played both ends against the middle; no matter who lost, they won, and lives were sacrificed on both sides."

Meyer Anselm Rothschild raised his five sons to continue this successful business. The ablest of them, Nathan, moved to London, where he established the bank and brokerage house N.M. Rothschild and Sons; James moved to Paris, Solomon to Vienna, during the French Revolution. Napoleonic wars came to the point. England borrowed from Nathan Rothschild to fight Napoleon. Napoleon borrowed from James Rothschild and his stooges to fight England. The soldiers fell, wives and mothers cried, while the House of the Rothschild became wealthier... ►

▶ Nathan, who was a true financial genius, won six million dollars in one day two days after the famous battle of Waterloo, which marked the beginning of the downfall of Napoleon. Nathan also intervened in Spain in 1835, in revenge for a government that did not want to do his will despite corrupt payments made to the Spanish Minister of Finance. Nathan spent, along with his brother in Paris, nine million dollars to ruin the Spanish securities, triggering a global crisis, ruining thousands of bond holders, while the Rothschilds grew richer on the debris. His brother of Vienna, Solomon, dared to write to a confidant: "Tell Prince Metternich that the House of Rothschild did all of this for vengeance."

Scam on the back of France

The same technique continues to be used by international bankers today. Austria was dismembered after the Great War and the Rothschild brother of Vienna was in pitiful shape financially, but it was not for long. When French President Poincaré, eight years later, prepared in conjunction with the Bank of France, a law to stabilize the franc, James — the Rothschild of Paris, director of the Bank of France (a private bank), was able to warn his cousin in Vienna. The latter hastened to buy francs down, and sell them upwards after the adoption of the bill by the French parliament; in less than a week he had redone his entire fortune on the backs of the French!

International finance has no country. It covers everything, is everywhere, extends its tentacles into all countries, sows ruins without number and does not respond to anything. In 1931, Pope Pius XI wrote, in his encyclical letter *Quadragesimo anno*, about "a no less deadly and accursed internationalism of finance or international imperialism whose country is where profit is."

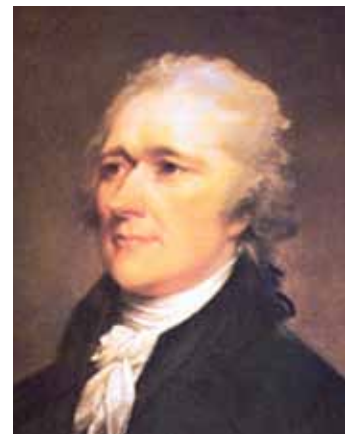
American colonists revolted against England in 1776 because of the greed of the financiers of London who removed from the colonies the right to make their own currencies making them completely dependent on the exploiters of London. So the Americans were careful to state expressly in their Constitution (Article I, Section 8, Part 5) that only "Congress shall have power to coin money, and regulate the value thereof." The Americans won the war of independence against England, their constitution remains, but it is not the U.S. Congress that creates money or regulates its value.

Why is that so? It is that even though the British government lost the war against the Americans, the international financiers won theirs, and continue to exploit America as a colony of international finance. America was not a prey to let go, as it was already becoming very rich and vast portions of the continent were not yet developed.

Alexander Hamilton

In all their major operations to take a country in their mesh, the masters of finance operate through generally unsuspected intermediaries. In the case of the birth of the American Republic, the man of the hour was Alexander Hamilton.

Hamilton was born in the West Indies. Fascinated by the magic of figures and accounts, at the age of 13, he went to work for Henry Cruger, the largest merchant in the Caribbees. At the age of 17, he left for New York, which was his home until his death in the duel with his business and political rival, Aaron Burr, in 1804.



Alexander Hamilton

Hamilton took part in the War of Independence and was for some time secretary of General in chief George Washington. During his services under Washington, he constantly studied money, coin, gold, silver, foreign exchange, etc. With his elitist philosophy he believed it to be a natural law that the mass of humanity were subservient to a very small elite, so he always admired the system of a privately-owned central bank provided with sovereign privileges, such as the Bank of England.

During the war of independence, the American colonies revolted and issued their own debt-free currency. The European financiers, ruling creators and lenders of debt-money, could not tolerate such audacity. They took down the value of the U.S. currency by flooding the colonies with counterfeit bills. This power between private hands fascinated Hamilton and stimulated him in his studies and research; he wanted to learn how the private money creators had been able to destroy the

government-created money, not to fight them, but to imitate them.

