

# The Conquest of Poverty, by Gerald G. McGeer

## Chapter V

### *Lincoln, the Practical Economist*

Lincoln was born on the 12th day of February, 1809, in the State of Kentucky, the son of a gentle mother and a fearless, rugged and powerful though shiftless father. He lived to enjoy the physical health and mental courage with which his pioneer parents were endowed. In physique and temperament he was particularly well equipped to meet the problems which, as a leader of his people, he was to encounter. On the threshold of America's greatest era of expansion, Lincoln clearly foresaw the economic and social troubles that have since come to pass.

Lincoln's biographers have failed to appreciate his great work as a practical economist. They have failed to recognize that he was and still remains the greatest, most effective and practical of all money reformers. They have treated him as a great humanist, ignoring the fact that his ideas of practical economy flow from the inspired gift of infallible prescience. His part in the struggle to emancipate the negro from slavery and to prevent the destruction of his nation by secession have been allowed to overshadow his greater work which characterized his attempt to establish a sane and sound national currency system.

Lincoln was born into the world at the very moment that his nation was struggling to prevent the establishment of the sovereignty of Money Power in the United States. Money Power at that time was seeking to establish control over American currency and credit through the medium of the Bank of the United States. This bank originated with the international bankers and credit dealers, who were at that moment devising and creating the banking machinery which was to place, under private control, the currency and credit wealth of the people of all nations.

The first Bank of United States, the original banker's bank, was sponsored by Alexander Hamilton, and bitterly opposed as a vicious and dangerous monopoly by Thomas Jefferson. In his famous report of 1790, recommending the acceptance by Congress of a banker's central bank, Hamilton took the position that the government should delegate its power to create and issue money to a bankers' private profit-seeking monopoly. In justification for this position he declared :

"The wisdom of the government will be shown in never trusting itself with the power to issue money.

"The stamping of paper is an operation so much easier than the laying of taxes, that a government in the practice of paper emissions would rarely fail in any such emergency to indulge itself too far in the employment of that resource to avoid as much as possible one less auspicious to present popularity. If it should not even be carried so far as to be rendered an absolute bubble, it would at least be likely to be extended to a degree which would occasion such an inflated and artificial state of things incompatible with the regular and prosperous course of the political economy."

Put in a word, Hamilton said that the banker must issue the money and that the government must borrow from the banker at the expense of the taxpayer. Although Jefferson opposed this idea on the ground that the delegation of the nation's right to issue money to a private monopoly was unconstitutional, the bankers, backed by Hamilton, prevailed, and the Bank of the United States was established in 1791 with a charter for a period of twenty years. The powers given this bank were similar to those granted to the Bank of England by the Parliament of Great Britain in 1844.

It is not surprising that Hamilton's declaration in favour of financing the government by borrowing, on interest-bearing bonds, money which the government authorized a private monopoly to issue has always been revered by bankers and credit dealers as an unparalleled example of financial economic erudition. It was exactly what the bankers wanted. It compelled the government to borrow the bankers' substitute for currency which a national bank, operating on behalf of the people, should issue. That is no doubt the reason why Hamilton's bust adorns the Stock Exchange in the City of New York. Unfortunately, Hamilton's monetary policy dealt only with the danger of the government issuing too much money. He was blandly indifferent to the proposition equally dangerous from the point of view of the needs of the government and the people, that the bankers would issue too little money, which in turn would result in the government and the people becoming over-loaded and bankrupt with interest-bearing debt, a proposition which Lincoln understood and which we can no longer ignore. Hamilton completely ignored the right of the citizen to protection from confiscatory taxation and scorned the idea that the government could use fair taxation for the purpose of regulating the circulation of the money issued by the government so that the prosperous course of the political economy" would not be interrupted by either too much or too little money in circulation. Thus, early in the life of the Republic international bankers were able, through the instrumentality of Alexander Hamilton, to establish the right of usurers to appropriate for themselves the wealth of the nation whose people had revolted in the hope that they could establish a government dedicated to the law that all are entitled to liberty in the ownership of property free from the threat of confiscation without adequate compensation. Lincoln was of the Jeffersonian school which had always bitterly opposed the views of Hamilton and the ideas of those who have always presented Hamilton as the nation's

greatest Secretary of the Treasury. Millions in destitution are now living witnesses to the evil and misguided nature of Hamilton's political genius.

## Jefferson

Governmental bankruptcy and the confiscation of property by taxation and foreclosure have proven, notwithstanding Hamilton's ability as a politician, that Jefferson's denunciation of him as "an unscrupulous representative" of the school of thought that the international bankers had been careful to develop, was more than warranted.

## The Bank of the United States

When the charter of Hamilton's bank expired in 1811 its renewal was refused by Congress. Five years later, in 1816, the same year that silver was demonetized by the British Parliament and the gold standard was established in England, the second Bank of the United States was chartered with a capital of \$35,000,000.00. After a somewhat stormy career, opposition to it rose to a high state of public indignation. In the Presidential campaign of 1832 the slogan of the Clay supporters was "Jackson or the Bank". Jackson was elected, and when the bank's charter was extended by Congress he vetoed the charter and killed the bank on the ground "that it was a monopoly contrary to the public interest".

The nature of the struggle between the people and the Money Power that raged during the formative years of Lincoln's mind may be inferred from this extract of Andrew Jackson's warning message to Congress under the date of December 2nd, 1824 :

"The bold effort the present bank has made to control the government, the distress it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of of this institution or the establishment of another like it.  
It is fervently hoped that thus admonished, those who heretofor favoured the establishment of a substitute for the present bank will be induced to abandon it."

This warning of Jackson was ignored. The Federal Reserve Bank was set up in 1914. Later on, Andrew Mellon, one of the American high priests of mass usury, became Secretary of the Treasury. The people of the United States, as a result, have learned that "when the lucrative profession of the banker becomes likewise a post of honour and responsibility in the government, the State is ruined". All that Jackson feared and more in the way of oppression has been imposed upon the American people.

Andrew Jackson's fear of the control of money wealth by Money Power was shared by Daniel Webster who, during the same period, declared:

"There never has been devised by any man a plan more specious by which labour could be robbed of the fruits of toil than the banking system. The people not only take bank paper as money, paying interest on it, but when the banks suspend, the people lose the discount while the bankers gain it.

"The people wonder why financial panics occur so frequently. I can tell them why. It is to the interest of the bankers and brokers that they should occur. It is one of the specious methods whereby these despotic and utterly useless knaves rob the producing, manufacturing and mercantile classes of their honest earnings. It is one of the chief means adopted by which this infamous ring is riveting the chains of slavery upon the limbs of labour. It is one of the chief means adopted to build up a money aristocracy that shall live in idle luxury and ape the pretentious manners of European nobility."

These expressions of Jackson and Webster typify the intensive nature of the consideration given by public men to currency issues during their times. They indicate the fact that the public was much more concerned then than now with these all-important issues. Naturally, Lincoln was on the side of humanity, and whether or not, in other regards, the policies of men like Jackson appealed to him, upon the issue of private control of currency and credit Lincoln was against it and stood foursquare with Jefferson.

## DeLisle Brock and Guernsey Island

In the establishment of our modern super-banking structure the bankers were bitterly opposed by men some of whom set up national currency control. Probably the best example of a national currency system that has ever been developed and put into practice is to be found in the records of the Guernsey Island Parliamentary institution. During the years 1818 to 1837 Daniel deLisle Brock, who was Bailiff and President of the Parliament of Guernsey Island, known as the States (Les Etats), set up and worked out a complete national currency system.

Brock proved in the very beginning of the 19th century the practical possibilities of such a system. Incidentally, Daniel deLisle Brock was a brother of Sir Isaac Brock who, as leader of the British forces, fell during the war of 1812 at the

## Battle of Queenston Heights.

Whether or not Lincoln knew of the Guernsey Island experiments I have no way of telling, but undoubtedly the records prove that Lincoln was of the same school of thought as Brock who, in the Island of Guernsey, had used national currency issued by the government of the Island to build first "a monument to the late governor, new roads, a marketplace, a college, schools and wharves, to provide for cholera precautions", and, in fact, for all the public enterprise of the Island. On October 17th, 1816, the government of the Island wanted to spend £5,000, but they only had on hand £1,000. Under Brock's leadership, it decided to issue £4,000 in £1 notes and declared that "in this manner, without increasing the debt of the Island we can easily succeed in finishing the works undertaken, leaving in the coffers sufficient money for the other needs of the government." From this small beginning the managed currency system of Guernsey Island grew until 1837 when, after issuing and using in the twenty-year period over £80,000, there still remained in circulation some £55,000 of State notes.

Now, while the amounts involved were small, all the basic principles of a complete scheme of managed currency were involved in the experiment. Taxation and rents were relied upon to avoid redundancy of issue, and international exchange was carefully managed. Describing the situation, a report prepared under Brock's direction said:

"When the war with Napoleon ceased a general want of employment arose and consequently distress ensued. Thus at peace, the Island found itself with little or no trade, little or no disposable revenue, no attraction for visitors, bankrupt and no prospect of employment for the poor. Misery and depopulation seemed inevitable. More than five hundred British subjects had embarked for the United States."

After giving a somewhat exhaustive review of the use of national currency to relieve the situation and to restore prosperity the report somewhat boastingly states :

"It is said, the powers of the human mind in society lie at times torpid for ages; at other, are roused into action by the urgency of great occasions, and astonish the world by their effects. This has, in some measure, been verified in this Island, for though nothing done in so small a community can cause a general sensation, its exertions may yet produce wonderful results, within its own sphere. It is the duty of the States to show that, roused by the deplorable situation above described, they took, and have since pursued the steps best adapted to meet the exigency of the case, and that those steps have been attended with complete success."

