

**MONEY PAMPHLETS BY**

**number six**



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**AMERICA, ROOSEVELT  
AND THE CAUSES  
OF THE PRESENT  
WAR**

**PRICE 2/6**

U.S.A. 50c.

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**LONDON**

**PETER RUSSELL**

**1951**



Ezra Pound

*America, Roosevelt and the causes of the present war*

Title of original work :

*L'America, Roosevelt e le cause della guerra presente*

First published at Venice in 1944

First English Edition

Translated by JOHN DRUMMOND

The main events dealt with in this pamphlet are :

(1) *The suppression of the paper-money issue in Pennsylvania, A.D. 1750.*

(2) *The American Revolution (1776) and its subsequent betrayals.*

(3) *How the United States fell into the hands of the international usurocracy during the Civil War after about 1863.*

These events should be considered in relation to the present war (1939- ).

### The Incidence of the War in the Process of History and the Fate of Revolutions

This war was not caused by any caprice on Mussolini's part, nor on Hitler's. This war is part of the secular war between usurers and peasants, between the usurocracy and whomever does an honest day's work with his own brain or hands. I don't know how many books one may have to read in order to understand this simple sentence, but a writer of history must count more on the selection of facts than on the bulk of exposition. A few pages of a writer like Georg Obst are worth more than the whole of D.R. Dewey's *Financial History*, because Obst seeks to make himself clear to the reader, whereas Dewey sought to produce a work useful to the plutocratic bosses.

The historical process has been understood at various times, but this understanding on the part of a diligent minority fighting for the public good is again and again thrust down beneath the surface. In 1878 my grandfather said the same things that I'm saying now, but the memory of his efforts has been obliterated. The same applies to the revelations of men like Calhoun, Jackson, and Van Buren. Forty years ago Brooks Adams assembled some very significant facts, but his books were not widely read. He had no vocation for martyrdom, he confessed with

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irony.

There are, perhaps, thirty books a knowledge of which will enable us to understand how the American Revolution has been, and is still being, continued by the Italian Revolution, but none of these thirty books will be found on the bookstalls. It took me seven years to get hold of a set of *The Works of John Adams*, published in 1850-56 in ten volumes, edited with a Life of the Author by Charles Francis Adams, grandson of the Father of the Nation. Besides, these works are partly incomprehensible to anyone who is not already provided with some knowledge of economic or, more specifically, monetary matters.

If you can understand the cause, or causes, of one war, you will understand the cause or causes of several—perhaps of all. But the fundamental causes of war have received little publicity. Schoolbooks do not disclose the inner workings of banks. The mystery of economics has been more jealously guarded than were ever the mysteries of Eleusis. And the Central Bank of Greece was at Delphi.

In the nineteenth century the public more or less believed that political economy had been invented by Adam Smith. Regius Professorships were founded to falsify history and teach Whiggery. And even the Tudor monarchs used to talk about “tuning the pulpits.”

The cardinal fact of the American Revolution of 1776 was the suppression, in 1750, of the paper-money issue in Pennsylvania and other colonies, but history as taught in the U.S.A. speaks of more picturesque matters, such as the Boston Tea Party.

Ethics arise with agriculture. The ethics of the nomad do not go beyond the distinction between my sheep and your sheep. If the study of Aristotle and Demosthenes has not actually been suppressed, it has at least been soft-pedalled for perfectly deliberate and definite reasons. Certain classical authors speak too frankly for the tastes of the Grand Seigneurs of Usury.

The terminology of financial operations has already been studied and set forth with uncommon seriousness by Claudius Salmasius (*De Modo Usurarum* and *De Foenore Trapezitico*, Lugd. Bat. (Leyden), 1639 and 1640). But even those encyclopaedias that mention his name tend to ignore these two books.

What constitutes a sound basis of credit was already known and affirmed at the beginning of the seventeenth century by the founders of the Monte dei Paschi of Siena. It was, and is, the abundance, or the productive capacity, of nature taken together with the responsibility of the whole people.

I quote these apparently unconnected facts to indicate that certain high crimes are not due to any negligence on the part of a handful of scholars, and cannot be attributed to the ignorance of the whole of humanity, but that they can only happen on account of the ignorance of the great majority.

What the sages understood was recorded, but inscriptions disappear, books decay, while usurocratic publicity floods the public's mind like a muddy tide, and the same greed, the same iniquities and monopolies rise up again subjecting the world to their foul dominion.

St. Ambrose went straight to the point. “Hoggers of harvest, cursed, cursed among the people !” The history of usury begins with the loans of seed-corn in Babylon in the third millennium B.C. The first mention I know of a state monetary policy refers to the year 1766 B.C. when an Emperor of China, in order to alleviate the distress caused by famine and aggravated by grain monopolizers, opened a copper-mine and coined disks of metal perforated with a square hole. We read that he *gave* this money to the starving, and that they could then buy grain *where the grain was*.

It is not known whether the Emperor invented the idea, or if he followed a benevolent precedent. But one can see that he understood the nature and the social purpose of money, as well as one of the limitations of its power. A similar wisdom emerges from the phrase in the recent Fascist Republican Programme : “not the rights *of* property, but the rights *to* property.” The decrees of the Emperor Frederick II, King of Sicily, used to begin with God the Eternal and the Creation of the World. This medieval style precludes any idea that social factors are without roots.

My ignorance, and yours, and that of the surrounding public is not to-day a natural phenomenon. Above and beyond natural ignorance, an artificial ignorance is diffused, artificially created by the usurocratic press, by several kinds of organizations striving to preserve their monopolies and privileges.

The basic fact of the history of the U.S.A. is the suppression (aforementioned) of the colonial paper-money, fifty-six years after the foundation of the (private) Bank “of England” (so-called). Among the definitions of the word “banker” collected by Obst we find :

a banker is one who buys money and debts, creating other debts;  
a banker is one who borrows money to lend it again at a profit

(i.e., at a higher rate of interest).

The advanced stage in the development of the usurers’ cunning marked by the foundation of the above-mentioned bank was clearly registered in Paterson’s prospectus : “the bank hath benefit of the interest on all moneys which it creates out of nothing.”<sup>[1]</sup>

Paterson, in other words, proposed to lend not money but notes, gambling on the very likely probability that only a small fraction of the “depositors” would ever want to withdraw their money at the same time.

The trick came off, and in a grand way. But the Quakers of Pennsylvania were beginning to enter into competition *pro bono publico pennsylvanico*. That is to say, they lent their paper-money to farmers for purposes of land-reclamation up to an amount equal to half the value of the land in question, requiring repayment in ten annual instalments.

The bank in the mother country, through the instrumentality of the British Government, had this beneficial competition, which had brought prosperity to the colonies, suppressed in 1750.

After various other vexations the colonies declared their independence, which they achieved thanks to their geographical position and to the perturbed state of Europe.

The Emperor Tching Tang had understood the *distributive* function of money. Aristotle is right in saying that the Greeks called money NOMISMA because it was a product not of nature but of man. Money is, in the first place, an instrument of the will. The economic conditions of a society depend on the will of its rulers (hindered by ignorance or contrasting will-powers). It is true to say that the purely economic man does not exist, if we mean that the economic problem cannot be solved without allowing for human will as one of its components.

The purpose of a monopoly is to be able to sell the material or product monopolized at an unjustly inflated price, scorning the public good and victimizing one's neighbour.

During the last thirty years the news-stands and bookshops have displayed and sold a considerable number of more or less "approximative" works retailing the affairs of various monopolies : of petrol, of metals, etc. But the great whudunnit of money never appeared among them.

In a certain sense Brooks Adams had written it, but not in "popular" form. The kernel of his exposition is contained in the following paragraph.

Perhaps no financier has ever lived abler than Samuel Loyd. Certainly he understood as few men, even of later generations, have understood, the mighty engine of the single standard. He comprehended that, with expanding trade, an inelastic currency must rise in value; he saw that, with sufficient resources at command, his class might be able to establish such a rise, almost at pleasure; certainly that they could manipulate it when it came, by taking advantage of foreign exchange. He perceived moreover that, once established, a contraction of the currency might be forced to an extreme, and that when money rose beyond price, as in 1825, debtors would have to surrender their property on such terms as creditors might dictate.<sup>[2]</sup>

This is the kernel.

The modern revelation of the usurocratic mechanism remained at this point until Arthur Kitson gave his evidence before the Macmillan Committee, when he traced the curve showing the relationships between debt and credit after the Napoleonic wars, after the American Civil War, and their bearing on the post-Versailles period. (Notice to-day the American propaganda in favour of a "return to gold".)