He wanted to get on the right side from a personal standpoint, for it would never do to make enemies of those so powerful as to be able to destroy public money. His natural leanings toward a central private money creation system were strengthened when he realized that such a system could be put over on an uninformed public.

During the war, Hamilton already developed plans to carry such inequity in America. On April 30, 1781, twenty-year-old Hamilton, who had gained ascendancy over Robert Morris, the Secretary of the Treasury for President Washington dared to write to Morris: "A national debt, if it is not excessive, will be a national blessing; a powerful cement of union; a necessity for keeping up taxation, and a spur to industry."

America handed over to the financiers

1789: The American Constitution has just been adopted and the first President, George Washington, formed his first cabinet. He wants to give the Treasury to Morris. Much to his surprise, Morris refused and recommends Hamilton. Then Washington commits the biggest mistake of his administration, that will compromise all his work. Hamilton became the first secretary of the U.S. Treasury (Minister of Finance).

Benjamin Franklin died in 1790. Hamilton now feels free to implement his plans, but he must maneuver; the U.S. Constitution is clear on the exclusive authority of Congress for the issuance of the currency. While Franklin is gone, Jefferson is still there and will certainly watch over a work in which he took such a large part.

The debt of the United States, especially contracted for war purposes, then rises to \$ 75 million, partly owed to foreigners, and partly owed to American individuals who received those bonds from the Rothschilds. The new nation needs the means of exchange (cash in circulation) to enable the conducting of business. It is sovereign. The wisest thing would be to issue the necessary currency, metal or paper, and put it into circulation by buying back its debt. Hamilton had a different philosophy. He proposed that the debt be converted into interest-bearing bonds. Instead of creating debt-free currency to be put into circulation, which meant an average of \$19 per head, he preferred to create a core national debt of \$ 19 per head.

The new Congress had the power "to coin money and regulate its value." Hamilton must, therefore, find a way to set aside this power, if his coveted central money-creating bank, patterned after the Bank "of England" was to come into being. He worked on Congressmen to support his plan for converting the public obligations into interest-bearing bonds. He passed out hints to key men regarding recommendations in his report, which should have been properly an official secret. As the result, these certain Congressmen scrambled to pick up, at enormous discounts, the paper which they were told would be converted into interest-bearing bonds.

The great agricultural population fought Hamilton under the leadership of Thomas Jefferson, who called Hamilton's bank a "prostitution of laws which constitute the pillars of our whole system of jurisprudence." Hamilton said: "It shall be under a private and not a public direction — under the guidance of individual interest and not of public policy." Despite Jefferson's efforts, Hamilton was able to put his bank plan into action.

Communications were slow. The uninformed rural regions gave up their bonds for 15 cents on the dollar. One member of the House actually sent two fast vessels to the South to purchase bonds. How Hamilton was able to carry his point, that is, sell out the new nation, is understood by the fact that 45% of the members of the House bought this paper on his advance information. There is nothing new about the "art" of using Judases.

The only thing left for Hamilton to do was to seal his work by establishing a private central bank to create and lend money, according to the principles of the Bank of England. Hamilton undertook this in 1791. It hardly met opposition in the Senate, where there were still representatives of the power of money. But he faced the Jeffersons, Madisons, Adams, etc. However he acquired the art of deceiving and fooling. Hamilton said: "The emitting of paper money by the authority of government is wisely prohibited to the individual states by the national constitution; and the spirit of that prohibition ought not to be disregarded by the government of the United States. The wisdom of the government will be shown in never trusting itself with the use of so dangerous and seductive an expedient."

In Hamilton's opinion, this "dangerous and ►

seductive expedient" had to be placed in the hands of private bankers for their special privilege and private profit, without having to be elected by the population. President Washington asked Madison to prepare a veto for the bill creating the new bank, but he finally wavered before the persuasive eloquence of the purring voice of Hamilton, and signed. Washington, the Virginian planter, was fooled by young Hamilton, the financial "expert." Hamilton then rushed off to be the honor guest at a special reception given by the Chamber of Commerce of New York City, in honor of their victory over the producers of the nation.

Abraham Lincoln, a honest man

International finance had taken possession of America as well as Europe. It was continuously working to maintain and consolidate its positions. A man stood up one day who dared to give them a remarkable blow; his name was Abraham Lincoln, the greatest of all American presidents. He paid for that gesture with his life...

Son of a colonist, never having had the benefit of attending school, but after having learned to read on the lap of his mother and studying law at night after his rough days of work in the fields or woods, Lincoln came to the Presidency of the United States at a critical time, the secession of the South from the Union on the issue of slavery.

