

Government credit for their very existence, was dramatically shown in 1933. If the government had not come to their aid the whole banking structure would have collapsed. It is now being bolstered up by the Federal Deposit Insurance Corporation.

"But to be more specific. To do business at all, the banks must have a reserve of Government credit in the form of currency to pay their depositors 'cash' when demanded. When we were on a gold standard the banks, theoretically, maintained a reserve of gold. Since we, and all other important commercial nations, have found the gold standard unworkable and abandoned it, the only reserve the banks have, with the exception of silver, is Government money. If the banks furnish the additional bank credit money needed by business now, and the ever increasing amounts needed as business expands, they must have more Government money as a reserve.

"If banks must have an ever increasing amount of Government money in order to create their own money, the question naturally arises. 'Why not do away with bank money entirely and substitute Government money?' It would certainly make a more dependable source of supply and would save the interest we pay the banks.

Government money would do more than that. It would turn much of the interest we are now paying to privately owned banks into the National Treasury and would save the taxpayer much of the taxes he is now paying.

The Power of Bankers

"What could you do if you had the power to create the money to do it with? Bankers not only *can* do it, they *do* do it.

"Who formed The United States Steel Company? Who formed General Motors, General Foods, Consolidated Gas, Electric Bond and Share, Insull Utility Investment, and the hundreds of holding companies which plague America? The answer, in every case, is the same; bankers, or their associates having access to bank money.

"As early as 1912 J. P. Morgan, Sr., admitted to the Pujo Committee that the Morgan group of financiers controlled at least a third of the economic activities of the United States, but protested that their power was *never* abused.

"Henry Ford is the only large industrialist who ever braved the power of finance and came away with a whole skin. His battle with Wall Street is historic.

"Practically all large industry, excepting Ford, is now in the control of bankers, and under our present money system all industry must eventually pass under their control. That explains the fight (1935) between the bankers and the government over the control of the Federal Reserve Banks.

"Today financial power is the greatest over-riding monopoly that ever existed. It is no exaggeration to say that from the moment of your birth to the day of your death you pay tribute to bankers. Does anyone think that the Chairman of one of the five largest banks in England and Ex-Secretary of the British Exchange did not know what he was talking about when he said that:

"... they (the bankers) control the credit of the nation, direct the policy of governments, and hold in the hollow of their hands the destiny of the people."—*Rt. Hon. Reginald McKenna.*

"Mussolini, Hitler and Stalin are 'pikers' compared to bankers, and bankers would not be human if they gave up this power without a struggle. Some attention should be given to their power to prevent a change.

"One of these powers was shown by the 'preferred list' of J. P. Morgan & Co., whereby they sought to buy influence, in and out of Congress, by means of inside prices on stocks.

"Practically all business is indebted to bankers and they encourage the custom to say 'Consult your banker.' Through business, bankers control the press. Profits on newspapers and magazines come from advertising. Few can survive without it. The white paper alone used by one of our largest weekly magazines costs more than its entire receipts from subscriptions and sales."