Aristotle mentions the olive-press monopoly practiced by Thales just to prove that a philosopher could easily outwit other people if he had nothing better to do, or if he did not find the exercise of his cerebral facilities more interesting.



The monopoly of money, or the restriction of its circulation, is merely a variation of this simple form of monopoly. That is all. The stupid fall into the trap. Wars are provoked in succession, deliberately, by the great usurers, in order to create debts, to create scarcity, so that they can extort the interest on these debts, so that they can raise the price of money (i.e., the price of the various monetary units controlled by, or in the possession of, the same usurocrats), altering the prices of the various monetary units when it suits them, raising and lowering the prices of the various foodstuffs when it suits them, completely indifferent to the human victim, to the accumulated treasures of civilization, to the cultural heritage.

## In Two Continents

Every revolution is betrayed.

The story of the young American Republic may serve, to a certain extent, as a warning to the Italian Republic of to-day,<sup>[31]</sup> just as any other exact knowledge of history may be useful to the understanding of the historical process in times of crisis.

The victory of the American armies, Lord Cornwallis's surrender, etc., did not end the secular war between producer and usurer which continued, if somewhat subduedly, without the slightest truce. The idea that a war might ever have abolished interest on debt was regarded with irony by one of the "Fathers of the Republic." After a few skirmishes between advance patrols, there came an action in the grand style, now known as the "Scandal of the Assumption." The manœuvre was classic. The soldiers of the Revolution had been paid by the various colonies in paper-money that recognized the debt of the colony to the veteran. These "certificates of indebtedness" began to lose their purchasing-power, which fell to twenty per cent. of the face value. A hundred dollars in certificates were worth only twenty. At a certain moment twenty-nine members of the National Congress, in league with their friends, bought up large quantities of the certificates. After this action, the Nation, now newly organized as an executive unit, "assumed" the responsibility of paying them at par. (Claude G. Bowers, former U.S. Ambassador in Spain, gives the details in his *Jefferson and Hamilton*).

Hamilton's racial origins have never been determined with certainty, though his eloquence, suavity, and drawing-room talents suggest a certain affinity with the abilities of Disraeli. Jefferson, who opposed Hamilton's manoeuvres, pinned his faith on the Secretary of the Treasury, Gallatin, of "Swiss" origin. A certain prejudice was aroused against Gallatin, but Jefferson insisted that he was the "most able man in the administration after the President" (i.e., after himself).

Jefferson professed not to understand agriculture (adding deferentially : but Mr. Madison—he does). He claimed a certain ignorance of economics. He insisted that the bank was useful because it gave "ubiquity" to Gallatin's money. And, in fact, the bank gave it this ubiquity. Giving ubiquity to purchasing-power is one of the perfectly legitimate and very useful functions of banks. But to temper any exaggerated admiration of the workings of usurocratic procedures

that may have become sanctified by habit, we may note that John Adams exclaimed in his old age :

*Every bank of discount is downright corruption  
taxing the public for private individuals' gain.  
and if I say this in my will  
the American people wd/ pronounce I died crazy.*<sup>[4]</sup>

Some ten years ago I had occasion to condense the introductory study of American history into a “book” of less than thirty lines. This book shows that Jefferson was less ignorant of finance and money than his modesty would have pretended. Here are my four chapters :

## CHAPTER I

All the perplexities, confusion, and distress in America arise, not from defects in their Constitution or confederation, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit, and circulation,  
*John Adams*<sup>[5]</sup>

## CHAPTER II

... and if the national bills issued be bottomed (as is indispensable) on pledges of specific taxes for their redemption within certain and moderate epochs, and be of proper denominations for circulation, no interest on them would be necessary or just, because they would answer to every one the purposes of the metallic money withdrawn and replaced by them.

*Thomas Jefferson* (*Letter to Crawford*, 1816 July 20)<sup>[6]</sup>

## CHAPTER III

... and gave the people of this Republic the greatest blessing they ever had—their own paper to pay their own debts.

*Abraham Lincoln*<sup>[7]</sup>

## CHAPTER IV

The Congress shall have Power ...

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

(*Constitution of the United States, Article I Legislative Department, Section 8, clause 5*)

done in Convention by the Unanimous Consent of the States present the  
Seventeenth Day of September in the Year of our Lord one thousand seven  
hundred and Eighty seven and of the Independence of the United States of  
America the Twelfth

In witness whereof We have hereunto subscribed our Names,  
*George Washington—President and deputy from Virginia*

It should be noted that only the last of these statements is to be found in a publication easily accessible to the great majority of the citizens of the great but denatured democracy. The American Constitution, from which it is taken, is written in a style that is not very attractive to the average reader. The key-phrases come a long way after the beginning and the citizen gets bored before he catches up with them. For years, now, Congress has taken no notice of the powers it has been invested with by this Document. Now and then some crank from Nebraska or Dakota raises an uncouth voice to demand a little of the liberty proclaimed by the Fathers of the Republic, but the roar of the rotary presses soon drowns such rustic vociferations.

One day, thinking of the trouble it had cost me to unearth these four “chapters,” I asked the head of the American history department of the Library of Congress if there existed a history of America, whether in one volume or in ten, that contained these four chapters, or the substance of them.

After reflecting for a while he replied that so far as he knew I was the first to have brought together and in relation to each other the four great names of the greatest presidents of the Republic.

Lincoln was assassinated after he made the statement given above.

The theatrical gesture of the assassin does not explain how it happened that he escaped from Washington, after the alarm had been raised, by the only road that was not guarded; nor its synchronization with the attempted assassination of Seward, the Secretary of State, nor various other details of the affair. The fact remains that Lincoln had assumed a position in clear opposition to the usurocracy.

### Subsequent Betrayals

For a clearer understanding, American history may be divided into the following periods.

(1) The Colonial period up to the suppression of the papermoney in 1750.

(2) Preparation for the break with England of 1776.

“The revolution,” said John Adams, “took place in the minds of the people during the sixteen years preceding the battle of Lexington.”<sup>[8]</sup>

(3) Formation and organization of the new order, culminating in the struggle between Hamilton (for the bankers) and Jefferson (for “Democracy”).



It must be admitted that Washington came under Hamilton's influence. John Adams, the second President, held the high office for only four years. Jefferson ruled for eight years as President, and for a further sixteen during which he guided his successors. Next came Madison, eight years, Monroe, eight years, and then Adams's son for only four years, like his father before him.

(4) The fourth period covers the twelve years of Jackson (eight) and Van Buren (four), but the decade of 1830-40 has disappeared from the school-books. The public knows, and school-children get taught, that Jackson killed a few Redskins, chewed tobacco, and beat the English at New Orleans, after the peace of Ghent, but before news of its signing had arrived. This military victory of the Hero of New Orleans was nevertheless of service to America, for no one will be so ingenuous as to suppose that London would have observed the treaty had the British forces won the battle.

But the real war was the war between the bank and the people, waged and won for the people by Jackson and Van Buren.

This is the fact that explains the silence of "history" and the small respect paid to Van Buren throughout the whole period of American decadence, which dates from Lincoln's assassination. Usurocracy, defeated by the operations of Jackson and Van Buren, next directed its beam of obfuscation onto the question of negro slavery, or "chattel slavery," as it was called. The dramatic and sentimental possibilities of this problem were far superior to those immediately visible in the bank struggle.

During the pre-war phase the debates in Congress reveal an extremely penetrating perception on the part of the more intelligent members. But after Lincoln's death discussions lost much of their clarity. The indebtedness of the South to the City of New York took second place. The subject lost its news value.

Usurocracy had discovered that the slave-owning system was less profitable than that of "free" labour. Anyone who possessed a slave had to keep him alive and in a fit condition to work. This cost more than "free" labour, in respect of which, under the capitalist system, the employer had no responsibility whatsoever. The defeat of the slave owners was already determined, predetermined.

### Civil and Uncivil

Perhaps the elements of "conscience" and "idealism" never played so important a part in the preparation of a war as in the present instance. The problem of mass emotion is not a mathematical or a monetary problem, but when the passions of the multitude are aroused certain banking elements set about to exploit the situation.

The aim of the Civil War was unmasked in an issue of the Hazard Circular in 1862 :

The great debt that (our friends the) capitalists (of Europe) will see to it is made

out of the war must be used to control the volume of money. ... It will not do to allow the greenback, as it is called, to circulate ... for we cannot control (their issue and circulation).<sup>[9]</sup>

As for the system which allowed the national money of the U.S.A. to be controlled by “finance,” namely the usurocracy which was then established in London, it is summed up in a letter, dated 25 June, 1863, from the Rothschild firm in London to the firm of Ikleheimer, Morton & Van der Gould in New York, containing the following words :

*“Very few people  
“will understand this. Those who do will be occupied  
“getting profits. The general public will probably not  
“see it’s against their interest.”<sup>[10]</sup>*

This opinion of the various Shermans, Rothschilds, etc., proved to be perfectly right. The protests of the minority representatives in the United States, and of various cranks elsewhere, have failed to overcome the power of the usurers and of the international usurocratic press, including that of England, France, and Italy.