Quite naturally, the bankers organized themselves against Brock, and upon the ground that "the privilege of issuing paper currency was a vested right of the bankers which the government had no right to disturb" they overwhelmed Brock's opposition and induced the representative of the people to restrict the right of the government of the Island to issue paper currency and to share that right with the private banks. In the agreement settling the differences between the government and the banks, it was settled "that the circulation of government currency notes would never exceed £40,000 and that the banks would annually supply the government with £10,000 in cash, free of expense, and in exchange for States notes". The bargain was a compromise, for Brock had vigorously opposed the right of the private banks to issue paper currency. In his message to the States meeting held on the 21st of September, 1836, he unsuccessfully warned the people against giving up the right to issue their own money. The truths he enunciated on that occasion, like the monetary ideas of Lincoln, have received all too little attention. Among other things Brock pointed out:

"If there is one incontestable principle it is that all matters relating to the current coin of any country have their source in the supreme prerogative, and that no one has the right to arrogate to himself the power of circulating a private coinage on which he imprints for his own profit an arbitrary value. If this is true for metal coins still more is it for paper money which in itself has no value whatever.... Permission cannot be granted to certain individuals to play with the wealth and prosperity of society ... *Let the private banks reply to the questions already put: Let them say what inducement they can offer the public to drive out of circulation the States notes, the profit on which benefits all, especially the productive classes, and substitute for it bank notes, the profit on which benefits only individuals of the unproductive classes?* The public treasury is the heart of the State. Finance is the pivot on which turns the administration of affairs. The government must retain its sovereign right to issue currency."

From these observations of DeLisle Brock, made more than a century ago, we perceive at the very dawn of the modern credit system a representative of the people endeavoring to secure to government the profits that are available when token currency and credit are substituted for money of intrinsic value as the common medium of exchange. Brock was fully aware that under such a system the government could create its own spending power without costs to the people and that by the putting it into circulation through the maintenance of public services the government could provide the people with the volume of exchange required to sustain progress and prosperity.

Brock was seized of the fact that government, under the new system, should not carry on the business of selling public services to taxpayers at a profit to usurers who themselves created nothing. Creating money by minting coins, printing paper and issuing credits that have little or no intrinsic value constituted, in Brock's opinion, a possibility of

immeasurable value, and he set up a national currency system to secure the benefit of it to the State. He perceived that governments, under the new system, were possessed of the power to create out of nothing, a medium of exchange that had in itself all the purchasing power value of money based on gold. He saw that if the government transferred this power to bankers and financed public works and social services by borrowing from the private money system, the bankers would become rich and that governments and the people would become poor. On the other hand, he was aware of the fact that if government exercised the power to create and issue money the proposition of financing government could be changed from one of disastrous expense to government and to the taxpayers to one of profit to the entire community. With this view Lincoln was in agreement.

The experience of the last 100 years has proven that Brock was correct. Our present condition of bankruptcy demonstrates that the profit that goes with the first issue of money, which costs less to produce than its money value, cannot be given away to a private monopoly without disaster to the State. This profit forms a part of the public domain and obviously should be administered as a public trust. Knowing that the power to create and issue money could be used by the government as a means to assist people in the creation and use of wealth, Brock was aware that no government has the right to farm out this duty as a privilege to a private monopoly.

Surely no sane person will now dispute the wisdom of the proposition that the elected representatives of the people have no right to transfer the nation's power to create and issue money to a private monopoly of usurers disguised under the name of financiers. But that, unfortunately, is the basis of our private money system and is the basic cause of our economic troubles. There is good reason for believing that Lincoln was aware of the Guernsey Island experiment in national currency.

In some of his speeches Lincoln uses expressions identical and in some instances the same language that Brock employed.

Thus we see that the idea that government should finance by the direct issue of currency instead of borrowing at interest was, in fact, a well-established idea in Lincoln's time.

### Lincoln the Monetary Reformer

It is not surprising, under these circumstances, that we find Lincoln commencing his political career by making declarations which clearly showed his opposition to the money changers. There, of course, were always men in public life who opposed every step the bankers' scheme involved. The views of these men appealed to Lincoln. He appreciated that they were fighting a vicious attempt on the part of money changers and money dealers to establish a colossal plan of constitutionalized thievery. This attempt of the bankers, which eventually succeeded, was opposed in Guernsey Island. It was bitterly fought in England, Ireland, Scotland and France. Definite and specific opposition was offered by public leaders in the United States who were guided by the idealism of Jefferson, who was the real leader of that noble group who wrote the constitution of the United States as a declaration for a new deal in governmental power for humanity.

At the very beginning of his political career, Lincoln demonstrated that his great mind was seized of the fundamental issues which monetary reform involves. At the age of twenty-one he made his first bid for political office, offering himself as a candidate for the Legislature of Illinois. At that early age he attacked the basic evil of the social system of his time. As a part of his campaign, on March 9th, 1832, he wrote the following words:

"It seems as though we are never to have an end of this baneful and corroding system, acting almost as prejudicially to the general interests of the community as a direct tax of several thousand dollars annually laid on each county for the benefit of the few unless there be a law made fixing the limit of usury."

In the following edition of 1836, on June 13th he gave evidence of the soundness of his economic wisdom. While answering a demand that the candidates show their hands, he wrote :

"Whether elected or not, I go for distributing the proceeds of the sale of public lands to the several states to enable our state, in common with others, to dig canals and construct railroads without borrowing money and paying interest upon it."

These early expressions of Lincoln were soon to be followed by a much more elaborate and extensive statement which showed quite clearly that Lincoln had fully grasped the fundamental needs of a sound and sane monetary system.

According to Albert Shaw, who has allowed his own false ideas of "sound money" and his misguided currency and credit theories to misconstrue and ignore Lincoln's real ideas on monetary reform, in his book "Abraham Lincoln; His Path to the Presidency":

"Lincoln had listened to the raging torrents of local argument. He had studied carefully the masterly discussions of Webster, Clay and others. ...

"He had also given attention to the very able, although somewhat fallacious, arguments of Jackson, Van Buren and their supporters against the aristocratic and monopolistic tendencies of a central bank acting as the fiscal agent for the government and regulating currency in the interests of normal business as against inflation."

Shaw failed to perceive the fact that Lincoln was an out and out inflationist who believed that the creation, issue and the regulation of currency were public duties and not private privileges.

Shaw acknowledges, however, that:

"Lincoln had assumed positions that are demonstrated in the experience of the nation to be safe and sound."

He goes on to say that Lincoln's arguments show:

"That he would have been fully alive to deficiencies in our banking and currency system that resulted in the work of the Aldridge Commission and in the modified plans which gave us in 1913 the Federal Reserve System with its central bank board and its twelve regional reserve banks."

Shaw overlooks the fact that the Federal Reserve Bank was identical in principle with the Bank of the United States which Alexander Hamilton first set up in 1791 and which Andrew Jackson repudiated in 1830. Lincoln would have opposed the establishment of the Federal Reserve banking system for the same reasons that Jackson vetoed the Bank of United States charter.

In 1839 Van Buren attempted to establish a sub-treasury scheme. This plan Lincoln denounced because he believed it was inadequate and as he said of that plan:

"It will injuriously affect the community by its operation of the circulating medium."

His recorded denunciation of the sub-treasury scheme was part of an address delivered in Springfield in 1839 in which Lincoln, though a mere tyro in national politics, displayed a knowledge of monetary and currency problems that exceeds by far that of the statesmen of the present day who deem a ready acknowledgment of ignorance on the simplest of monetary problems a reason for public support.

### Lincoln's Ideas

On that occasion, although he was only thirty years of age, among other things he said:

"Any person who will reflect that money is only valuable while in circulation will readily perceive that any device that will keep the government's revenue in circulation instead of being locked up in idleness is no inconsiderable advantage."

He dealt intelligently with the problems of inflation and deflation and currency manipulation. He denounced the practice of allowing the banker to use bank money, which he described as "rags and shin plasters" while compelling the people to settle debts "in specie of gold and silver" by saying, "In all candor, let me ask, was such a system for benefiting the few at the expense of the many ever before devised?" He, no doubt, would denounce the credit racket of today in similar language. He closed his remarks dealing with monetary reform with this statement:

"We do not pretend that a national bank can establish and maintain a sound and uniform state of currency in the country in spite of the National Government. But we do say that it has established and maintained such currency and can do so again by the aid of that government. And we further say that no duty is more imperative on the government than the duty it owes the people of furnishing them a sound and uniform currency."

Thus we see that Lincoln understood that the government and the national bank must work together.

Now in dealing with the question as to whether or not private bankers are more honest than governmental officials, Lincoln said:

"It is often urged that to say that public money will be more secure in a national bank than in the hands of the individuals as proposed by the sub-treasury is to say that bank directors and bank officers are more honest than sworn officers of the government. Not so. We insist on no such thing. We further say that, with however much care selections may be made, there will be some unfaithful and dishonest in both classes. The Saviour of the World chose 12 disciples, and even one of that small number selected by super-human wisdom turned out a traitor and a devil. And it may not be improper to say that Judas carried the bag and was the sub-treasury of the Saviour and his disciples."

He objected to the sub-treasury scheme, not for fear that governmental officials would be unwilling or not sufficiently honest to serve the nation, but on the ground that subtreasury officials would have no interest in putting the deposits held on behalf of the government in circulation. He also raised the question of the possibility of sub-treasury officials absconding with idle deposits. If, however, at that time he had any question in his mind as to the superior honesty of bankers over public officials, later in life he came clearly to the proposition that public officials were much the safer of the two. Once the Honourable Hugh McCulloch, Secretary of the Treasury, following Chase, introducing a delegation of New York bankers to the President, McCulloch said:

"These gentlemen from New York have come on to see the Secretary of the Treasury about our new loan. As Bankers they are obliged to hold our national securities. I can vouch for their patriotism and loyalty for, as the Good Book says, 'for where the treasure is, there will the heart be also'."

to which Lincoln replied:

"There is another text that I might apply, 'Wherever the carcass is, there will the eagles be gathered together'."

Believing

"That the legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves in their separate and individual capacities."