Gifted with a strong common sense and guided by perfect righteousness, Lincoln thought that if private banks create money and have the public accept it only as a debt, the sovereign government can both create money itself and make it legal tender. He therefore asked his Secretary of the Treasury, Salmon P. Chase, to make three successive issues of government notes, for a total of \$ 450 million in 1862-1863.

These notes were called the greenbacks (because they were printed with green ink on the back). Note that after a legal battle between the financial powers and the government, \$346 million remained outstanding to date and were as good currency as the bank notes. Better than that, unlike the bankers' money-debt, the greenbacks did not add a single dollar to the public debt of the United States. If the issue of this money had come through the ordinary channel of commercial banks, it would have meant an increase of ten billion dollars to the US public debt, from 1863 to 1938. **If all American money was manufactured by the government, the United States would have no public debt. The same thing can be said of Canada and**



Abraham Lincoln

any other country. The existence of public debts shows that the present financial system is wrong, that money is flawed from its inception.

International bankers fully understood the scope of the act of Lincoln, as it is shown in the following text, published in the March, 1863 issue of the London Times:

"If that mischievous financial policy, which had its origin in the North American Republic during the late war in that country, should become indurated down to a fixture, then that Government will furnish its own money without cost. It will pay off its debts and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized governments of the world. The brains and the wealth of all countries will go to North America. That government must be destroyed or it will destroy every monarchy on the globe."

And the advice was followed. A conspiracy by creatures of international finance killed the great emancipator with a bullet to the head. Let us all, each in his own country, also see and think like the bankers in assessing the great wisdom of a sovereign country issuing ALL its own currency without debt, aligning its real production with the expressed purchasing requirements of its people. As Jesus taught us, "Think like scorpions, but act like doves", which means we do not oppress others. ►

“The death of Lincoln was a disaster for Christendom, wrote German leader Bismarck. There was no man in the United States great enough to wear his boots, and ... (money creators) went anew to grab the riches of the world. I fear that foreign bankers with their craftiness and tortuous tricks will entirely control the exuberant riches of America, and use it to systematically corrupt modern civilization. They will not hesitate to plunge the whole of Christendom into wars and chaos in order that the earth should become their inheritance.”

Gold and silver were for a long time two metals used simultaneously for coinage. In 1818, England demonetized silver. Then, as it had control of gold, but other countries had silver mines, its financiers did everything possible to demonetize silver everywhere and establish the exclusive reign of gold. In 1873 they attacked the currency of America. We are often told that gold is, by tradition, the only real currency. From 1789 to 1873 the two metals had the same prestige in the United States, and the gold standard was established in the U.S. in 1900 **only**. (And was abolished by President Nixon in 1971.)

Ernest Seyd, agent of High Finance

Let us introduce another figure, who did not fall under the pistol of a killer. He is one of those lackeys that London’s finance delegates to the American continent under the guise of financial expertise whenever there is a major chain to forge.



Ernest Seyd

Ernest Seyd was the agent of international finance to get the United States to pass a bill to demonetize silver and put America under the rule of the real (financial) rulers of the world. Seyd was an advisor to the Bank of England, at least so he said. Let him tell briefly his achievement of 1873:

“I went to America in the winter of 1872-73, authorized to secure, if I could, a bill demonetizing silver. It was to the interest of those I represented — the governors of the Bank of England — to have it done. I took with me £100,000 sterling, with instructions that if it was not sufficient

to accomplish the object to draw for another £100,000, or as much more as was necessary. German bankers were also interested in having the bill passed. I saw the committee of the House and Senate and paid the money and stayed in America until I knew the measure was safe.”

The law was signed in the beginning of 1873 by President Grant, who admitted eight months later that he did not understand the text he had signed into law. Several Congressmen left written statements confessing the same ignorance. Seyd knew better, and he said a year later to Senator Luckenbach:

“Your people will not now comprehend the far-reaching extent of that measure — but they will in after years.”

The Congressional Record of April, 1872 described Seyd as a benefactor: “Ernest Seyd, of London, a distinguished writer and bullionist, who is now here, has given great attention to the subject of mint and coinage. After having examined the first draft of the bill, he made sensible suggestions which the Committee adopted and embodied in the bill.”

Depression triggered by the bankers

The result of the demonetization of silver was such a curtailment in the volume of money in the nation that a terrible depression, lasting several years, was suffered. Senator Ferry of Michigan made the following statement regarding the panic of 1873: “Millions of people were reduced from good circumstances to penury, or covered with debt, beneath which burden their backs must bend until it is unloaded at the grave, where an innocent posterity must take it up and bear it on.”