The Comte de Vergennes had every reason to say to John Adams that the newspapers ruled the world.

John Adams’s great-grandson had every reason to write that after Waterloo the power of the usurers met with no serious defeat.<sup>[11]</sup>

The first serious attempt against them, after Lincoln’s, began with the Fascist Revolution, to be reaffirmed by the formation of the Rome-Berlin Axis.

University textbooks, throughout the whole of the century of usury, known as the nineteenth, were written to maintain the domination of usury and to keep the professors in their chairs. A book like D.R. Dewey’s *Financial History of the United States* contains an enormous quantity of incontrovertible facts, but *omits* those which are really relevant and revealing. These cardinal facts, on which the whole problem turns, are only to be found in a few pamphlets that slip through the controls, or in fundamental “works” in which their discovery requires great patience on the part of the reader : a hundred pages of reading-matter for three revealing lines.

## Conclusion

What ! finished already ? No doubt the reader expects me to explain myself further. But I’m not so sure. I have, I think, given the facts necessary for an understanding of the problem of war, of wars in succession. I might go on explaining and heaping up additional facts for six hundred pages or more.

In 1878 a member got up in Congress and expressed the hope that he might keep some of the non-interest-bearing National debt in circulation as currency.

One reader in five hundred will understand this remark. And I am quite sure that the record of this capricious proposal survives only in one contemporary newspaper clipping, apart from its interment in the archives of the American Capitol.

The state *can* lend. The fleet that was victorious at Salamis was built with money lent to the shipbuilders by the state.

The practice of state-loans fell into evil repute because the emperors of the Roman decadence allowed money to be lent to unworthy borrowers who did not repay it.

Wisdom resides less in the means than in the affirmation of ends. If there is the will to attain the end, the means will be found. If the end is perfidious, no means can have in itself any inherent virtue capable of preventing the perversion of justice.

Against this, it may be observed that certain systems, and certain mechanisms of means, have been purposely invented and set working in order to mislead the public, and to keep them ignorant of the facts of history and of the best means of creating and maintaining social justice. The ideological and propagandist battle should be directed against the practice of this obscurantism.

In recent centuries gold has been used by the bankers mainly as an instrument for creating scarcity—a scarcity, in the first instance, of gold itself in a certain locality, nation, or nations, strategically determinative.

For a long time now the gold standard has not, in fact, existed. What has existed has been a *false-gold* standard.

The abolition of a so-called “gold” currency, or of a paper currency issued in a variable relationship to a real or supposed quantity of gold, and the institution of a currency based on “work,” would have one great advantage : work cannot be monopolized. But all the artful dodges of accounting used by the usurers to manipulate the present forms of money would be *attempted* in the case of any new kind of money.

In this respect the conservatives who cry “No monkeying about with money!” are quite right. But the fundamental fraud is monopoly ! It is necessary to understand this. It is necessary to understand how it has been practiced from the year 1694, when the Bank “of England” was founded, until to-day.

It is necessary to perceive that Napoleon and several other Heads of States have been struggling against the same snares and pitfalls, the same trickery.

The history of the last twenty-five years in Europe is unknown to the Italian people, and especially to the authorities and economists of Italy and Germany. A summary of the League of Nations infamy is contained in Odon Por’s *Politica economico-sociale in Italia. Anno XVII-XVIII*.



The usurers' assault was launched from London and Washington, united in operation. In 1863 the central office was in London, the branch in New York. To-day the position is reversed : the head-quarters across the Atlantic, and the branch in London. The role of France is known. Mussolini was condemned by the international usurocracy from the moment he discovered the connexion between the usurers in New York and their creatures in Moscow. This is all fairly well known throughout Italy. I have tried to piece together a little of the earlier state of affairs behind the scenes.

The Bolshevik was a sham and, to a certain extent, a betrayed revolution.

Bolshevism proposed to destroy capital, but what it did was to destroy property—particularly peasant property. Stalin's attack on capitalism in his *Foundations of Leninism* merits attention. He thoroughly understands the iniquity of the various Roosevelts, Churchills, Blums, and the rest of them. But Bolshevism stooped to the methods of economic warfare, flooding foreign markets with goods and foodstuffs at cut prices; and with the purchase of the Suez Canal shares it has now frankly embarked on a financial war. It is allied up to the hilt with liberalism, for the liberals always get around to talking of the export of manpower—of human beings, that is—in exchange for foodstuffs. Stalin disposes of “forty truckloads of human material” for work on a canal. The only difference is one of economic detail: the enormous perversion is common to each tentacle of the monster.

(1) Wars are made to create debts.

(2) War is the highest form of sabotage, the most atrocious form of sabotage.

(3) A nation that will not get itself into debt drives the usurers to fury.

### Postscriptum

The details of the Italian and German opposition to the usurocratic conspiracy are available. What has been lacking in Italy, especially among practical people, among industrialists, large as well as small, among businessmen, and not only small businessmen, is a comprehensive survey of the usurocratic mechanism, an awareness of the relationships between commercial transactions, of the relationship between the management of a factory or business and the international monetary system, not on a short-term basis, at three-monthly or three-yearly intervals, but over periods of centuries or half-centuries : and always with the sole object—lucre. And always with the same mechanism, too, namely the creation of debts for the extortion of the interest, of monopolies so that they can keep all prices continually fluctuating, including the prices of the various monetary units, of the various national currencies.

The following are some of the sources at which the student may be able to slake a little of the curiosity that I hope this pamphlet will have stimulated.

ARISTOTLE, *Politics*.

Claudius Salmasius, *De Modo Usurarum*, Elzevier, Lugd. Bat. (Leyden), 1639.

Claudius Salmasius, *De Foenore Trapezitico*, Joannis Maire, Lugd. Bat., 1640.

*Histoire Générale de la Chine ou Annales de cet Empire, traduites du Tong-Kien-Kang-Mou, par le feu père Joseph Anne-Marie de Moyriac De Mailla* [or de Moyria de Maillac], Paris, 1777-83, 12 volumes [or 1777-85, 13 volumes].

T. Louis Camparet, "The Reorganization of the Municipal Administration under the Antonines," *American Journal of Philology*, Vol. XXVII, No. 2.

*The Works of John Adams, Second President of the United States: with A Life of the Author, notes and illustrations, by his Grandson, Charles Francis Adams.*

Little, Brown & Co., Boston, 1850-56.

*The Writings of Thomas Jefferson*, Memorial Edition, XX volumes, Washington, 1903-4.

*The Autobiography of Martin Van Buren*, written in 1854 and remaining in manuscript until its publication as Vol. II of the "Annual Report of the American Historical Association for the year 1918," Govt. Print. Off., Washington, 1920.

Claude G. BOWERS, *Jefferson and Hamilton*, Houghton Mifflin, Boston, 1925.

Willis A. OVERHOLSER, *A Short Review and Analysis of the History of Money in the United States*, published by the author, Libertyville, Ill., 1936.

Odon POR, *Politica economico-sociale in Italia. Anno XVII-XVIII*. Florence, 1940. [English translation by Ezra Pound : *Italy's Policy of Social Economics*, 1939-40, Bergamo, 1941.]

And for a wider view of the historical process :

Brooks Adams, *The Law of Civilization and Decay*. First New York edition (Macmillan), 1896. [New edition, with an Introduction by Charles A. Beard, Knopf, New York, 1943.]

Brooks Adams, *The New Empire*, Macmillan, New York, 1902.

Arthur Kitson, *The Bankers' Conspiracy ! which started the World Crisis*, Elliot Stock, London, 1933.

My efforts during the last ten years, in so far as the historical process and especially the monetary problem are concerned, have been directed towards establishing a correlation between Fascist economics and the economics of canon law (i.e., Catholic and medieval economics), on the one hand, and, on the other, Major Douglas's Social Credit proposals together with those of Gesell, known as the "Natural Economic Order," or sometimes as "Freiwirtschaft." With regard to this last, it should be noted that the mechanism, more or less invented by Gesell, is separable from his more or less political views; it could function just as well, that is, in a controlled economic system, as under the regime of unrestricted commerce that Gesell assumed.