Lincoln appreciated that in the matter of the issue of currency the people were wholly dependent upon the government. Without the assistance of the government Lincoln was aware that the people could not protect themselves against bankers or secure an effective and uniform currency. During his whole career Lincoln insisted that the government should serve the people by issuing the currency of the nation.

## Monetary Reform

The monetary problems discussed so effectively by Lincoln in 1839 are still the issues that we must settle before we can have prosperity. During the period from 1790 up to the moment Lincoln entered the White House as President, in one form or another, monetary reform was continuously under discussion in the young Republic. The period was one of intensive activity on the part of international bankers. They had established the demonetization of silver and the gold standard in Great Britain in 1816. In 1833 the Bank of England note was made full legal tender money. In 1844 the Bank of England in its present form came into being and the establishment of complete control of the nation's currency and credit in a private monopoly through the operation of a central bank was perfected. The bankers had succeeded in establishing the sovereignty of Money Power in England, but they failed in the United States. In 1854 all the British laws against usury were repealed and unbridled usury was established as a supreme power in an allegedly Christian nation. Lincoln was aware that the limitation of the issue of paper currency to a gold reserve basis - while represented as the chief virtue of the gold standard, because it was supposed to be a security for the value of money - was in truth an ingenious device by which the government's power to issue legal tender national currency was definitely restricted for the purpose of creating a shortage of money, and, in turn a demand for a credit substitute for money which the bankers were privileged to issue without any legal limitation whatsoever. He was quite cognizant of the fact that by making all debts payable in gold, which were financed with bank currency and credit, unpayable debt claims would be established as the inextinguishable and inescapable liabilities of the taxpayers. He fully understood that the demonetization of silver in Great Britain in 1816 was being advanced as one of the steps in a world policy designed to enthrall mankind in the slavery of usury.

## Gladstone

It is more than likely that Lincoln knew of Gladstone's attitude, for Gladstone, who became Chancellor of the British Exchequer in 1852, pointed out that while in that position he came to know that under the English monetary system:

"The government itself was not to be a substantive power in the matter of finance, but was to leave the money power supreme and unquestioned."

Moreley quotes Gladstone as saying:

"I began to fight the conditions of this situation by financial self-assertion from the first. I was tenaciously opposed by the Governor and the Deputy Governor of the Bank of England, who had seats in Parliament, and I had the financial community of London (the City) for an antagonist on almost every occasion."

Lincoln was aware that the bankers in England swept Gladstone's opposition aside and continued to rule. He knew that having established their position in England, the international bankers, at the outbreak of the Civil War, were at work in the United States and elsewhere endeavoring to establish the universal demonetization of silver and the gold standard as a world institution. It was not by chance that the rule of public and private credit was handed over to the banker, and Lincoln was fully alive to this danger. He was no doubt aware that Napoleon had declared:



"That when a government is dependent for money upon bankers, they, and not the leaders of that government, control the situation, since the hand that gives is above the hand that takes.

"Money has no motherland; financiers are without patriotism and without decency. Their sole objective is gain."

This attitude of Napoleon's turned the bankers who had financed him in putting down the people's revolution, into his enemies, and they, more than any other factor, were responsible for Napoleon's failure. Under the leadership of the Rothschilds, banker opposition to Napoleon's ideas of monetary reform made Wellington's success at Waterloo possible.

### The Bankers' Plan

The right of bankers to manage the monetary system and to issue bank money as a substitute for national currency, was not unanimously accepted in Lincoln's time as a wise or sound practice in political economy. On the contrary, it was openly opposed by many leaders whose attitude on public questions appealed to Lincoln, and whose leadership he unhesitatingly accepted and followed. Examination of Lincoln's speeches shows quite clearly that he was aware of, and openly in opposition to the plan of the bankers which contemplated securing from the government unrighteous privileges that vested in the private money system the power:

- (1) To maintain a shortage of money.
- (2) To create and issue paper currency and bank credit transferable by cheque as a substitute for national currency.
- (8) To finance interest-bearing loans, and purchase assets with a fiction of money created by the bankers.
- (4) To overwhelm government and people with interest-bearing debts payable in gold and legal tender money, the volume of which would be insufficient to meet obligations incurred by borrowing a trading substitute for legal tender cash.
- (5) To control government, industry and labour through the power of creditors holding unpayable debt claims.

In the promotion of this plan the bankers were ruthless. The representatives of the people were openly bought and men who stood against the bankers were driven from public life, overwhelmed or assassinated. Lincoln was fully informed and knew all that was going on about him. He had been a Member of the State Legislature and a Member of Congress, and was a recognized Leader in high political circles. Lincoln at all times was opposed to the sovereignty of Money Power, and from the point of view of financiers he was a menace and a dangerous individual.

As we look back, we are forced to the conclusion that the operators of the private money system were bold and daring men who looked upon the wealth of the world as the prize in the game they were playing. They were at all times fully aware of the men who opposed their ideas, and they unhesitatingly marked their opponents for political destruction.

From the year of his birth to the time Lincoln entered the White House, monetary reform, currency management and the obligation to the State to maintain as a sacred duty its right to issue currency, were foremost topics in the politics of the United States. Upon the question of whether the State or a private banking system should issue currency, Lincoln stood for the sovereignty of government. But he went further than our present leaders have yet seen fit to go. He worked out a plan for the issue and regulation of the circulation of the spending power of government and the buying power of the consumers. He was not in favour of either the first or second Bank of United States. He bitterly opposed "the sub-treasury scheme of Van Buren", and stood for a national banking system controlled by the nation and for the issue of paper currency by the State.

### Lincoln and Jefferson

He stood against the oligarchy of Money Power and was of the school of Jefferson, and completely antagonistic to the school that followed the ill-starred Alexander Hamilton.

On one occasion, upon being invited to a festival honouring Jefferson's anniversary, Lincoln said that "the situation reminded him of an instance where two men, in an extreme state of intoxication, were fighting with their coats on. After a long, harmless, and very involved contest they found that each had fought himself out of his own coat into that of the other fellow." Lincoln naively added, "If the two leading parties in my time are really identical with the two of the days of Jefferson and Adams, they have performed the same feat as the two drunken men.

In this way, Lincoln acknowledged that although he was the leader of the Republican party, he was actually carrying out much of the work of a Jeffersonian Democrat. He expressed his appreciation of Jefferson in these words:

"All honour to Jefferson; to a man who, in the concrete pressure of a struggle for national independence by a single people, had the coolness, forecast and capacity to introduce into a merely revolutionary document an

abstract truth, applicable to all men and all times, and so to embalm it there, that today and in all coming days it shall be a rebuke and a stumbling block to the harbingers of reappearing tyranny and oppression!"

To Lincoln, the constitution was not a mere declaration of abstract principles designed to point the way to universal liberty. It was to him a declaration of war on every form of tyrannical oppression whether it came from an abuse of military, political or monopolistic power. He recognized in Money Power the most dangerous and most evil of all monopolies.

## The Secret Foes of the Nation

Now, while it is quite true that with Lincoln's rise to the Presidency, monetary reform was temporarily overshadowed by the issues of slavery, secession and Civil War, Lincoln did not lose sight of that important national need.

From the moment Lincoln was elected as President of the United States he fought two great enemies. "the rebels in the front and the bankers in the rear". The latter came to be known as "the secret foes of the nation". Incidentally, plans designed to effect his assassination were discovered between the time of his first election and the inauguration ceremony. There was, as we shall see, quite apart from the issues of slavery and secession, a sinister power that was interested in Lincoln's death.

With superb indifference to the risks involved, Lincoln, believing that :

"No duty is more imperative on the government than the duty it owes the people of furnishing them with a sound and uniform currency,"

fearlessly sought to set up a national currency system as the basis of a scheme of communal authority which would provide, under the sovereignty of God, a sound plan of representative government devoted to liberty, the pursuit of happiness and peace.

In this great purpose he clashed with the international bankers of his day who were then endeavouring to extend the Bank of England gold standard private-money system, in the hope that, under the sovereignty of usury, government of Money Power, controlled by bankers and for financiers, would over-rule Democracy. It has succeeded. Democracy is now faced with the life and death struggle with Money Power which Lincoln clearly anticipated.

Lincoln knew that government, by exercising its prerogative to create and issue money, need not and should not borrow at interest money printed by or credits issued in the banks of a private money system. He was opposed to the slavery of humanity which Money Power has now established, and developed a monetary system that would have avoided the existing depression. There was nothing miraculous about Lincoln's knowledge of money and national credit. He was merely an honest servant of humanity who refused to submit to the guile of usury.

Now that we know our so-called sound money system is based on fallacies that are obviously patent to any one who will examine them, it is not surprising to find that there were men in the past who openly opposed its coming into being. It would be a matter of surprise if this were not so, for while there are many foolish people in the world in every age, there never was a time when the world was exclusively populated by self-seekers or idiots. Brock saw through the bankers' racket, and in opposition to it tried to develop a sane monetary system based upon the right of the nation to create and issue money. Lincoln, like Brock, had no delusions upon the issue of whether banks or the government should issue and control the nation's currency. When the time came to finance the Civil War, Lincoln used national currency and had he had his way entirely, the cost of the Civil War would have left no debt for posterity.

Whether or not he secured them from Brock, the fact remains that Lincoln took ideas similar to those of Brock to the White House with him and, as we shall see, he lost no time in putting them into effect. There is nothing remarkable about this fact, for Lincoln was of the school of enlightened political understanding which had existed in the United States ever since Jefferson and his associates had reserved in the constitution the right to issue currency to the national government, a right which many believe cannot lawfully be delegated to a private monopoly.