For sure the victims of the Depression must have been told by these financiers that this result was the punishment for their sins or their extravagances. Ernest Seyd knew the truth behind this depression.

Let us finally mention, among this multitude of bankers, the intervention of Paul Warburg, an international financier of London, in the preparation of the Federal reserve Act of 1913, for the establishment of an American system of central banks, serving the interests of International Finance.

Financiers at top levels do not slumber. Before the “rumbling” revolt of a world awakening to reality, they made every effort to defend

their monopoly. At the meeting of the American Bankers Association in Boston in October 1937, they took care to emphasize the importance of shaping the youth of the schools through lessons or lectures skilfully presented by local bankers; by school competitions sponsored and judged by them; monitoring of the media; insertion of articles prepared by bankers or their publicists, elimination of articles that could hurt the prestige of the banks, using if needed the decisive influence of advertisers, and insuring any academic, especially in economic faculties, who attempted to expose their deception, were not granted tenure.

In Canada, we are quite in unison with this London-based debt-money system, controlled by private banks, which results in public debts. We too in Canada, since 1934, have our own central bank, the Bank of Canada: despite its name, it is more responsive to its masters, the privately-owned Bank of International Settlements (BIS) then it is to Canada's parliamentaries and citizens' needs.

Canadian Liberal leader Mackenzie King was so proud to say said in 1935 that if he came to power, he would ensure that the government would regain control of money and credit because democracy is an empty word when it is the bankers and financiers who hold control. Once he became Prime Minister of Canada, not only did he not do anything he promised to put an end to the control of money by private interests, but he even disavowed laws that wanted to establish in a province (Alberta) what he himself had promised to establish in the whole country.

Is not the history of the monopoly of money so beautiful! How can it be explained that so many people persist in defending this system! What a beautiful result this system gave us!

Pope Pius XI wrote this about this system, in his encyclical letter *Quadragesimo anno* in 1931: "Those who control money and credit have become the masters of our lives, to such an extent that no one dare breathe against their will." These people want the earth to become their inheritance."



Pope Pius XI

And Earth has become their inheritance. What country is not in debt today? If the whole planet is in debt, do we owe these debts to the inhabitants of Mars or Venus? No, all these debts are owed to an organized clique of public criminals — the war-mongers, those who are starving women and children, the poisoners of our lives, the "bandits replace the black masks with a white carnation in their buttonhole and, to a gun, prefer the crimson fountain pen." (Father Coughlin).

It is before this international monster that we religiously bow down, go on our knees, and submit to! History does not offer us another example of this idiotic lowering of an entire world, except in the worship of the devil and stone idols or metal for over forty centuries. So also the powers of the day formed a protective hedge around stupid practices and strict legislation defending the throne of the infernal dictator who was deceiving mankind. Our children will be able to say the same thing about our present civilization.

Louis Even



Thomas Jefferson, the third President of the United States, who was always opposed to the debt-money system imposed by private banks, wrote this in 1816:

"I sincerely believe that banking establishments are more dangerous than standing armies, and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale."

Who are the REAL rulers of the world?

(Part II)

by Louis Even

In the previous article, we drew a sketch of the dominion exercised by international finance upon the civilization of two continents over the last two hundred and fifty years. We pointed out Lincoln's remarkable part in liberating America from a yoke whose horror he fully understood. At no other time in the past did the internationalists find their monopoly so directly threatened. Several contemporary documents inform us of their activities as well as of the thoughts that animated them.

Money created by Abraham Lincoln

It is a known fact that Lincoln issued money at three different occasions without going through the banks and without signing any debentures (bonds) for a total of \$450 millions. These were the greenbacks of which some \$346 millions remained in circulation some 15 years later after much litigation. This was the first time the United States Government ever executed the mandate given it by the Constitution: to coin money and regulate its value, thus removing the burden imposed by the internationalists since the beginning of the Republic.

This could be duplicated by other countries and signify the end of their dominion by private profiteers. The intervention therefore came rapidly. The American Bankers Association sent a circular letter to all their members that read:

"Dear Sir: It is advisable to do all in your power to sustain such prominent daily and weekly newspapers... as will oppose the greenback issue of paper money and that you will also withhold patronage from all applicants who are not willing to oppose the government issue of money."