NOTE : In all studies of economics and the historical process we need a freshly determined and a freshly clarified terminology. Even a writer like Obst, who is careful to define his words, has failed to establish a complete terminology, and to make all the distinctions one would have wished. A clearer distinction between a means of saving and a means of exchange might throw some light on the various subjective obscurities of several authors. Meanwhile I welcome with relief Fernando Ritter's tendency to speak of money not in "financial" or "economic" terms, but in terms of grain and fertilizers.

### Finale Enfatico

I hope the reader has *not* "understood it all straight of." I should like to invent some kind of typographical dodge which would force every reader to stop and reflect for five minutes (or for five hours), to go back to the facts mentioned and think over their significance for himself. And I should like him to sum the facts up for himself, and to draw his own conclusions.

In case I should have proved wanting in clarity of expression, I repeat :

The meaning of the phrase "It will not do to allow the greenback ... to circulate" is this : private individuals, without any responsibility before the American nation, were able to get control of the nation's money, forcing the people to pay non-official fines and taxes for the sole benefit of this hidden power, the usurocracy. After Lincoln's death the real power in the United States passed from the hands of the official government into those of the Rothschilds and others of their evil combine. The democratic system perished. From that time on it has been useless to speak of the United States as an autonomous entity. From what precise moment it became useless and absurd to speak of the British Empire as an autonomous entity still remains to be determined.

It's so much waste of time to speak of this or that "democracy." The real government was, and is, to be found behind the scenes. The "democratic" system works as follows. Two or more parties, all under orders from the usurocracy, appear before the public. As a matter of form, and to reassure the simpletons, some honest men and one or two independent idealists are allowed to do a little clean work as long as they don't touch the various rackets. The biggest rackets are those of finance and monopolization, including the monopolization of money itself, both within the nation and in combination with the various foreign currencies.

When there is a danger of abundance of any, or almost all, commodities, then the usurocracy unleashes a war in order to diminish purchasing-power.

Major Douglas had already by 1920 pointed out the fact of potential plenty. The Loeb Survey Report (*Report of the National Survey of Potential Product Capacity*, New York City Housing Authority, 1935) has demonstrated the accuracy of the Major's statement.

The danger of abundance causes the unleashing of war. Even before the previous war Anatole France, in *L'Ile des Pingouins*, ironically informed his readers of the workings of "commercial"



wars :

“Certainly,” replied the interpreter, “there are industrial wars. Nations without commerce and industry have no reason to go to war, but commercial nations are forced to adopt a policy of conquest. Our wars must, of necessity, increase in number as our industrial activity increases. When one of our industries fails to find an outlet for its products we must have a war to open up new markets. This year, in fact, we have had a coal war, a copper war, and a cotton war. In Third Zealand we have massacred two thirds of the natives to force the remainder to buy umbrellas and braces.”

This book by “France” was immensely popular round about 1908, but the world failed to learn its lesson.

The history of the United States cannot be given in sixteen pages. I have brought together a few facts which have been overlooked in the weightier tomes, and which the reader must know if he is not to remain in the dark and in ignorance of the bellifacient process. Nevertheless, a history of the United States, in summary form but adequate for the needs of all save specialists, could be composed by putting together this pamphlet, W.E. Woodward’s *New American History*, Overholser’s *Short History of Money in the United States*, and an extract from Claude G. Bower’s *Jefferson and Hamilton*.

The reason for the present publication, at this particular moment,<sup>[12]</sup> is to indicate the incidence of the present war in the series of wars provoked by the same never-dying agency, namely the world *usurocracy*, or the congregation of High Finance : Roosevelt being in all this a kind of malignant tumour, not autonomous, not self-created, but an unclean exponent of something less circumscribed than his own evil personal existence; a magistrate with *legally* limited jurisdiction, a perjurer, not fully aware of what he does, why he does it, or where it leads to. His political life ought to be brought *sub judice*.

END

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For a list of Ezra Pound's most important pamphlets see the inside front cover of this pamphlet.

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  - 8 See Cantos XXXII and L. This thought, though never quite in these words, occurs several times in Adam's letters from 1815 onwards.—*Tr.*
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Ezra Pound

*An Introduction to the Economic Nature of the United States*

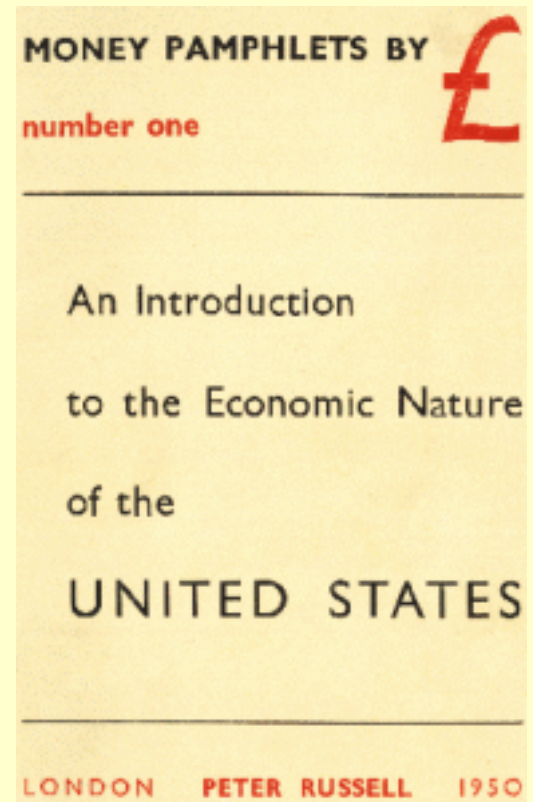
The Title

This is not a SHORT History of the Economy of the United States. For forty years I have schooled myself, not to write the Economic History of the U.S. or any other country, but to write an epic poem which begins “In the Dark Forest” crosses the Purgatory of human error, and ends in the light, “fra i maestri di color che sanno”. For this reason I have had to understand the NATURE of error. But I don’t think it necessary to refer to each particular case of error.

I do not believe that the method of historiography has progressed much since the days when Confucius selected the documents of the old kingdoms, and condensed his conclusions in the Testament. Aristotle toward the end of his life arrived at a similar method, in his collection of Greek State Constitutions. Voltaire used the “human” method which hinges on chance and the personal element. A prince eats a pudding and dies of acute indigestion at a critical moment. Caesar Borgia said : “I had anticipated everything except being bedridden the day my father died.” Michelet analyzes the motives of different social groups and tells us that the manual labourer wants to own a shop because he thinks shop-keepers don’t work. Another method consists in analyzing certain mechanisms invented to humbug the public. Perhaps it is the renewal of an Aristotelian tendency but, in any event, it is suitable for the present narrative, and I am following it in this essay or definition, of the struggle between the people and the usurers, or financiers, in the colonies, and then in the United States of North America.

Towards the end of the Eighteenth Century the settlers, driven by the desire for Freedom of Conscience, hardened by privations, favoured and betrayed, reached a certain degree of prosperity, thanks to their own hard work and to a sane system of using paper money as a means of exchange that freed them, temporarily, from the pincers of the Bank of England.

The Settlers, or Colonizers, in Pennsylvania and in other colonies, irritated by the disappearance of metal money, understood that any other document could be used for book-keeping and as a certificate of what the bearer was entitled to receive in the market. The agriculturists who arrived in the new country, while they cleared the forests and prepared their camps, lacked the power to buy what was necessary to build houses, to buy plows, and to make a living. So the



governments of several colonies began to loan paper-money for these purposes. Pennsylvania chose the best method adapted to the conditions—repayment in ten or twelve years, and loaning amounts up to one half of the value of the farm. Those who loaned the money, living near to those who had received the loan, could judge the character of the borrower. This arcadian simplicity displeased the London monopolists and the suppression of this competition, together with other irritants, provoked the 1776 “Revolution”.

The clearness of comprehension on the part of the revolutionary leaders is registered in diaries and “memoirs” of the times, and particularly in the notes of John Adams who, among other things, had been sent to Europe to organise the credit for the new State, and who secured the first loan from Holland.

It is to be understood that the experience of John Adams was neither theoretical nor abstract. Firmly convinced of the capacity of the Americans to produce farm products and merchandize, he met, and overcame, all the insidiousness of Europe. He convinced the Hollanders of the solidarity of the American guarantees by comparing the insignificant debit of the United States to the great debt of England.

I repeat : His notes are neither abstract nor theoretical. It was a question of paying the war expenditures with tobacco. The intimate letters and conversations, verified by the friends of Adams, contain concrete concepts as, for example : “It is necessary to keep up the idea that this paper is good for something”, meaning that the note can be exchanged for actual goods.