## Financing Civil War

Lincoln on more than one occasion inferred that if bankers were allowed to issue the currency of the nation the nation was certain to suffer from a shortage of money. This was, in fact, the situation that confronted him at the very outset of his presidential duties. Before the first year of the Civil War had expired, the shortage of money designedly maintained by the private money system became painfully apparent. The banks in December of that year met in convention and suspended specie payment. "The New Year of 1862 began with a melancholy spectacle of the banks and all other institutions in the country redeeming their broken promises with new ones." The Secretary of the Treasury, Chase, advised Congress that the treasury was empty and that the government in the absence of the issue of national currency, would be without funds. At the outset Lincoln faced the fact that under the private control of credit the government was unable to finance the expense of maintaining the national life of the Republic. Thus, we see, in 1861, in the midst of Civil War that Lincoln was confronted with a failure of the private money system and a



shortage of money in the nation, a situation identical with the one that confronted all nations in 1914, and almost identical with the one that Franklin D. Roosevelt met on the day of his inauguration as President seventy years after Lincoln's death. Lincoln, however, did not hesitate to act. Seizing the opportunity, his forces presented a Bill to Congress making United States notes full legal tender for the purpose of placing the government in a position to create and issue the money necessary to finance the needs of the nation. This Bill was passed in Congress in 1861, but was amended in the Senate so that interest on public debt and customs duties remained payable in gold. In addition to that the government's power to issue legal tender money was substantially restricted. The fight was a bitter one and while the Bill was not all that Lincoln desired, it was better than nothing and he signed it on February 25th, 1862.

Lincoln's secretaries, Nicolay and Hay, in their "History of Abraham Lincoln, tell us that notwithstanding the national need,

"The measure received the most violent denunciation on the part of those who opposed it,"

and they point out :

"That to no one was the decision more painful than to Mr. Chase, the Secretary of the Treasury."

Chase, at a later date, because of his opposition to Lincoln's monetary programme, resigned from Lincoln's government and threatened to oppose him for a second term in the Presidency.

### Lincoln Clashes With the Bankers.

The nature of Lincoln's fight with the bankers may be inferred from the debates on the amendments made in the Senate to the full legal tender Bill passed in Congress in 1861 making gold the specie in which interest on public debt and customs duties were to be paid. In closing the debate, Thaddeus Stevens, who had Lincoln's unqualified support, after pointing out that "the full legal tender Bill had been hailed with delight throughout the whole length and breadth of the Union by every class of people" exposed the bankers' power over the people's representatives when he denounced the Senate's amendments in these words :

"It is true there was a doleful sound came up from the caverns of bullion brokers, and from the saloons of the associated banks. Their cashiers and agents were soon on the ground, and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider and pass. They fell upon the bill in hot haste, and so disfigured and deformed it, that its very father would not know it. Instead of being a beneficent and invigorating measure it is now positively mischievous. It has all the bad qualities which its enemies charged on the original bill, and none of its benefits. It now creates money, and by its very terms declares it a depreciated currency. It makes two classes of money - one for the banks and brokers and another for the people. It discriminates between the rights of different classes of creditors, allowing the rich capitalists to demand gold, and compelling the ordinary lender of money on individual security to receive notes which the government had purposely discredited."

Thus in the midst of the Civil War international bankers were able to retain their privilege of using gold as a means of controlling and depreciating the value of national currency and as a continuing form of specie payment that placed Government along with other borrowers under the control of lenders and debtors under the control of creditors.

Unfortunately for humanity, in the name of 'sound money' the conspiracy to monopolize the issue of bank currency as a substitute for national currency promoted by international bankers who did not and who do not hesitate to combine the baneful forces of war and usury to produce power and profit, though temporarily checked by Lincoln, has prevailed. Its sponsors, guided by the age-old craft of the money changers and inspired by lust and greed, by sustaining weak and pliant government and a general distrust of government in the mind of the public have been able, since Lincoln's assassination, to corrupt and dominate every nation in Christendom. They found in Lincoln, however, a leader whom they could not buy, bluff or confuse; hence they had a positive interest in his assassination. They were, during his first term as president, through the control they exercised in the Senate, able to frustrate and delay his plans, but they could not swerve him from the purpose of establishing the control of currency and credit as the paramount responsibility of the government of the people.

### Greenbacks

By resorting to the issue of "greenback" currency, Lincoln launched "a national currency policy" which provided that the financing of government and progress, with the issue of "honest money dollars" by the government would take the place of the policy of borrowing "dishonest credit dollars" issued by the private money system. He believed that the spending power of government and the buying power of the consumers could and should be created and issued by the State free from "interest, discounts and other charges" imposed as the profit of the private money system. Lincoln's monetary programme offered the means of paying the debts and current expenses of government without profit to the bankers and without disaster to the taxpayers.

Quite naturally, the bankers opposed Lincoln's "national currency programme" for under it he proposed to take away from the bankers the privilege of issuing an effective substitute for money. Instead of borrowing from the private money system, Lincoln proposed to use national currency for all government expenses and to pay off outstanding bonds with the same medium of exchange. Instead of government borrowing a fiction of money from the bankers Lincoln proposed to compel the bankers to borrow real money from the government.

The issue between Lincoln and the financiers was clear cut and well defined. It involved the great question that must now be settled. That issue is: Shall the medium of exchange, consisting of money, token currency, inconvertible bank notes and inconvertible bank credit transferable by cheque, be created and issued by men responsible to the government and subject to the restrictions of stewardship or shall it be created and issued by men who are answerable to neither nation nor people and who have no responsibility other than that of serving their own and the interests of the private money system? In short, shall government be subordinate to Money Power, with the money changers ruling Democracy? Or shall Democracy rule the money changers? Lincoln knew that it was upon the determination of this great issue in favour of Democracy that the progress, prosperity and peace of humanity depended.

In accordance with this sound conclusion, being on the side of humanity, he therefore proposed "a managed currency system" that would fully establish the sovereignty of Democratic Government.

### Labour and Capital

Recognizing that if Lincoln succeeded in the United States that the power of high finance would be wiped out throughout the world, for the international bankers knew that other nations would be certain to follow Lincoln's lead, the bankers of Europe and England organized against Lincoln and exhorted the bankers of the United States to support:

"The European plan led on by England that was capital's control of labour by controlling wages."

That Lincoln was fully aware of this attitude of capitalists, financiers and bankers to labour, and op-posed it openly, is shown by the language he used in his message to Congress under date of December 3rd, 1861. On that occasion he said:

"There is one point to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above labour, in the structure of government. It is assumed that labour is available only in connection with capital. That nobody labours unless somebody else owning capital, somehow, by the use of it, induces him to labour. Now there is no such relation between capital and labour as assumed. Labour is prior to and independent of capital. Capital is only the fruit of labour, and could never have existed if labour had not first existed. Labour is superior to capital and deserves much the higher consideration.

"Let the worthy men who toil up from poverty beware of surrendering a political power they already possess, and which if surrendered will surely be used to close the door of advancement against such as them, and to fix new disabilities and burdens upon them till all of liberty shall be lost."

In this conception of government the wages of men were considered more important by Lincoln than the wages of money. He was unable to tolerate, much less accept, the bankers' idea that labour should be exploited, and liberty invaded by men primarily interested in the accumulations of money wealth. This did not prevent him from recognizing that:

'Capital has its rights, which are as worthy of protection as any other rights.'

The idea, however, of establishing the sovereignty of Money Power over labour was abhorrent to him.

### The Plans of Bankers in 1862

The bankers' plan of controlling labour by controlling wages was to be carried out, as we shall see, by inducing governments to finance all public enterprise by the issue of interest-bearing bonds.

The government, under the bankers' plan, was to farm out its power to issue money to the bankers. Having thus lost its power to issue money, the government would be reduced to the position of a perpetual borrower at interest from a private monopoly which secured its power to issue a substitute for money from the government itself.

Government interest-bearing bonds were to take the place of gold as a basic security for private bank note currency and bank deposits. In this way government bonds were to be used as the basis of bank credit. Thus we see that the bankers' scheme to establish the sovereignty of Money Power over labour was to be secured by establishing the sovereignty of Money Power over government. In this dangerous adventure bankers may have been blinded by selfishness, but they have always acted upon plans carefully laid to serve the desires of the lovers of money.

In this diabolical scheme of high finance war played its part. The technique of using war as a means of enthralling government in interest-bearing debt, financed by the manipulation of credits, was first developed as an international racket by the Rothschilds during the Napoleonic wars. That this evil combination of war and usury which culminated in world bankruptcy following the World War formed a major part of the plan which organized international finance had under way at the time the Civil War broke out in the United States is clearly proven by the circulars issued to American banking institutions by European bankers as a part of the propaganda used in opposing Lincoln's attempt to restore to government the right to finance war and public enterprise by the issue of national currency combined with the governmental control of the monetary system. The circulars contained the statement that "the control of labour and of wages can be attained by controlling the money". This, in turn, was to be achieved by recognizing war as the means of putting government permanently in debt. Let there be no mistake about this. The bankers at that time, in opposition to Lincoln's greenback currency, specifically outlined the policy they have since pursued, by stating :

"That the great debt that capitalists will see to it is made of the (Civil) war must be used as measure to control the volume of money. To accomplish this the bonds must be used as a banking basis."

The results of the financial policy followed during the last World War have confirmed the fact that the iniquitous scheme outlined by the bankers during the American Civil War was still operating during the years 1914 to 1920. Vigorously prosecuting their programme of establishing the dominion of usury in the United States in opposition to Lincoln, the international financiers then appealed to the bankers of the war-torn nation—

"To sustain such daily and weekly newspapers as will oppose the issue of greenback money, and to withhold patronage and favours from all who will not oppose the government issue of money."

That the purpose of this policy was to secure an advantage to the craft of usury through the maintenance of a shortage of money was also placed beyond question, for the bankers' propaganda boldly stated:

"Let the government issue the coin and the bankers issue the paper money of the country. To restore to circulation the government issue of money will be to provide the people with money and will therefore seriously affect your individual profit as bankers and lenders."