The United States was in the midst of Civil War, or the Secession War (1861-1865). The people's sufferings in no way touched the internationalists who had decided three years previously that a war must be fomented to weaken the United States so as to better establish their monopolies. Their greatest set-back was that during this very war the leader of the country they wished to dominate dared to oppose their financial power. To Lincoln's bravery and honesty they would have to oppose a campaign of influence upon the leaders of American financial circles and upon the President's close circle.

The infamous Hazard circular signed in 1862 by a group of the London-based internationalists, favored the abolition of slavery only to replace it by a more subtle form of slavery. It was only fitting that a circular in favor of abolitionism came from a London group since the internationalists had decided that the London group would support the North financially, while the group from Paris would give their financial support to the South. The war must last long enough to weaken the American Nation and to shackle it.

The Hazard circular was thus sent to all American bankers, as well as to all senators and members of Congress: "Slavery is likely to be abolished by the war power and chattel slavery destroyed. This, I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborers, while the European plan, led by England, is that capital (money lenders) shall control labor by controlling wages." (Banishing purchasing power at will and making the laborers victims of unemployment.)

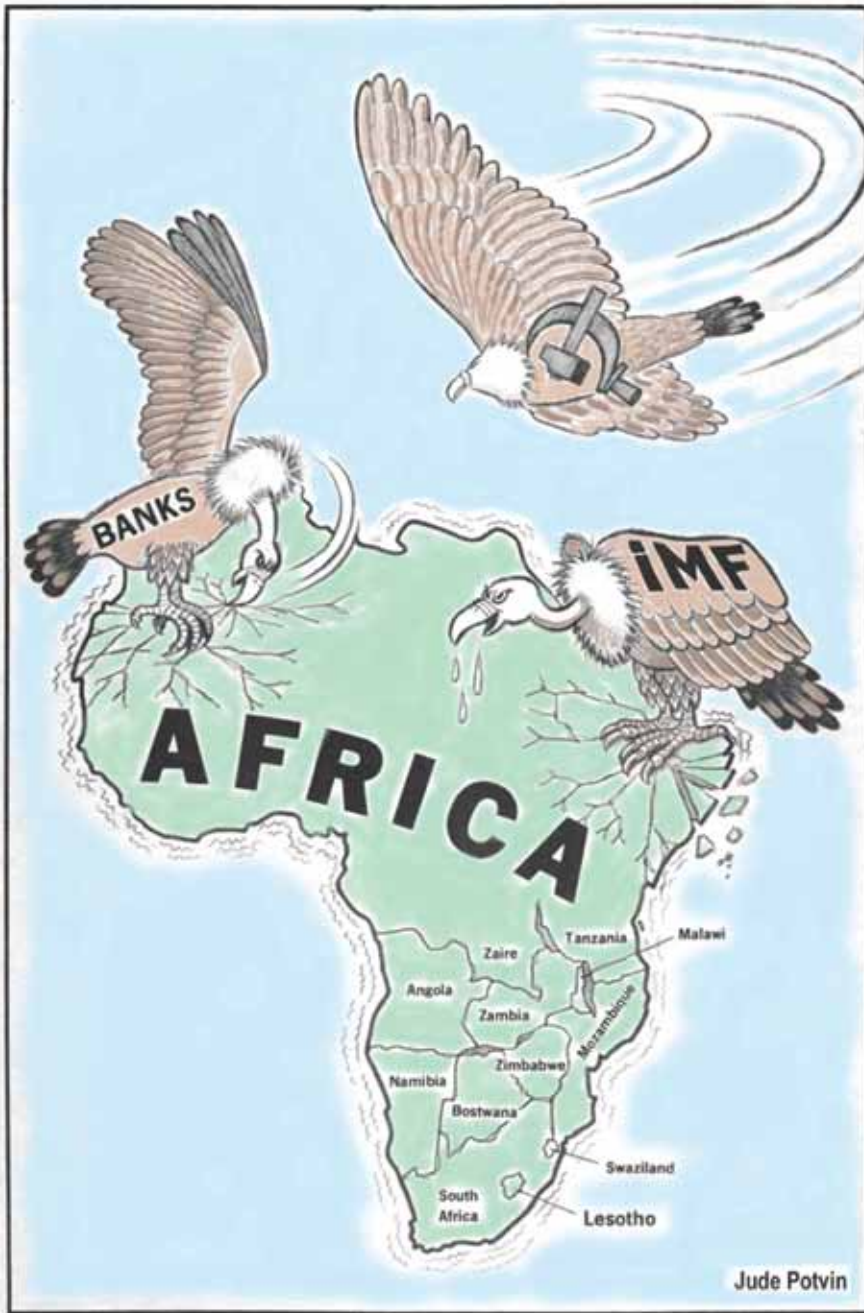
"This can be done by controlling the money. The great debt that capitalists will see to it is made out of the war, must be used as a measure to control the volume of money. To accomplish this the bonds must be used as a banking basis. We are now waiting to get the Secretary of the Treasury to make this recommendation to Congress.