It was understood that the Navy depended on iron, timber and tar, and not on the manoeuvres of a false finance.

Some time later the bankers published projects for the extension of credit, “funding”, or the institution of a public debit. Adams faced the terrors of inflation by saying that a diminishing buying power of the paper money functioned as an unevenly distributed tax, a tax that hit those with a fixed salary, or living on an income; that the businessmen would have the best of it; and that, in any event, an inflation of this kind would *not* have created a public debt WITH INTEREST.

It is understood that credit is Paul’s supposition that Peter will pay. It was understood that the base of the real credit of the thirteen colonies was their capacity to work, taken together with the truly great possibility of future production limited then, not by nature, fields, vegetation, but only by the number of the inhabitants. Washington was able to win in the war because he resisted to the bitter end. Washington won, but not without indebtedness to the tenacity and good sense of Adams—the Negotiator.

History, as seen by a Monetary Economist, is a continuous struggle between producers and non-producers, and those who try to make a living by inserting a false system of book-keeping between the producers and their just recompense. The Bank of England was based on the discovery that instead of loaning money, the Bank’s paper could be put out on loan. The Philadelphia financiers, not entirely severed from their friends in foreign countries, saw the possibility of speculation and the monopolizers of money tried their usual tricks on a thick-headed public.

“Financiers and Congressmen bought a great quantity of soldier’s pay certificates which had been issued during the war. The certificates were simply printing press money without anything of value behind them. Years had passed since their date of issue and, as their hope for redemption went down, their value went down, and down. In 1789 they could be bought for 10 or 15 cents to the dollar. Alexander Hamilton proposed that the Continental certificates be redeemed at par.”<sup>[1]</sup> And then the nation “assumed” the responsibility of paying them as proposed. *These were the famous certificates of pay due to the Veterans. This constituted the “Scandal of the Assumption.”*

England was trying diverse methods of usury and sanctions. The lack of caution on the part of the great property owners of the South, reduced them to indebtedness. Slavery became less profitable than the new industrial system, in which the owner did not have to take care of his employees.

Let us note that at the beginning of the Nineteenth Century the “Mercantile” concept still retained traces of decency. Adams judged it “hardly mercantile” to do business on borrowed capital. At that time individualism had its own probity, a modest but secure income was called an “*independence*”.

History taken as a lesson, and taking into account the difference between certainty and supposition, would be an *exposition of the nature of events*, rather than a chronicle of names.

Some events can be known only after centuries. We know, for example, that Parisina d’Este<sup>[2]</sup> incurred certain expenditures which were paid from the Ducal Treasury of Ferrara, and we also know the date of these payments. Other deeds never become known and must remain buried with the participants. A signed letter proves what the writer wanted the recipient to believe on such and such a day. But the clarity of an idea remains among the ASCERTAINED facts. The definition of an idea, as observed by someone who understands the events of the day, may shed more light on the historical process than many volumes.

## SOURCES

The true history of the economy of the United States, as I see it, is to be found in the correspondence between Adams and Jefferson, in the writings of Van Buren, and in quotations from the intimate letters of the Fathers of the Republic. The elements remain the same: debts, altering the value of monetary units, and the attempts, and triumphs of usury, due to monopolies, or to a “Corner”.

In order to please those who love to gamble, the Exchange permits Mr. A to sell to Mr. B what Mr. A does not possess; on condition that Mr. A. succeeds in buying it and consigning it to Mr. B within a determined time.

The Americans have chosen this game instead of bull-fighting. And naturally, if a group of

financiers succeeds in inducing simpletons to sell more than actually exists, or to sell more of it than can be obtained, the late-comers can be made to “pay through the nose”. In 1869, Gould, Fisk and others almost succeeded in monopolizing the available gold in New York. Roosevelt followed Jim Fisk.

The speculators boast about their courage or temerity, but this courage is a different kind of courage from that displayed at the Roulette, or other games of chance; for, by speculating on wheat and other commodities these gamblers are not just gambling among themselves, they are deciding on the prices the public must pay for its necessities. *Civic conscience has not developed in America. It seems to me that this conscience was higher during the first years of the Republic, or, at least, the heroes of that era have left to us monuments of their personal consciences, which seem to have been rather higher than those of today.*

From the War of Secession up to now, the economic history of the United States has consisted in a series of exchange manoeuvres in New York and in Chicago; attempts to impose monopolies, corners, variations in the prices of the shares of new industries, and of the means of transportation. In the beginning they speculated on the value of land. An inflation in its value was stimulated without bothering about the difficulty, or the impossibility of transporting products from distant fields to the market. Then they speculated on the values of the railroads. If it is in the interest of the common worker, producer, or citizen to have an equitable and fixed price, this is not at all in the interest of the speculator or broker. “Hell”, he says, “I don’t want a still market. I couldn’t make any money.”

Like a patient fisher, the broker waits for the rise or fall of even  $\frac{1}{4}$  or  $\frac{1}{8}$  per cent, and there is his fifty or one hundred dollars.

He waits for a “break”. It may come once in a life time. This may be the starting point to a fortune. The great Morgan, during the Civil War, bought on credit a certain quantity of damaged rifles from the War Department in Washington, and sold them to a Military Command in Texas, and was paid by the latter before he had to pay the former. He made \$75,000.00 profit. Later he was even sentenced, but that did not prevent his becoming the great Mahatma of Wall Street, and a world politico-economical power. Such is the material of which the economic and human history of the United states is made.

### Stratagems and Illusions

The Morgan affair, or trial, will be classified as normal finance and could have happened anywhere in the “old world”. But the new land, because of the new conditions, offered several kinds of opportunity for fraud. In order to display the problem of the American mentality and its development, or perversion as a component in the historical process, these frauds should be classified. Take for example, the concession to construct the Northern Pacific Railroad. This concession had a clause in it which conferred on the constructors the right to all the lumber



cleared during the construction. The route went through the virgin forest and the trees were destined to be used as crossties, but the clause did not specify the width of the road to be cut and the company, with perfect legality, cut for itself a strip of land two miles wide. The land and the forests were the property of the nation, but no private citizen felt that he had been swindled. Similar things are the basis of American Humour. These things make for pride and tradition. The fight against the forest, and the difficulties of the desert. Marksmanship and craftiness were being developed. A man in Connecticut succeeded in manufacturing imitation nutmegs out of plain wood and selling them at a profit. This trick sent the whole country into peals of laughter. The Centenary of this trick was commemorated at the St. Louis Exposition. Imitation nutmegs were made and sold at 5 cents each. One day, when these souvenirs were exhausted, the man in charge, a true son of Connecticut, pure-blooded yankee, did not hesitate one instant to substitute real nutmegs for them, at the same price. The public heard it, and roared again.

Since the days of the California Gold Rush there have been men who have specialized in “Gold Bricks”, that is, a lead brick covered with a layer of gold, or even solid gold in some parts so that the seller can bore through it at known points and show it to be solid gold. After the Alaskan Gold Rush the “gold brick” made its reappearance. The majority of those who had been duped brought their bricks to my father who was an assayer at the Mint. This was the period of free coining of gold, and any one had the right to have his own metal coined. So, the stories of these dupes have been familiar to me, through personal experience, since I was five years old.

I should like to differentiate between two kinds of dishonesty: (1) that of financial frauds and book-keeping; and (2) that arising from particular material opportunities, as in the case of the NORTHERN PACIFIC.

### Tradition

The usual frauds of book-keeping, monopoly, etc., have been known since the beginning of history, and it is precisely for this reason that the usurers are opposed to classical studies. Aristotle, in his *POLITICS* 1. 4/5, relates how Thales, wishing to show that a philosopher could easily “make money” if he had nothing better to do, foreseeing a bumper crop of olives, hired by paying a small deposit, all the olive presses on the islands of Miletus and Chios. When the abundant harvest arrived, everybody went to see Thales. Aristotle remarks that this is a common business practice. And the Exchange frauds are, nearly all of them, variants on this theme—artificial scarcity of grain and of merchandise, artificial scarcity of money, that is, scarcity of the key to all the other exchanges.

### Proverbs and Wisdom

The struggle between the Producers and the Falsifiers of Bookkeeping was clearly seen and

understood by the Fathers of the Republic. Their wisdom was recorded in pungent phrases: “The safest place of deposit is in the pants of the people.” “Every Bank of Discount is downright iniquity, robbing the public for individuals’ gain.” An insurance agent once asked a banker why the railroad companies, which are privately owned, must run to him, a banker, in order to sell their bonds. The banker, with ironic sadness, whispered: “Hush”.