It is not without significance that a check-up today of these statements contained in circulars distributed under the direction of international bankers, for the purpose of arousing American bankers against the national currency policy of Lincoln, shows that they state correctly the actual policy that the private money system has since put into operation, and from which the whole world is now suffering. This programme of the international bankers constituted a direct challenge to Lincoln, who incurred the hatred and the undying enmity of this crafty and merciless band of robbers when he undertook to establish the right of the government of the American people to save the nation from disruption by the issue of national currency not convertible into either gold or silver. Yes, Lincoln saw through the bankers' rascality and opposed it. Notwithstanding the power of its sponsors he challenged their attitude as a public outrage and opposed their activities up to the very moment of his death. He had defined his position on labour and when the opportunity came for him to declare his position upon the right of government to issue and control the currency of the nation he was equally outspoken.

### **Lincoln Drives the Money-Changers From the Temple**

In 1862 the conflict between Lincoln and the bankers became a matter of public record. The bankers, encouraged by the successes they had achieved in emasculating in the Senate the legal tender Bill passed by Congress in 1861, secured the passage of an Act which provided for the issue and circulation of private bank notes of a less denomination than \$5.00 in the District of Columbia. On June 23rd, 1862, Lincoln met this open challenge of organized and militant finance by exercising his power to veto the Bill. In the veto message which he dispatched to the Senate he not only joined issue with the money changers, but he took advantage of the occasion to lay down a guiding basis for a national currency and credit policy that is just as sound and necessary to-day as it was when it was first written. To the Senate he said :

"This bill seems to contemplate no end which cannot be otherwise more certainly and beneficially attained. During the existing war it is peculiarly the duty of the National Government to secure to the people a sound circulating medium. This duty has been, under existing circumstances, satisfactorily performed, in part at least, by authorizing the issue of United States notes, receivable for all government dues except customs, and made a legal tender for all debts, public and private, except interest on public debt. The object of the bill submitted to me - namely, that of providing a small note currency during the present suspension - can be fully accomplished by authorizing the issue as part of any new emission of United States notes made necessary by the circumstances of the country - of notes of a similar character, but of less denomination, than five dollars. Such an issue would answer all the beneficial purposes of the bill, would save a considerable amount to the treasury in interest, would greatly facilitate payments to soldiers and other creditors of small sums, and would furnish to the people a currency as safe as their own government.

"Entertaining these objections to the bill, I feel myself constrained to withhold from it my approval, and return it for the further consideration and action of Congress.

"Abraham Lincoln.  
June 23, 1862."

By this action Lincoln upset the "money changers" benches and temporarily, at least, drove the "Ragmen", as he called the bankers, from the temple of the government of the American people. By this action he sealed his own personal doom. This great contest between Lincoln and "the secret foes of the nation", the bankers of his day, little referred to by historians, ended in the assassination of the "great emancipator".

## Lincoln and National Currency

In his effort to establish a national banking system that would be the servant of the nation Lincoln was patient but relentless. He did not underestimate the strength of his crafty foes.

Recognizing that the monetary system was the basis of successful government, Lincoln was unceasing in his exhortation to Congress to assert its right to control the issue and circulation of the currency of the nation. As a result of his efforts, a National Bank Act was passed in 1863. It imposed a tax on the issue of private banknote currency and made provision for the banks chartered by Congress to exchange national government bonds for national currency. In this way Lincoln proposed to redeem the government's interest-bearing debts with non-interest-bearing national currency.

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From the very outset it had been Lincoln's aim to establish a national banking and currency system in the United States. It is, therefore, not surprising to find in the platform of the Baltimore convention, upon which he was elected for his second term office, commendation to Lincoln "for the measures and acts which he has adopted to protect the nation against its open and secret foes" and this unqualified endorsement of his managed currency programme:

"That it is the duty of every loyal state to sustain the credit and promote the use of national currency."

Following his election upon this platform, Lincoln in his message to Congress under date of December 6th, 1864, cautiously and circumspectly, but nevertheless definitely, indicated the course he intended to pursue. He then stated:

"The national banking system (of 1863) is proving to be acceptable to capitalists and to the people. Changes from state systems to the national system are repeatedly taking place and it is hoped that very soon there will be in the United States no banks of issue not authorized by Congress and no bank circulation not secured by the Government.

"That the government and the people will derive great benefit from this change in the banking systems of the country, can hardly be questioned.

"The national system will create a reliable and permanent influence in support of the national credit, and protect the people against losses in the use of paper money.

"Whether or not any further legislation is advisable for the suppression of State Bank issues, it will be for Congress to determine.

"It seems quite clear that the treasury cannot be satisfactorily conducted unless the government can exercise a restraining power over the banknote circulation of the country."

No one reading this message can have any doubt but that Lincoln was paving the way for future legislation that would establish an effective system of "managed national currency" that would permit the government to serve the monetary needs of the people and the nation.

## Lincoln's Vision

Of course in Lincoln's day the cheque transferring credits in bankers' books, while fully recognized as a banking practice, had not developed the importance that it has now. In Lincoln's time the bank financed bank loans and investments very largely by printing paper currency notes. Now the banker does the same thing with a bookkeeping system. Obviously, governments to-day "cannot satisfactorily conduct the treasury" unless "they can exercise a

restraining power over the issue" of bank credit, because bank credit transferred by cheque constitutes the form of currency used in the vast bulk of monetary transactions. For this reason and because he dealt only with currency, the application of Lincoln's message to Congress in December, 1864, to the monetary system of today may not be apparent to the uninitiated. There is no doubt, however, that the principles enunciated by Lincoln now apply to bank credit transferred by cheque no less than they did in Lincoln's time to bank note currency. There certainly is no doubt but that his ultimate purpose was perfectly clear to the hierarchy of Money Power with whom he was fighting. The sponsors of the private money system knew full well that Lincoln understood the fraudulent and dangerous nature of their highly organized activities and the vicious nature of the objective they had in view. They had not forgotten his veto message to the Senate on June 23rd, 1862, already quoted, or his message to Congress of December 1st, 1862, when he said:

"The suspension of specie payments by the banks, soon after the commencement of your last session, made large issues of United States notes unavoidable. In no other way could the payment of the troops, and the satisfaction of other just demands, be so economically or so well provided for. The judicious legislation of Congress, securing the receivability of these notes for loans and internal duties, and making them a legal tender for other debts, has made them a universal currency, and has satisfied, partially at least, and for the time, the long-felt want of a uniform circulating medium, saving thereby to the people immense sums in discounts and exchanges.

"A return to specie payments, however, at the earliest period compatible *with due regard to all interests concerned* should ever be kept in view. Fluctuations in the value of currency are always injurious, and to reduce these fluctuations to the lowest possible point will always be a leading purpose in wise legislation. Convertibility—*generally acknowledged to be the best and surest safeguard against them; and it is extremely doubtful whether a circulation of United States notes, payable in coin, and sufficiently large for the wants of the people can be permanently, usefully and safely maintained.*

"Is there, then, any other mode in which the necessary provision for the public wants can be made, and the great advantages of a safe and uniform currency secured?

"I know of none which promises so certain results, and is at the same time so unobjectionable, as the organization of banking associations under a general act of Congress well guarded in its provisions. *To such associations the government might furnish circulating notes, on the security of United States bonds deposited in the treasury.* These notes, prepared under the supervision of proper officers, being uniform in appearance and security, and convertible always into coin, would at once protect labour against the evils of a vicious currency, and facilitate commerce by cheap and safe exchanges."

In this same congressional message Lincoln had estimated that the population of the United States might attain 250,000,000 by 1930. With such a possibility in mind, he pointed out that while "the convertibility of paper currency into coin was generally accepted as the best and surest safeguard against the fluctuations in the value of currency", he demonstrated his gift of prescience by saying that he doubted that there could be sufficient currency issued under the gold standard or on a basis of convertibility into coin (which at that time consisted of both gold and silver) to serve the future needs of the people". In this conclusion Lincoln correctly anticipated the shortage of money that the gold standard money system was intended to establish and which, under that system, now exists. To meet the coming need as he saw it, he proposed "the issue of United States circulating notes" in a monetary system that would be "controlled and regulated by the government", and he unhesitatingly recommended to Congress that by such a course it could "greatly reduce the cost of government and also protect the people against the evils of a vicious monetary system". Lincoln was attacking intelligently and effectively the very citadel of the credit dealers' monopoly.

## Sovereignty of Congress

The bankers knew that Lincoln was fully aware of the danger to the state that existed when banks were allowed to issue private bank note currency as a competing medium of exchange with national currency. They had not forgotten that on January 17th, 1863, in a special message to congress, he had pointed out that the value of the United States notes in issue was being injured by the issue of private bank note currency and he exhorted Congress to take the necessary steps to prevent economic disruption from excessive volume of the medium of exchange remaining in circulation. Lincoln was aware that it was the private banker who was inflating the volume of currency in issue and to Congress he then said:

"It seems very plain that continued issues of United States notes without any check to the issue of suspended banks (meaning banks that had suspended specie payments) and without adequate provision for the raising of money by loans, and for funding the issues, so as to keep them within due limits, must soon produce disastrous consequences and this matter appears to me so important that I feel bound to avail myself of this occasion to ask the special attention of Congress to it.

"That Congress has power to regulate the currency of the country can hardly admit of a doubt, and that a judicious measure to prevent the deterioration of this currency by a reasonable taxation of bank circulation or



otherwise is needed, seems equally clear.

"By such measures, in my opinion, will payment be most certainly secured, not only to the army and navy, but to all honest creditors of the government, and satisfactory provision made for future demands on the treasury."

These messages to Congress make it perfectly clear that Lincoln, in mastering the fundamental principles essential to the success of the administration of the monetary system appreciated that national currency put in circulation by the government could be withdrawn by the exercise of the government's taxation power. He also recognized that the government and not the banker should issue and regulate the currency of the country. He was fully aware that if the banker were allowed to regulate national currency, being at the same time permitted to issue in competition with it private bank note currency, that the banker would regulate national currency out of existence. Lincoln was also aware that if bankers were allowed to issue and regulate the currency of the country and profit out of both issue and circulation that they would manage the currency of the country to serve the bankers first and the people second.