"It will not do to allow the 'greenback,' as it is called, to circulate as money, any length of time, for we cannot control them. But we can control the bonds, and through them the bank issue."

Ten years later, America saw chattel slavery replaced by financial dictatorship, and Horace Greeley could write in 1872: "We have stricken the shackles from four million human beings and brought all laborers to a common level, not so much by the elevation of the former slaves as by practically reducing the whole working population, white and black, to a condition of serfdom. While boasting of our noble deeds, we are careful to conceal the ugly fact that by our iniquitous money system we have nationalized a system of oppression which, though more refined, is not less cruel than the old system of chattel slavery."

A contemporary statesman, chancellor Bismark of Germany, had both the position and knowledge to understand better than most what was taking place. His revelation to a German, Conrad Siem, ►

All the continents in the world — and not only Africa — have become the prey of the financiers



booty if they could substitute two feeble democracies, indebted to the financiers, for the vigorous Republic, which was practically self providing.

“Therefore, they sent their emissaries in order to exploit the question of slavery and thus to dig an abyss between the two parts of the Republic. Lincoln never suspected these underground machinations. He was against slavery, and he was elected as such. His character prevented him from being the man of one party. When he had affairs in his hands, he perceived that these sinister financiers of Europe wished to make him the executor of their designs. They made the rupture between the North and the South imminent. The masters of finance in Europe made the rupture to exploit. Lincoln’s personality surprised them. His candidacy had not troubled them; they thought to easily dupe the woodcutter. But Lincoln read their plots and understood that the South was not the worst foe, but the financiers.”

An enslaving monetary system

Bismarck mentions the Rothschilds. This powerful family has largely contributed to the establishment of a worldwide monetary system based on a slave minded philosophy imposed on all mankind. Decorated with titles nowadays, they operate more quietly but no less efficiently with other associates.

in 1876, sheds a different light upon the series of events we have just mentioned:

“The division of the United States into federations of equal force was decided long before the Civil War by the financial powers of Europe. These bankers were afraid that the United States, if they remained in one block and as one nation, would attain economic and financial independence, which would upset their financial domination over the world. The voice of the Rothschilds predominated. They foresaw tremendous

In these former days, they were first in line to put a grab on an America they had neither discovered nor developed. **The documents that follow are revealing of the mentality of the masters of money; they also show how wrong we are to be sleeping while the wolves are roaming, or to let ourselves be hypnotized by the champions of “sound money”.** Where were the leaders of the time? Why did Lincoln have to fight alone, misunderstood, not sustained even by his own Congress? And where are the leaders of the people today, while the physical health, the intellectual

- values, the character and lives of our children, of our young people, of our women and of our men are being offered in sacrifice to the artificial scarcity of money?

DOCUMENT I

Letter from the Rothschild Brothers to an international banking firm

The following letter, from the Rothschild Brothers of London, was addressed to an international banking firm in New York:

London, 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 that 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 burden 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 (he appears to have introduced the Banking Act) 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.

Awaiting your reply, we are

Your respectful servants

Rothschild Brothers.

We beg our readers to meditate attentively on this document. One will see at least: that the American Banking Law of 1862 was written in accordance with a plan designed in London; that this law was prepared for the greater profit of the world's banking fraternity (plague to the American people); that an American public figure, member of Congress, an aspirant to the highest representative function of its citizens, was dealing with the Rothschilds of London for the profit of bankers; that this same public figure, i.e. Sherman, subdivided the American people into three categories, all of whom could easily be maintained on their knees: those who were invested, those who sought the bankers' favors and the unknowing multitudes. The latter bear all without complaining, unsuspecting of their being sacrificed Of course, an individual like Sherman is a man to be encouraged and rewarded (only in a Satanic world).

DOCUMENT II

Reply from the banking firm to the Rothschild Brothers

Here is the reply from the New York banking firm to the Rothschild Brothers of London:

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 (he has financial ambitions, too) by being friendly with men and institutions having large financial resources, and which at times, are not too particu-

► lar 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 friend 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 & Vandergould.