## The Substructure

To understand the American historical process, it is necessary to consider the successive waves of immigration.

1 — Those who came through a spirit of adventure or, because of religious convictions and the desire for Freedom of Conscience, and who were willing to face the difficulties of a savage and uncultivated country;

2 — The slaves;

3 — and those who arrived when the machinery was being assembled.

Class struggle in the United States is a recent and an almost exotic problem, in the sense that it does not derive from the Founders. Let us take a “typical American family”. Two Wadsworth brothers, or two men of that name, arrived in Massachusetts in 1632. In 1882 their descendants had a family reunion and published the history of their family. In the eight generations we find all sort and conditions rich and poor. One, at the age of sixteen, sold his hair for a shilling, and “this was the first money he ever did see”. Another fitted out a ship with his own money, during the Civil War. On the 250th Anniversary the participants presented equal variety and extremes among them—members of the Stock Exchange, salesmen, doctors, a telegraph operator and two old women for whom a collection was taken up. Under these conditions class warfare, in the true sense of the word, does not exist, even though the differences in wealth and position is undeniably visible.

## Colonial Tendencies

The Fathers of the Republic revolted against the English ruling class, the younger brothers against the first-born. Popular hatred of the monarchist idea hampered Adams throughout his life. And all because, at the age of seventeen, he had written a letter in which he foresaw the possibility of an American Kingdom capable of resisting any European force. Demagogy seized this phrase to insist that Adams had never been anti-monarchist, but preferred the House of Braintree, that is, his own house, to that of the Hanover. His father held the plow. His son, John Q. Adams, awaited the results of a presidential election at the plow. Perhaps a classical pose, but he was capable of holding the plow, and was not doing it for the first time in his life. Let us compare a score of personal cases in order to understand the foundation of American economic history. In the docket of a great-grandfather, Justice of the Peace, in New York State,

the fines run from \$1.30 to about \$25.00, and the tribunal's expenses from 8c to \$1.30.

His daughter, at least once in her life, went to work in a factory, married a man who became a Congressman, supervised the kitchen, not as a spectator, but in order to prepare the meals for about forty lumbermen. At the time of her separation she had \$100,000.00 in the bank, but the bank failed. My father, the first white man to be born in that part of Wisconsin, was looked after by a male redskin instead of a nurse. He inspected mines in Idaho, and got a job in the Land Office. One week he had his kindling wood sawed by a certain man for a dollar. Ten days later he asked the man if he wanted to saw a little more wood. "Saw wood ? Saw Wood ? Say Homer do you want to go East and sell a mine ? I got \$10,000.00 in the bank."

In 1919 I met in Paris a quiet little man, Ambassador at the time, whom my father remembered thirty-five years before in the act of reaching for a revolver to help out his partner. American distances are different from the European, and the statistics do not record all the nuances.

## Waves

Religious convictions, anarchic tendencies, love of adventure and then laziness. The American tragedy, in a certain sense, is the tragedy of laziness. The sense of justice surrendered to the sense of laziness. Justice was limited first to the whites, and then to the bosses.

From Europe a flood of workers poured in. The national type was formed from a similarity of tastes and temperaments and not on a racial basis. Those who wanted material gain emigrated to America. Those of a milder nature, the more contemplative, the sentimental, those more attached to their soil and home, remained in Europe. The strong, the restless, the malcontents, the misfits went. The younger sons of the English went in the 1600s, but after 1800 emigrants from England diminished.

The Puritans were Bible-crazy, but they did not bring the Hebrew Scriptures only. The culture of Adams and Jefferson is a Latin culture with a mixture of Greek. Otis wrote a Greek Grammar which he destroyed, or which was lost for the lack of a competent printer. During the prosperous colonial era the arts of silversmithing, furniture making, and architecture developed. The houses, although made of wood, were a Greek dream. Numbers of them burned down. From Germany came groups of religious sectarians. They brought with them the art of glassmaking, and organised, at least once a year, a Bach Festival. Monticello is full of refinement. The polygrapher<sup>[3]</sup> longed for a complete civilization equal to that of an Italian Court, ceremonies omitted, of the Fourteenth Century. He got into debt.

Adams was frugal, and used the weather-boards of his attic study as a handy file for his correspondence. For at least a century New England took as an idea: "Low Living High Thinking".

Usury spoiled the Republic. Usury has been defined as too high an interest on money. The word finance became fashionable in the bank-paper era. And it is to this that Jefferson alludes

in the phrase: “No one has a natural right to be money-lender save him who has it to lend.” With the “financial” era the word usury disappeared from polite conversation.

There is no greater imbecility than to leave one’s own bank-account or one’s own sources of information in the hands of an enemy, or an irresponsible man.

The struggle between the people and the exploiters, in America, was waged around these forms of imbecility.

A handful of people, who lived on little and did not run into debit brought to, and preserved in America, a rather high, severe culture, and a civic sense nourished by the traditions of English legal liberty, that is, by a centuries-long conquest in which the traditions of North European tribes and Roman Law converge.

The Republic was started with a limited suffrage which was gradually extended from the love of justice and because of the good sense of the common people. The frontier aristocracy was, of necessity, a physical aristocracy. The others either died or weakened. My grandfather used to wrestle with his lumberjacks not only for sport, but to maintain his prestige. Lincoln was the last president of this race and of this tradition. For two centuries the frontier required daring. With the danger gone came the people who know how to suffer and to endure; or those who merely subside.

Up to the time of the Civil War the public seems to have taken some interest in the Congressional debates. The Congressional Record might nourish a civic sense, and the names of the protagonists are recorded in it. Even today it is possible to tell some truths in Congress, but the public has been distracted.

The “Economic” history of the United States is, on one side, the history of enormous wastes of the natural resources, wastes that took place because no immediate need for thrift was apparent and, in many instances, did not exist.

Land was given to whomsoever wished to settle on it, but no provisions were taken to protect the nation or the people from the dangers of resettling this land. Often resold for a trifle, it went to form large landed estates which for a long time, and perhaps even today, have not injured anyone.

### The Treasure of a Nation is its Honesty

The following phases follow one another: Freehold. The need of craftsmen. Slaves. Debts. “Free” craftsmanship in competition with the slave system. In the beginning personal commerce without indebtedness to finance. In many cases direct superintendence by the owners. No man could be a director of the Salem Museum who had not sailed round both the Cape of Good Hope and the “Horn”. The construction of fast clippers was New England’s glory a century ago. These clippers had brought the kind of wealth that follows the exchange of goods with the orient and the entire world. Even if economic, the history of the United States was, up



to the year 1860, romantic. From that period dates the cult of business which continues an Italic tradition, the tradition of the great City Republics of Venice and Genoa, the Superba and the Dominante. Economic affairs need not be wholly sordid. Usury however is a cancer, Finance a disease.

Paterson who invented the system of the Bank of England, that is, the system of loaning promissory notes, died poor, outcast by his early associates. California gold was discovered on the land of a man who did not profit by it. On the contrary, his farm was ruined and he got no protection from law.

The American tragedy is a continuous history of waste—waste of the natural abundance first, then waste of the new abundance offered by the machine, and then by machines, no longer isolated, but correlated and centuplicating the creative power of human labour.

The improvident Americans killed bison without thought or consideration. Forests were cut down without thought of conservation. This had no immediate effect on the prosperity of the inhabitants, because of nature's abundance. The usurers, now called financiers, plotted against abundance. [To understand the effect of the America system, it is necessary to refer to the monopoly of Thales and then take up the thread of the so-called "reform", or protestant schism](#), seen from the economic angle. The Protestants did not wish to pay ecclesiastical taxes to Rome, and to the priests for their rites. The Bible was invented as a substitute-Priest. The Canonical prohibition against usury disappeared. Polite society did not consider usury as Dante did, that is, damned to the same circle of Hell as the sodomites, both acting against the potential abundance of nature.

The Catholic economy had proclaimed the doctrine of the just price. Monopoly is a manoeuvre against the just price. One can speculate only on condition of the market oscillation.

The employers naturally tried to get their work done for the least possible price. The working-men, in self-defence, asked for the suffrage. The people won the war against the Bank of the U. S. between 1830 and 1840 but, [with the new waves of European work hands, the quality of the electorate declined](#), and demagogy undertook to corrupt it. The Press misled, or distracted, the people from the nature of the economic problem.

Toward the end of the Eighteenth Century the Republic was in revolt against the privileges of "birth", and the whole democratic movement was in revolt against the monopolies held by the guilds; monopolies of the opportunity of working. This explains the bearing of Adam Smith's phrase: "Men of the same trade never gather together without a conspiracy against the general public."