It is equally clear from his message to Congress that Lincoln appreciated that by correlating the power of government to put money in circulation with its power to withdraw it from circulation by taxation the evils of deflation and inflation could be avoided. While it may be quite true that Lincoln had not appreciated nor thoroughly understood all of the detail involved in the administration of a national currency and credit system necessary to maintain a scheme of planned economy in an age of plenty, the fact nevertheless remains that he had grasped and recommended to the consideration of Congress the true basis of a sound monetary system. He correctly anticipated the needs of posterity, and by so doing placed his life in jeopardy. He was actually moving to destroy the sovereignty of Money Power.

As a result of his successful use of national currency to finance the Civil War, Lincoln was convinced that the government could create and issue its own currency needs. Possessing the unerring judgment of superior wisdom, Lincoln was a master in statecraft who met and solved the fundamental problems of a sound monetary system. In charting the monetary course along which our civilization must build upon the foundations of sane currency and credit management, Lincoln mapped out a monetary policy that must be adopted and put into effect before the world can enjoy the prosperity and abundance that science has made possible.

The bankers were fully aware of the fact that in Lincoln humanity had a leader who would take both men and governments out of the bondage of Money Power. He had a policy that was intended to place government instead of banker in control of the nation's currency and credit.

Let us now, from his speeches and his messages to Congress, summarize the monetary policy that Lincoln, at the time of his assassination, was about to more clearly define and establish.

### Lincoln's Monetary Policy

"Money is the creature of law and creation of the original issue of money should be maintained as an exclusive monopoly of national government.

"Money possesses no value to the State other than that given to it by circulation.

"Capital has its proper place and is entitled to every protection.

"The wages of men should be recognized as the structure of government and in the social order as more important than the wages of money.

"No duty is more imperative on the government than the duty it owes the people of furnishing them with a sound and uniform currency and of regulating the circulation of the medium of exchange so that labour will be protected from a vicious currency, and commerce will be facilitated by cheap and safe exchanges.

"The available supply of gold and silver being wholly inadequate to permit the issuance of coins of intrinsic value or paper currency convertible into coin in the volume required to serve the needs of the people, some other basis for the issue of currency must be developed and some means other than that of convertibility into coin must be developed to prevent undue fluctuations in the value of paper currency or any other substitute for money of intrinsic value that may come into use.

"The monetary needs of increasing numbers of people advancing towards higher standards of living can and should be met by the government. Such needs can be served by the issue of national currency and credit through the operation of a national banking system. The circulation of a medium of exchange issued and backed by the government can be properly regulated, and redundancy of issue avoided by withdrawing from circulation such amounts as may be necessary by taxation, redeposit and otherwise. Government has the power to regulate the currency and credit of the nation.



"Government should stand behind its currency and credit and the bank deposits of the nation. No individual should suffer a loss of money through depreciated or inflated currency or bank bankruptcy.

"Government possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit from circulation by taxation and otherwise, need not and should not borrow capital at interest as the means of financing governmental work and public enterprise. The government should create, issue and circulate all the currency and credit needed to satisfy the spending power of government and the buying power of consumers. The privilege of creating and issuing of money is not only the supreme prerogative of government, but it is the government's greatest creative opportunity.

"By the adoption of these principles, the long-felt want for a uniform medium will be satisfied. The taxpayers will be saved immense sums in interest, discounts and exchanges. The financing of all public enterprise, the maintenance of stable government and ordered progress and the conduct of the treasury will become matters of practical administration. The people can and will be furnished with a currency as safe as their own government. Money will cease to be master and become the servant of humanity. Democracy will rise superior to Money Power."

Here, then, we find that Lincoln propounded the monetary policy needed today. Now, while the public may not have been aware of it, certainly the international bankers were fully seized of all the implications that would arise from the establishment of Lincoln's national currency system. They also saw in Lincoln a new leader of humanity who had the power to put his currency ideas into practice.

To orthodox finance, Lincoln became at once "a dangerous tyrant". If he were permitted to put his ideas into practice he would destroy the sovereignty of Money Power.

Lincoln, released from the problems of the Civil War, following his second election, proceeded at once to free mankind from the burden of unpayable, interest-bearing debt claims. He lost no time in commencing his campaign to free the American people from the slavery of mass usury.

The oligarchy of high finance saw in the successful Lincoln a statesman enjoying the unchallengeable power of exalted leadership which is the privilege of superior achievement. He was the one man in the world who was willing and able to meet and to overthrow the control over the government which organized finance was seeking to perfect. With the problems of the rebellion out of the way, the bankers knew that Lincoln would devote his undivided attention to developing the monetary system he had proposed to Congress. If Lincoln were allowed to carry out his ideas, the hope that international financiers had of establishing world sovereignty for Money Power would be impossible of fulfillment.

Thus we see that Lincoln was a leader of humanity which orthodox finance dared not suffer to survive. Lincoln was assassinated.

Who, then, were the instigators of the conspiracy that ended in his murder? That is a question worthy of investigation.

The assassination of Lincoln under such circumstances emphasized the commendation his friends offered to him in the platform of the Convention of 1864 and gives a sinister atmosphere to their reference to Lincoln's protection of "the nation against its open and secret foes". The "secret foes" of the nation were the money dealers, the members of the age-old craft of usury, who, as we shall see, fulfil the description of the group of men who, cleverly concealing their part in the greatest of all American crimes, induced by promises of money reward Lincoln's assassination.

## Victory?

In the Spring of 1865 it became apparent to everyone that the rebel forces were about to collapse. Grant was established at City Point, near Richmond, and was preparing for the final assault on that city. Lincoln, sensing the victory, was with Grant at his headquarters when the rebel forces evacuated the southern stronghold on April 2nd. Upon learning that the rebel forces had withdrawn, he expressed a desire to see Richmond at once. On April 4th, with four companions and a guard of only ten marines, he and his son entered on foot the city which for four years he had been doing his utmost to capture by force. The City of Richmond was in a state of the wildest confusion. Fire had destroyed a large part of it and was still raging.

Through this chaos of misery and disorganization, Lincoln, despite the bitterness of the defeat which the Southerners felt, walked in safety. He was heralded by the negroes "as the Great Messiah". He spent two days in Richmond. He visited freely there and no attempt to disturb his peace, much less to bring about his destruction, was even indicated. Clearly, his safety while in Richmond indicates that the South had nothing whatever to do with the conspiracy to assassinate him, which was then being worked out by Northerners in the City of Washington, the capital of the nation. Had the South, or those leading the Southern government had any desire to either kidnap or destroy Lincoln, there was no reason whatever why they should have waited until he returned to the safety and security of the Northern capital.

Returning from Richmond, he visited an internment camp of Southern soldiers who cheered him and indicated that they recognized a victor in Lincoln who would sympathize and deal justly with those whose rebellious forces he had overwhelmed.

On April 9th, Lincoln received the information that General Lee had surrendered his army to General Grant. In the spirit of generosity that had characterized his life, Lincoln instructed Grant to allow the rebels to keep their horses and their arms and to make every provision for the care of all rebel soldiers. He provided food and shelter not only for the sick and wounded, but for all who were in need.

Shortly after his return to Washington, the North was privileged to enjoy a veritable frenzy of jubilation. The war was over. Peace with victory had been accomplished and the nation had been saved from dissension and freed from the curse of human slavery.

### John Wilkes Booth

On the evening of Friday, April 14th, Lincoln attended Ford's Theatre with his wife. During the course of the play he was shot by John Wilkes Booth, who, leaping from the Presidential box on to the stage, escaped through a rear exit and fled. Some days afterwards Booth was found in a barn suffering from a broken ankle. Refusing to surrender, the barn was set on fire and, as Booth threatened resistance, he was shot and killed by Sergeant Boston Corbett. The story commonly accepted that Booth was a Southern zealot and killed Lincoln in the hope of glorifying himself as the avenger of the South has long been accepted as a reasonable explanation for this dastardly crime. The records, however, do not warrant any such conclusion. It is true that Booth was one of the many in the North who expressed sympathy for the South, but he had never served in the Southern army and there is nothing to indicate that his attitude throughout the war was other than that of a mere braggadocio.

### The Conspiracy

Booth undoubtedly was the leader in the organized plan which had been carefully developed to assassinate Lincoln, Seward and Stanton. This plan was not original with Booth. He was employed by certain rebel agents operating in the cities of Montreal and Toronto in Canada who, in turn, were engaged by an undisclosed group of wealthy men who were vitally interested in Lincoln's removal. Working in secrecy, these men used the Southern agents to conceal both their motive and identity. It was a clever piece of work and worthy of the devilish cunning of usury. The unknown men who originated the conspiracy were not associated or connected in any way with the Southern leaders or the Southern government.

These facts are clearly set out in a published report of the trial and execution of the assassins and conspirators who were brought to justice for their part in the murder of Lincoln. This record, published in Philadelphia by T.B. Peterson & Bros., of 306 Chestnut Street, in 1865 "is a full and verbatim report of all the witnesses examined in the whole trial". This trial, the most famous in American history, was by Court Martial. Among the prisoners charged were:

Lewis Payne, who, incidentally, was a Southern deserter and who had attempted to murder Seward at the same time Booth had shot Lincoln;

David C. Harold, a dissipated youth living in Washington, who had assisted Booth to escape and who was captured at the time Booth was shot;

Mrs. Mary E. Surratt at whose home in Washington the conspirators made their rendezvous;

George A. Atzeroth, a ne'er-do-well carriage builder who also lived in Washington,

all of whom were found guilty, sentenced to death and executed. A number of others were found guilty in a lesser degree and sentenced to various terms of imprisonment.

The evidence submitted at the trial showed quite clearly that the assassination of Lincoln was the result of a plan in which a large number of people participated and which had been under consideration and development for several months.

The mere fact that such a plan existed wipes out to a very large extent the theory that Booth was actuated by sentimental or patriotic motives. Booth's conduct indicates that he may have been a paranoiac. He undoubtedly was of the type that could be induced to engage in a desperate undertaking by bribery and flattery. The recorded evidence discloses that quite apart from his insanity or alleged patriotism to the South, his real motive was money. Booth and his associates were proven to be mercenary scoundrels in the employ of a group of wealthy and powerful men who looked upon Lincoln as a menace to their personal interests.