Finance canonizes the great profiteers

The public figure being canonized by Finance is the skillful, the shrewd, the ambitious, the one who sacrifices all to his end, who knows to ally himself to the rich and not so scrupulous financial institutions.

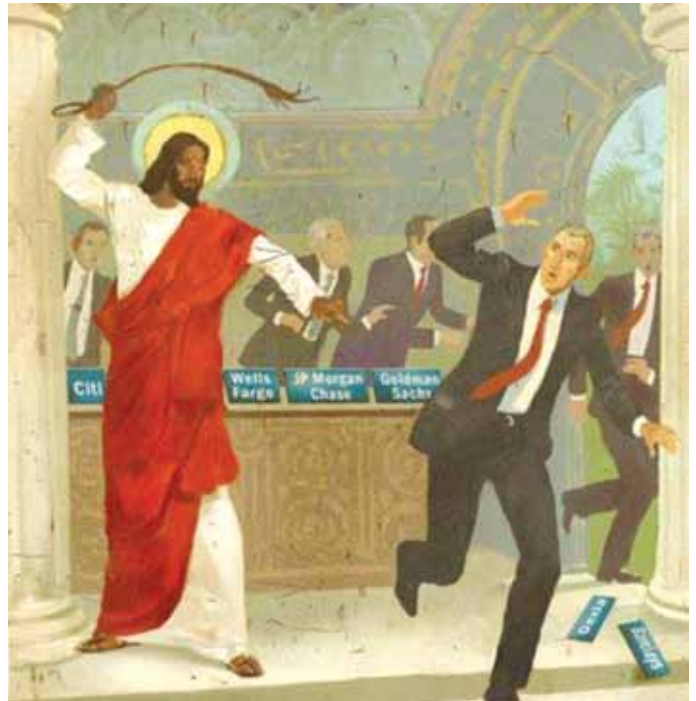
The right law for America is one that so interests the European capitalists, that a circular must be printed to answer their many requests for information.

The circular must be edifying as well, issuing from such a bandits den. The circular expressing the views of the New York firm (but not an American one) contains 16 items of which those numbered 12, 13, 14 and 15 will be of particular interest to those who seek to know the public enemy no 1. Here they are:

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 90 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



If Jesus came back today, he would probably chase out these money changers...

per cent. The amount of the dividends that may be declared will depend largely upon the salaries of the officers that the banks vote themselves, and the character and rental charges of the 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 buildings 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.

Confiscation in times of scarcity

Let us underline this last paragraph. By their concerted action, banks can, within a few days, make money scarce and bring down all prices, giving them tremendous possibilities of speculation. Scarcity of money is the banks' policy. Short lived inflations, also of their doing, cannot last too

long; they are part of the plan to prepare large confiscations in periods of stringency that are soon to follow.

Money must lack continually in the hands of the people, so that people will come time and time again, through their governments or their farmers and industrialists, borrow some at the source of private profits. This policy of scarce money, of monetary exhaustion of the public, is clearly expressed in the following circular issued to all American bankers, in 1887, by authority of the Associated Bankers of New York, Philadelphia and Boston, signed by one James Buel, secretary, and sent from 247 Broadway St, New York:

“Dear Sir:—It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the Religious and Agricultural Press, as will oppose the greenback issue of paper money, and that you also withhold patronage from all applicants who are not willing to oppose the government issue of money.

“Let the government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. **To repeal the act creating bank notes, or to restore to circulation the government issue of money, will be to provide the people with money and will therefore seriously affect our individual profit as bankers and lenders.** See your Congressman at once and engage him to support our interests that we may control legislation.”

To see one’s Congressman so as to engage him to support the bankers’ interests that they may control legislation! Are we not justified, we the promoters of Social Credit, to enlist and to organize the people, the multitude of citizens, to bring to bear an efficient pressure upon the deputies and to counteract the pressure long exercised by finance and by the banks? The circular quoted is dated 1877 and since then the banking fraternity has in no way relaxed its organized power, quite to the contrary, as proven by recent events.