But the monopolies, the sanctions, the restrictions imposed by the guilds were, at least, monopolies of *producers*. The various monopolies which culminate in the monopoly of money itself, key to all the other monopolies were, and are, monopolies of *exploiters*.

The situation is complicated when the same man has his hand both in the production and in the finance. Henry Ford found himself forced into this situation in order to defend himself against Wall Street.

To understand the development of economic ideas in America, it is useful to know European precedents, even if these are little known in Europe itself.

The traces of the Leopoldine Reforms have been lost, as far as I know, but the analogy remains. It can be said with certainty that the same current towards the liberation from the shackles of the guilds made its appearance in Tuscany and in the American Colonies. The return to a controlled economy in Tuscany was wrecked by the Napoleonic Wars, and nothing has been heard of it in Europe for years. As far as I can discover, it had no echo in America.

John Quincy Adams, almost alone and smeared as an eccentric, supported a doctrine: giving more authority to the state. He wanted to conserve the national lands as property of the nation. The romance of the covered waggon, clipper of the prairies, finds its analogy in the Italian colonization in Africa. All this emigration had some resemblance to what Italy was doing on her Fourth Shore, but the former was done without the state's doing anything save granting the land without foresight.

The natural abundance existed, but it was wasted. Today, among the few merits of F.D.R. stands, perhaps, a vague idea of reforestation.

## Banks

The insidiousness of banking has always followed the same road—abundance—any kind of abundance tends to create optimism. This optimism is exaggerated, usually with the help of propaganda. Sales increase; prices of land, or of shares, rise beyond the possibility of material revenue. The banks that favour exaggerated loans, in order to manoeuvre the increase, restrict, recall their loans, and presently panic overtakes the people.

Toward the end of the First World-War, C.H. Douglas insisted on the opportunity of potential abundance and demanded national dividends, that is, a distribution of family or individual allowances so as to permit the public to buy what the public had produced.

Naturally all that was called insane. The London Times, and other newspapers, in the hands of financiers opposed this suggestion.

The justice of Major Douglas's views was confirmed by the Loeb Report (Report of the National Survey of Potential Product Capacity, New York City Housing Authority, 1935.) No one has been willing to dispute these statistics. Before entering this war every family of four persons in the United States could have had a \$4,000.00 to \$5,000.00 Standard-of-Living. Only the iniquity, the imbecility of the monetary-financial system prevented the realization of this material welfare.

War was brought about to impede the utilisation of this abundance. Without scarcity monopoly cannot impose unjust prices.

American money was not socialized. American money had not been democratic for eighty

years, as Lincoln had democratized it temporarily, and as Jackson had democratized it, even succeeding in extirpating the national debt.

The American people as late as 1939 had not yet learned the lesson taught by American history and, much less, by world history.

*It is idiotic to leave the pocket-book of the nation in the hands of private and, perhaps foreign, irresponsible individuals.*

*It is idiotic to leave the nation's sources of information in the hands of irresponsible individuals and, sometimes, in foreign hands.*

This ruin has its roots in the greed for lucre, a greed which separates itself from all common-sense and every sense of proportion, and blindly creates its own undoing.

Man has been reduced not even to a digestive tube, but to a money-receptacle that gradually is losing its own value. This cycle has lasted three centuries; from the arrival of the "Pilgrims" who sought freedom of worship, to the Cult of Lucre dominating today. This is an economic history. It is the history of a spiritual decadence. Part of this story is technical, part monetary, and part financial.

The aim of finance is to gain by others' labour. In the last four decades, the aim of finance, in order that the gains of a small group be greater, has been the retention of all the profits of mechanical inventions and the lowering to a minimum the workers' rewards. And this was done in the open market through Free Enterprise.

Now-a-days, in normal times, the necessity of working as formerly does not exist. Van Buren, a century ago, was interested in reducing the working-day to ten hours. The working-day could be limited to four hours now, and everybody could have the opportunity of working. But humanity, or, I should say, the working-class is not lazy. The great mass is not touched by an appeal to laziness.

Only the artist, for centuries, has succeeded in detaching the idea of work from the idea of profit, and not all artists have been capable of this dissociation of concepts.

I do not know whether or not I should cull long or brief citations in regard to the financial technique. The former would be a bore, the latter may be incomprehensible.

Van Buren was opposed to imprisoning debtors. The manoeuvres of finance are registered in phrases such as the following : ... "he increased the amount of the discounts .... In the month of October, 1830, they were forty millions, and in May, 1837, 70 millions." Mr. Webster said: "They must be decreased by thirty million dollars in states along the Mississippi."

"The Bank received 341 millions and six millions from the Government. The funds under the President of the Republic (Jackson) amounted to something between fifteen and twenty thousand." (Note : the President controlled THOUSANDS not millions.)

"... by using the methods of the bank in order to disorientate credit within the country, by creating panic so as to dominate the mind of the public ..." "... Government members excluded from the real committee of the Bank Directors ..." "... The Bank President manipulates the

government funds to betray the nation ... 'greasing' the Press by making nominal loans to non-existing bailsmen." "... The Bank restricted seventeen millions of the sixty-four million dollar credit ..." "If Mr. Taney (Treasury) has not prevented the Bank's New York branch from collecting \$8,700,000, and had not armed our city with nine million to defend ourselves (i.e. the nation) in that war on our commerce."

Van Buren had the transitory honour of being called THE LIBERATOR OF THE TREASURY. But his decade has disappeared from American memory.

After the assassination of Lincoln, President Johnson did not have the means to maintain fiscal liberty. In 1878 a Congressman expressed, or explained, his position by saying that he wanted to keep at least a part of the non-interest-bearing national debt in circulation as currency.

The "Free Silver" movement tried to oppose the interests of the silver owners to the "Gold" interests, but did not go to the root. William Jennings Bryan headed this movement, and a few oldsters remember it even now. Once in a while an idealist plays up to the Silver men, or is started on his career by them. A Silverite, privately, will, sometimes confess the truth as, in fact, Bryan confessed it to Kitson. At the moment I don't remember if Kitson published the details of the interview or communicated them in a personal letter, to the undersigned. I am under the impression that I have seen these details in print. Bryan, knowing that he was continuing an honest tradition, and wanting to keep it alive, fought vigorously, taking advantage of whatever means were available to him.

### Chronological Outline

The chronology of American economic events is, roughly, as follows :

1620 - 1750—Beginning and development of colonial prosperity based finally, upon a system of loans by some of the Colonial Governments to those who tilled the land. This prosperity stimulated gluttony, and the London monopolists tried to impose their monetary monopoly;

1750 - 1776 - 1788—Preparation for the Revolution, Formation of the American System;

1789—Washington President. Struggle between Hamilton, conservative agent of finance and Jefferson's democratization. 'Fraud of the Assumption.'

1801 - 1825 —Jefferson and his disciples in the White House. The Louisiana Purchase. Second war against England;

1829 - 1841—Jackson and Van Buren in the White House. Fight between the Banks and the people. The people won;

1841 - 1861—Gold discovered in California, in 1810. Debts contracted by the "South" to New York Bankers, and elsewhere. Negro Slavery. Symptoms of the



Civil War;  
from 1861 War of Secession. Triumph of Finance;  
1869 - 1877—Grant President. Scandals. Gold against the people;  
1890—The silver question. Trusts;  
1914—Industrial development. Technocracy. The menace of Abundance.  
1935—Chart of Potential Product Capacity;  
1939—“War is his only way out,” phrase pronounced by a Congressman to signify that Roosevelt had made such a mess of things that war was his only way of escape. In other words, the only way to hide his past and to maintain his political power.

### Rottenness

From the “Annual Reports of the Secretary of the Treasury”, beginning with June 1932, to June 1939, it can be learned that the Treasury of the United States bought ten billion dollars of gold at thirty-five dollars per ounce instead of \$21.65 as in former times. The Treasury does not issue any reports regarding the source of this gold and, even if the Secretary of the Treasury himself wanted to find out where the gold came from, all he could find in his files, would be the names of the last sellers. This means that the government, or the American people, paid ten billion dollars for gold that, before the change in price, could have been bought for six billions. This amounts to a gift of four billion dollars to merchants of gold among whom are, as has always been the case, many foreign merchants.

Only God know, how much gold the people bought during the war, from 1939 to the present time. The trick is simple. Whenever the Rothschild and other gents in the gold business have gold to sell, they raise the price. The public is fooled by propagandizing the devaluation of the dollar, or other monetary unit according to the country chosen to be victimized. The argument is that the high price of the monetary unit is injurious to the nation’s commerce.