The only group of men who satisfy the description of Booth's actual employers were the international bankers, whose plans Lincoln had frustrated during the Civil War and whose aims he threatened to destroy with his national currency system.

## Concealed Treachery

The record of the trial as printed by Peterson & Bros. contains "the suppressed testimony of Richard Montgomery, James B. Merritt and Sanford Conover", which apparently was not published in the original public records of the trial. This evidence shows that during the Civil War Richard Montgomery was a secret service agent of the Northern government. During the Winter of 1864-65 he was detailed to observe the actions of a group of Southern agents who were operating in the cities of Montreal and Toronto in Canada. These men, consisting of Jacob Thompson, one time Secretary of the Interior in the American government prior to the revolution Clement C. Clay, George N. Saunders, J.P. Holcombe and N.C. Cleary, were well known Southerners who had established headquarters in Canada from which they organized raids and other activities designed to injure the Northern forces. Among other things, they were accused of harassing cities throughout the Northern area and attempting to spread infectious disease in Washington.

The records of Lincoln's life contain a strange reference to the activities of Jacob Thompson on the day of Lincoln's assassination. Mr. Charles Anderson Dana, Assistant Secretary of War under Stanton in the Lincoln government, is recorded as saying:

"The last time I saw Mr. Lincoln to speak with him was in the afternoon of the day of his murder. I had received a report from the provost-marshal of Portland, Maine, saying that Jacob Thompson (a Confederate agent) was to be in town that night for the purpose of taking the steamer for Liverpool, and what orders had the Department to give? I carried the telegram to Mr. Stanton. He said promptly, 'Arrest him'; but as I was leaving his room he called me back, adding 'You had better take it over to the President.'

"It was now between four and five o'clock in the afternoon, and business at the White House was completed for the day. I found Mr. Lincoln with his coat off, in a closet attached to his office, washing his hands. 'Hello, Dana,' said he, as I opened the door, 'what is it now?' 'Well, sir,' I said, 'here is the provost-marshal of Portland, who reports that Jacob Thompson is to be in that town to-night and inquires what "orders we have to give." 'What does Stanton say?' he asked. 'Arrest him,' I replied. 'Well,' he continued, drawling his words, 'I rather guess not. When you have an elephant by the hind foot, and he wants to run away, better let him run.'"

According to Montgomery's testimony, Jacob Thompson, during the winter of 1865, had informed him that he and his associates in Canada had been approached to organize and carry out the plan which resulted in Lincoln's assassination. Montgomery swore that Thompson had informed him in January, 1865, that:

"He knew the men who had made the proposition were bold and daring men, able to execute anything they would undertake without regard to the cost";

that he, Thompson, was in favour of the proposition but had—

"determined to defer his answer until he had consulted his government at Richmond",

and that he was then awaiting their approval. Montgomery also swore that he was told that Booth had been employed to organize and carry out the actual assassination.

Who, then, were the "bold daring men" anxious to destroy Lincoln who were "able to execute anything they would undertake without regard to the cost"? Who else, outside of the international bankers, fits this description? There is no other group to which Thompson's language to Montgomery can refer, for no other group of wealthy people had any interest in Lincoln's assassination.

James B. Merritt, who was a physician practicing in Canada, corroborated Montgomery's testimony. He swore that he was also in touch with the Southern agents in Canada and that one of them, George N. Saunders, had told him about the plot and of Booth's connection with it. Saunders also informed Merritt "that there was any amount of money to accomplish the purpose".

The evidence of one Sanford Conover, which was subsequently questioned, fully corroborated the evidence of Montgomery and Merritt. Conover, however, furnished further detail.

The evidence given at the trial of the conspirators indicates that the Southern agents in Canada represented to the leaders of the Southern rebellion in Richmond that the conspiracy to kill Lincoln was merely a plan to kidnap him and to hold him as a hostage for the purpose of bargaining for terms of peace.

It was subsequently established by John H. Surratt, son of Mary Surratt, who was associated with Booth, that he was a spy in the employ of the Southern army and that he had understood that the conspiracy was one to kidnap Lincoln; that he had communicated this information to some of the Southern leaders. However, when he learned that Booth planned to kill the President, he repudiated the idea and fled in fear, first to Canada, and then to Europe, where he was found in the service of the Papal zouaves. He was captured and escaped; was recaptured and returned to the

United States for trial. At his trial the jury disagreed and he was released. Surratt did not suffer in his defence for want of funds. He was ably and effectively defended.

Apparently upon the representations that they intended to kidnap Lincoln, the conspirators endeavoured to secure commissions in the Southern army for the men who were to carry out this desperate undertaking in the hope that if they escaped they would be able to defend their action as an act of war.

There was other evidence given at the trial which places the fact that Lincoln's assassination was the result of a purely mercenary adventure, which had not originated in the South, beyond all question. One, Samuel Knapp Chester, volunteered the evidence that he was a personal friend and actor colleague of John Wilkes Booth, and that on several occasions during the Winter of 1864-05 Booth had approached Chester and endeavoured to engage him in the proposition to kill the President. First, Booth proposed to Chester the kidnapping, and later the proposal to assassinate Lincoln was put forward. Chester told the Court that Booth had pressed money upon him and had assured him—

"that if I would do it I would never want again as long as I lived; that I would never want for money. He said there was plenty of money in the enterprise."

When Chester refused to engage in the plot with him, Booth threatened to kill him, but he still refused and had nothing to do with it.

One John Greenawalt, the keeper of the Pennsylvania House, in the City of Washington, informed the Court that the prisoner, Atzeroth, had a room in his hotel and immediately prior to the assassination was frequently in conference with Booth. Atzeroth, whose poverty was well known, according to Greenawalt, had said shortly before the assassination:

"I am pretty near broke, though I have friends enough to give me as much money as will keep me all my life. I am going away one of these days, but I will return with as much gold as will keep me all my lifetime."

He had been living in Greenawalt's hotel since the 18th March, and this statement was made about the 1st of April, 1885.

The evidence of Montgomery, Merritt, Chester and Greenawalt completely destroys the theory that John Wilkes Booth assassinated Lincoln because of an emotional desire to gain undying notoriety or because of a patriotic desire to avenge the South. Booth was actuated by one thing only, the hope that he would, through promises offered by wealthy men, be able to indulge his appetites and desires through the possession of unlimited wealth. He was actuated by the promises which had been made to him, which he conveyed to his colleague, Chester, that "if he killed Lincoln, he would never want again as long as he lived".

The men that Booth recruited were in the North. They were of the North. True, they were traitors to the North, but they were typical of those who would engage in any enterprise for money.

Who, then, were the men who induced first the rebel agents in Canada and, in turn, John Wilkes Booth to carry out the monstrous and diabolical scheme of murdering Lincoln? Certainly, they were not of or connected with the leaders of the Southern rebellion. If that were not so, it never would have been necessary for Jacob Thompson and his associates to employ a man of Booth's type, nor would it have been necessary for Thompson and his associates to have communicated with the South and with the Southern leaders before proceeding with so vicious a proposal.

The fact that two days after the evacuation of Richmond by Lee and the Southern army, Lincoln could reside for two days, almost unguarded in the Southern capitol, absolves the South and the Southern leaders from any knowledge of or connection with Lincoln's assassination. Had the Southern leaders wished to execute any such enterprise, there were thousands of Southerners who would have volunteered to serve their leaders in that regard. The men of the South were neither murderers nor assassins.

At the trial of Lincoln's conspirators, Major H. K. Douglas, an officer of the Southern army, said on behalf of the men who made up the Southern rebel forces:

"I think their integrity as men, equal to their reputation for gallantry as soldiers, would forbid them to be employed as night assassins of President Lincoln."

That conclusion is now accepted.

### **The Attempt to Destroy the Record**

It is not surprising to find that an attempt was made to wipe out and nullify the evidence offered by Montgomery, Merritt, Conover, Chester and Greenawalt. On the ground that the evidence was false, a Congressional investigation was demanded, presumably on behalf of representatives of the South. In 1866, during the First Session of the 39th

Congress, the question of the falsity or otherwise of this evidence was referred to the Committee of the Judiciary for investigation.

The investigation was a lengthy one and although Sanford Conover repudiated his former testimony, given at the trial of the conspirators, the Committee found the evidence of Richard Montgomery to be fully confirmed and, of him, stated:

"He is now employed by the government of the United States and, as far as the Committee have been able to ascertain, there is no reason to question his integrity in all particulars."

Finding that Conover had perjured himself either before the Committee of the Judiciary or at the trial, the Committee indicated that Conover's perjury consisted of his false repudiation of the testimony he had formerly given. Thus was the evidence, which proves that Lincoln was assassinated by a mercenary employed by "bold and daring men able to execute anything they would undertake without regard to the cost", fully confirmed by the Congressional investigation.

The persons who constituted this "group of wealthy and daring men", sufficiently interested and bold enough to inaugurate a plan to murder Lincoln at the moment of his supreme success, obviously were no ordinary individuals. No such group existed in the South, for all the Southern supporters were bankrupt. The murderers were not recruited from the South. The description given to Montgomery by Jacob Thompson points to one group. They were the "secret foes of the nation", the men who were opposing Lincoln's national currency programme. No other group was interested in Lincoln's destruction. They were the men who were carrying on the conspiracy to establish the bankers' credit racket, successors, no doubt, to the men who, in 1810, had demonetized silver in England and established the gold standard as the basis for the English monetary system, and who were, at the time of Lincoln's assassination, actively engaged in establishing the gold standard as a world institution.

At the moment of Lincoln's assassination these men were aggressively advancing in the United States the monetary programme established in Great Britain in 1844, when the Bank of England, as a private monopoly, secured from the British government the right to issue token currency and credit as a substitute for national currency. Lincoln was their only serious obstacle.