The 1893 circular

The population must not own any money, they must always rely on the bankers. By reducing monetary provisions by restricting money and credit, banks create recessions, cause prices to fall and scoop up the wealth. We are told it is a panic, a generalized loss of confidence, but what causes this panic, what destroys this confidence? “The Panic Circular” was the name given to the circular published by the American Bankers Association on March 12, 1893, and sent to all of the United States National Banks. This was one week after the inau-

guration of President Cleveland’s term in office, and bankers wished the repeal of the law passed three years earlier; the 1890 law neutralized in part the harm done by the 1883 law we mentioned above. Banks felt that the people were too independent of them. Money in circulation needed to be decreased. Following is the circular dated March 11, 1893 that was sent the following day:

“Dear Sir;

The interests of the National Banks require immediate financial legislation by Congress. Silver certificates and treasury notes must be retired and National Bank Notes upon a gold basis (based on public debt) made the only money. This will require the authorization of \$500 million to \$1,000 million of new bonds as the basis of circulation. You will at once retire one third of your circulation and call one half of your loans. Be careful to make a monetary stringency among your patrons, especially among influential business men. Advocate an extra session of Congress to repeal the purchasing clause of the Sherman Law and act with other banks of your city in securing a large petition to Congress for its unconditional repeal per accompanying form. Use personal influence with your Congressman and particularly let your wishes be known to your Senators. The future life of national banks as fixed and safe investments, depends upon immediate action as there is an increasing sentiment in favor of Government legal tender notes and silver coinage.” (From *Who Rules America* by C.K.Howe)

The well organized Bankers Association won the game against a non organized public. A special Session of Congress was called for the very purpose of destroying the growing confidence of the people in Government money. To force people into using banking money, money had to be made scarce. It was to be felt in all of America and thus was born the crisis called the panic of 1893.

Is it Heaven, is it weather or is it fate that cause monetary crisis? Does scarcity of money come about without design? Who does it benefit? The following excerpt is taken from a confidential circular written two years prior to the 1893 panic:

“We authorize our loan agents in the western States to loan our funds on real estate to fall due on September 1, 1894, and at no time thereafter. On September 1, 1894, we will not renew our loans under any consideration. On September 1st we will demand our money. We will foreclose and become mortgagees in possession.

“We can take two-thirds of the farms west of the Mississippi, and thousands of them east of the great Mississippi as well, at our own price ... We ▶



Governments, instead of whipping the people, whip the bankers

as well own three-fourths of the farms of the West and the money of the country. Then the farmers will become tenants as in England."

Periodic blood-lettings are carried out still, as well as crisis. The 1907 panic, had no other cause than the contraction of credit. This is an excellent example of the type of ploy continually repeated in all financial crises through to the present.

In May of 1920, a secret meeting was held by the members of the Chamber of the Federal Reserve, its Council and 36 class A Federal Reserve Bank directors. This is the American system of 12 central banks privately owned by member banks, as devised in London by intervention of Paul Warburg, an international financier. After a one day discussion, the assembly decided upon a contraction of the money and credit of the Nation. And so it was that the following July, all prices came tumbling down, farm products fetched half their prices. The 1920-22 recession was on.

The banks issuing of money as debt, and the reimbursement of these credits under conditions determined by the bankers places the world at the bankers' discretion and this on an international scale. Recessions are universal. All are concerned.

In 1929, the rapid recall of credits caused a 20 billion decrease in short term loans in the United States. This bleeding caused a weakening of the economic body; check transactions went down by 1200 billions: two thirds of all money available to commerce and industry disappeared.

If the banker creates credit that is used as money, he also destroys it, and the circulation of this credit in the economic body, leaves a cancer ridden debt. The great Pope, Pius XI, was right in saying: "Those who control money and credit have become the masters of our lives."

Conclusion

High Finance is organized in such a way as to control legislation, to dictate to the world its standard of living. What is needed to strike down this powerful foe is nothing less than the coming together of the whole

population, of the multitudes.

Some people blame us, the defenders of Social Credit, for bringing money matters to the public attention instead of discussing it only with economists or with the proper authorities. We do this because we want results. We want a sorely needed change. If in Lincoln's days, the American public had understood the money question, the assassination of this great man would not have caused finance to strengthen its grip upon the American continent. If the Canadian public of all provinces had studied the monetary question since 1933 as was done generally in Alberta, the depression would have ended in 1935 and international finance would no longer have any say in our destinies. Lone individuals have always come forth, they were often heroes; but because they did not know how or were not able to pass on their vision to the people, the people remained in servitude. Jefferson, Lincoln, Greeley, Lindberg, and others in the United States realized, denounced, but nothing changed because the multitudes were unaware.

Academic discussions held in comfortable chambers will not put an end to misery otherwise they would have done so long ago.

The powerful and well educated who remain passive or even disdainful in the great fight for economic liberation, should only expect to lose their crown when the public, at last enlightened and freed, will ask where were our leaders when we suffered in servitude.

Louis Even