But when the nation, that is, the people of that nation, own the gold and the financiers own the dollars or other monetary units, the gold standard is restored. This raises the value of the dollar and the citizens of “rich” nations, as well as citizens of other nations, are diddled.

The manipulation of silver follows simple lines. It all fits perfectly into what Aristotle calls the “common practice of commerce”. (Politics 1.4/5 Thales). The silver merchants are less important than the merchants of gold. Other metals are monopolized but they do not enter into the monetary game. With these keys you can open the records, or the Congressional Record, whenever you wish, and you will find attempts to resist these swindles though they are getting weaker and weaker.

## Remedies

Words become pale. Facts repeat themselves. Truth makes an appearance at times, but it is misunderstood and exposed to ridicule. Economists do not see what stands right in front of their own eyes. Nine years ago a well-known and able Italian sociologist had not looked at the inscriptions on either Italian Bank or State bills. These are the economists of the more-than-a-thousand-year-old tradition.

People do not look at plain common objects. A professor from the London School of Economics once sent me three satirical post cards. One of these was furnished with a sort of bellows so that when the card was pressed between the fingers it squeaked. He had bought these cards with a metal “bon” issued by the French Chambers of Commerce that had no value outside of France. He sent me these cards, nevertheless, to deny the possibility of having one kind of money valid everywhere and, at the same time, another kind valid only within the country of origin.

The diverse groups of monetary rebels and reformers, lacking a knowledge of tradition and possessing only a part of the truth, contradict one another and do not understand their different terminologies.

Fernando Ritter is perfectly right in insisting that the farmer who consigns his wheat to the common granary must be guaranteed the price of fertilizers etc., necessary for future cultivation. He echoes the statement of Zublay at the time of the formation of the United States: “It is necessary to have the public believe that this paper is good for something.” (That is, exchangeable for agricultural products or other goods.) It is necessary that money be a guarantee of future exchange. This is in line with the commodity dollar fight, and for a just price-index.

Against this just proposition Wall Street roared : “Rubber Dollar”. The usurers, naturally, oppose any control on the part of the public or of a state that pretends to represent the public’s interests. The usurers want the control to remain entirely in their hands.

The whole history of the United States oscillates between these two camps. The people rebelled against the London usurers and instituted a government in America. This government fell prey to the resident usurers who kept in touch with the arch-usurers in the mother-country. Belmont used to represent the Rothschild, etc. Today the Main Office is in New York, the Branch Office is in London. The ubiquity of the victims does not matter, and the Head Office maintains a high degree of mobility.

The usurers act through fraud, falsification, superstitions, habits and, when these methods do not function, they let loose a war. Everything hinges on monopoly, and the particular monopolies hinge round the great illusionistic monetary monopoly.

## Bibliography

No vast reading is needed to understand this phase of history, if the reader begins from the beginning, that is, with the POLITICS and ECONOMICS of Aristotle, and the Orations of Demosthenes, that against Dionysius, for example. The case of the United States, in particular, has been exposed in the books here below listed. As a beginning read the writings of John Adams and of Jefferson.

C. Bowers: *JEFFERSON AND HAMILTON*, for the Scandal of the Assumption.

Van Buren: *Autobiography*.

Henry Adams: Four volumes on the Administration of Jefferson and of Madison.

Henry Adams is less interested in a specifically Economico-Monetary study.

Novelists and playwrights, once in a while, give one a clearer idea than professors. One can learn more from Ernest Poole's *THE HARBOUR* about fast sailing-ships; and from William Mahl's *TWO PLAYS OF THE SOCIAL COMEDY* about the attempt of monopolizing the gold in 1869, than he is likely to learn from historiographers.

I have already touched on the *REPORT OF THE NATIONAL SURVEY OF POTENTIAL PRODUCT CAPACITY, 1935*, New York City Housing Authority.

Irving Fisher was the first man to publish, in America, *STAMP SCRIP*, a book that clearly treats the Gesellist economy. The basic book of this school is *THE NATURAL ECONOMIC ORDER*, by Silvio Gesell.

H.A. Fack of Los Angeles, California, is its American Editor. For years he has been publishing an idealistic monthly *THE WAY OUT*.

The Alberta (Canada) revolt proceeded from the theories of C.H. Douglas mixed with Gesellism. To get acquainted with the Technocrats' tendencies Dexter Kimball's *INDUSTRIAL ECONOMICS* would be useful.

D.R. Dewey's *FINANCIAL HISTORY OF THE UNITED STATES* could be of help to students already prepared to understand the importance of the facts listed in it. This book lacks, perhaps, total candour. It has been reprinted in various editions beyond the 12th, and it is a favourite text-book in Universities. If my memory serves me right, Dewey does not mention any of the above-mentioned writers, except Henry Adams, who is not dangerous.

The students' lack of preparation these days, this modern schizophrenia called demo-liberal, derives from the neglect in the study of the Classics, and from the erroneous idea that Greek is a dead language, and that it is not useful to prepare ourselves for the modern way of life. We begin with Adam Smith instead of beginning with Aristotle. Or the student is beclouded with the Esthetics, Poetics, and Metaphysics. Commercial schools would profit, if not by the

complete text, by studying, at least, some good edition of selected passages of translations. Those who consider this arrangement scandalous and want to be erudite, could furnish themselves with the entire text and a special index of passages that have an immediate and direct importance for the affairs of today. This could serve as true teaching for life, and this second arrangement would not harm any man of good will.

### Chronological Table

regarding other facts, plus a few indications as to the degree of perspicacity existing during the diverse epochs in America.

1684—England suppresses the Mint of Massachusetts which had coined a little silver.

1814—Calhoun opposed the process in which the government was forced to get its own credit on loan.

1819—Crawford issued Treasury bills bearing no interest.

1825—The industrial crisis in England led to dumping on the American market, glutting it with merchandise of bankrupt prices.

1832—Jackson : “THE REAL VALUE OF LAND IS DUE TO LABOUR”.

1834-5—Jackson eliminates the national debt. The United States was left with no debt whatever.

Upon examining the receipts and the expenditures of the government between 1816 and 1833, even Dewey admits that [the great decrease of expenditure was due to the reduction and](#), finally, to [the elimination of the payments of interest](#) on public debt.

Briefly :

1816—Receipts \$47,677,000.00 Expenditure \$31,196,000.00

1833—Receipts \$33,948,000.00 Expenditures \$23,017,000.00

Interest on the Public Debt : In 1833 \$303,000.00, and later ZERO.

1836—The National Treasury, having an active balance, distributed this money to the different states.

Without going back to the legendary Mohammedan Calif, those who, because of ignorance, shouted that C.H. Douglas’s proposal of a National Dividend was a scandal and a novelty, may



consider the following facts : Massachusetts distributed its share of the money to the various cities and towns; Boston used it for current expenses; Salem built a Municipal Building; Groton repaired a bridge, and Maine made a *per capita* distribution.

1863-4—Chase favoured the maximum distribution of the National Loan among the people instead of trafficking with the banks.

1878—The Greenback Party was in favour of the National Bills and against the bankers' monopoly. This party received a million votes.

1884—The end of the Greenback Party.

NOTE : I should not wish to appear unjust to D.R. Dewey when I say that he lacks candour. He has, perhaps, deceived himself by his own viscid terminology. For example, credit is not directly transformed into wealth. No paper operation can effect such a change, but credit can easily be transformed into buying power with varying terminologies printed on any subject, or substance.

A perfect example of instinctive monetary good sense is met today in this small town. The newsvendor, Mr. Baffico, certainly- not an erudite man, because he lacked the necessary small change, and not wanting to use postage stamps as they lose their freshness and paste in a series of exchanges, has had some little tags printed which he now gives to his patrons as change. I found Signor Baffico indignant because other merchants had begun to accept his tags as money and he had to have another supply printed.

Any form of Transferable memory-aid serves, and has served, to simplify book-keeping, and to liberate us from the necessity of keeping every debit and every credit written in a ledger.

In order that money, admonitions, symbols, or certificates of debt become valid means of exchange, all that is necessary is that whoever issues them have the means to honour them.

F. Ritter, in a recent article, insists on the convertibility of money. His pessimism does not lean at all on the possibility, or advisability of using labour as a MEASURE OF THE VALUES of the goods to be delivered.

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1 Quotation from A NEW AMERICAN HISTORY by W.E. Woodward.

2 Parisina d'Este was the wife of Niccolo III of Ferrara. She was executed after the discovery of her adultery with Niccolo's son Ugo.—*Editor*.

3 Thomas Jefferson, the architect of Monticello, his own home.—*Editor*.