A review of the facts that existed at the time of Lincoln's death, coupled with the recorded achievements of the selfish mismanagement which has brought the private money system into utter dis-repute, establishes the motive that induced Money Power to incite others to destroy Lincoln. The consummation of the objectives of the private money system, following Lincoln's assassination, gives to Montgomery's testimony a significance that goes far beyond the realm of suspicion.

In the light of all the facts now available, Montgomery's evidence becomes the pivotal testimony which correlates a mass of incriminating circumstantial evidence into a faultless and manifest indication that the sponsors of the gold standard credit racket were guilty of the most vicious crime that has been perpetrated since the crucifixion of Christ. It establishes the operators of the private money system as the nation's most dangerous enemies. The evidence against the men who established a credit racket in the name of "hard money" and "sound currency" is just as clear as it would be in a case where a known criminal, unable to explain his movements, was identified as being in the vicinity of the place where a child was kidnapped and murdered and in whose possession the ransom money was subsequently found.

The actions of the bankers following Lincoln's murder places the interest they had in his removal beyond doubt. Immediately after Lincoln's assassination "greenback currency" was attacked.

With the great emancipator out of the way, the hierarchy of the golden calf soon took charge of the wealth of the American people. Gold prices were manipulated as the means of destroying public confidence in United States notes. At one time gold was raised to the fictitious price of \$57.00 an ounce. By this course, the value of national currency was destroyed and the public was induced to support a government that handed over the power to create money to private banking institutions. This was the preliminary action essential to the establishment of the gold standard in the United States, something that never could have been accomplished had Lincoln survived.

With these facts in mind, an article which appeared in the "Bankers' Magazine" in August, 1878, sheds some definite light on the identity of "the group of bold and daring men" who were pointed to by Richard Montgomery as the men who incited and financed the assassination of Lincoln. The article referred to records the manner in which the gold standard was eventually established in the United States. Among other things it said:

"In 1872, silver being demonetized in France, England and Holland, a capital of \$500,000.00 was raised and Ernest Seyd of London was sent to this country (the United States) with this fund, as the agent of foreign bond-holders and capitalists, to effect the same object here, which was accomplished."

The Congressional Record of April, 1872 (page 2032), says:

"Ernest Seyd of London, a distinguished writer and bullionist, who is now here, has given great attention to the subject of mint and coin-age. After having examined the first draft of the Bill, he made sensible suggestions which the Committee adopted and embodied in the Bill."

The Ernest Seyd referred to was an English solicitor, acting for English and European bankers and financiers. Later on he is recorded as having made an open confession to one Frederick A. Luckenbach, an American citizen of standing, that "he had gone to America in the Winter of 1872-73 with the \$500,000 referred to in the Bankers' Journal, with instructions that if that was not sufficient to accomplish the object to draw for another \$500,000, or as much more as was necessary to secure the passage of a Bill demonetizing silver, as it was in the interests of English and European bankers whom he represented". Seyd further said to Luckenbach:

"I saw the Committees of the House and Senate and paid the money and stayed in America until I knew the measure was safe."

These articles and the recorded confession of Seyd acknowledges that within seven years after Lincoln's assassination there existed a "group of bold and daring men" who did not hesitate to raise \$500,000 to secure the demonetization of silver by corrupting the American Congress and Senate. These were the same men. Yes, they were the "secret foes of the nation" with whom Lincoln was at war. Following Lincoln's assassination, they were successful in wiping out Lincoln's national currency programme and did establish the gold standard money system in the United States. With each step forward, the men behind the racket were able to reap personal fortunes of inestimable value.

Men who are ready and willing to spend unlimited sums in the corruption of the government of the greatest Republic ever established to achieve the profit-seeking ends of a private monopoly, through a vicious change in monetary laws, are not likely to have any compunction about starting a war or assassinating a leader of humanity like Abraham Lincoln, who, from their point of view, was a dangerous and un-controllable tyrant who alone stood in their greedy and unscrupulous way.

Following the dispatch of Lincoln, the authority of high finance rose to unprecedented power. In the system that was established the great banking houses of our times took root. Banking institutions such as the Houses of Morgan and Mellon were made possible. Bankers took charge of the wealth of every nation and established their power to control the progress of civilization.

In the United States Lincoln had been the "strong man in the house" who had been removed before the robbers could enter to plunder and rob an unprotected people.

Under the monetary system established by the bankers, the government of the people whom Lincoln tried to serve "has ceased to be a substantive power in the issue of money". The banker became the minter and issuer of their medium of exchange. Instead of the government, as Lincoln proposed, taking charge of bankers, the bankers have taken charge of the government of the nation. The extent to which Lincoln's national currency system has been obliterated by the bankers, and the nation's right of issuing the medium of exchange required "to serve the needs of the people" has been taken over by the bankers privileged to issue a fiction of money, is now a matter of positive record. For the purpose of making that perfectly clear, I will repeat figures already quoted. The following table exposes how effectively the plan to substitute bank money for national money has been carried out in the land Lincoln saved from disruption with national currency:

### **Currency and Debt Statistics** (In millions of dollars)

**March, 1934**

Gold reserves inflated value		\$ 8,000
Legal tender money issued by the nation		\$1,264
Private bank note currency	\$ 4,500	
Bank liabilities to depositors transferable by cheque	\$43,000	
Total private bank currency		\$47,500
Bank loans and investments		\$50,000
Paid up capital of banks		\$3,000
National debts		\$32,000



Public and private interest-bearing debts		\$275,000
Monetary transactions consummated by cheque:		
1929		\$983,000
1933		\$500,000

These are the figures that prove the authenticity of the circulars issued by bankers in 1862 containing, among other things, such words as the following:

"The great debt the capitalists will see to it is made out of the Civil War, by opposing the government issue of money, must be used as a measure to control the volume of money. To provide the people with money will seriously affect your profit as bankers and lenders."

These circulars correctly stated the bankers' contemplated policy, and they describe accurately the policy that has been established and carried out. The great depression that followed the World War proves that our monetary guardians have turned out to be ravening wolves and that the money changers and usurers have not changed.

The established facts now prove that the so-called "sound money" system set up in Great Britain in 1844, and since adopted in Canada and the United States, constitutes a gigantic credit swindle, and that its sponsors were criminals of the daring and desperate type. It is as a result of the operation of the colossal conspiracy in fraud that the American people, like the people of the British Empire, are wallowing in poverty, overwhelmed with debt, short of money, unable to produce and consume, unable to maintain work and wages for men and women and unable to finance government and progress. Government and people are under-currencied; the bankers are over-loaded with interest-bearing debts payable to themselves because they have been financed with credits issued in a bankers' accounting system which represents capital that should have been issued as national currency and credit monetized in a national banking system.

It is easy to understand how the "bold and daring men" who were sponsoring this racket in Lincoln's time "were able to execute anything they would undertake without regard to the cost".

Obviously a monetary system under which one group in the community is permitted to use a fiction of money, created and issued as a privilege granted and protected by the government to finance loans at interest repayable in legal tender money that is now put into circulation by the financing of loans, must result in the pyramiding of interest-bearing debts into unpayable totals, which in turn is bound to result in the impounding of the entire wealth of the nation to the lenders of credit. Under the private money system that is what has happened. The men who could resist the temptation to overwhelm the social system with interest-bearing debts, which the private control of credit presents have not, and probably never will be born. Men like Jefferson, DeLisle Brock, Andrew Jackson and Abraham Lincoln were aware of the danger. They all warned the people against it and if Lincoln had been allowed to live through his second Presidential term no doubt he would have established a monetary system under which the existing tragedy of bankruptcy and destitution in the midst of unlimited opportunity would have been avoided.

In his fight to restore to government the control of the issue of currency as the first step in establishing a sound national administration of currency and credit, Lincoln was, in fact, fighting the very powers who were behind the Bank of United States, the Bank of England, the demonetization of silver, the gold standard, and who, later on, established in the United States the Federal Reserve banking system and, following the World War, the Bank of International Settlements.

Yes, following the assassination of Lincoln, the bankers took charge. Every avenue of the nation's wealth has been exploited and every law the bankers have induced Congress to enact have proven pernicious to posterity. The bankers who have plundered where Lincoln proposed that government should rule are now whining for sympathy and calling for the aid of government. And they continue to rule notwithstanding that President Roosevelt stated the truth when he said:

"Knowing only the rules of a generation of self-seekers, they have failed. The practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men."

The universal existence of destitution in the midst of abundance now compels all thinking men and women to agree that once the private banker is accepted as the financial adviser of the government, work is futile, hope is useless and faith in the Divine is endangered. That is why the Christ drove the money changers out of the Temple of God.

Money Power has established a more vicious form of universal slavery over the American people than ever was established over the American Negro. To use Lincoln's own words, the bankers and credit dealers of this age have placed the American citizen in this position:

"They have him in his prison house. They have searched his person and have left no prying instrument with him. One after another, they have closed the heavy iron doors upon him and now they have him, as it were, bolted in with a lock of 100 keys which can never be unlocked without the concurrence of every key; the keys in the hands of a hundred different men, and they scattered to a hundred different places; and they stand musing as to what invention in all the dominions of mind and matter can be produced to make the impossibility of his escape more complete than it is."

Yes, the bankers destroyed Lincoln as the preliminary step to the destruction of the American civilization which they will now complete if they themselves are not destroyed.

The condition of the people everywhere now proves that unless the dominion of usury is destroyed the moral and intellectual bankruptcy of Christianity and Democracy is inescapable. If by no other way, the people must rise up and destroy the Money Power.

Lincoln, fully aware of the Divine statute which says—

"Thou shalt not covet thy neighbor's goods", and knowing the proverb which declares—

"That the borrower is the servant of the lender", tried to establish as a pillar of government the conclusion that human needs are more important than money values. To achieve this great reform, he recognized that the issue and circulation of money and credit must be guarded and protected by the unrelenting vigilance of responsible government. Would we save Democracy, we must now take up the fight for freedom against the sovereignty of Money Power where Lincoln laid it down.

Lincoln was fully aware that until the money changers were driven out of the temple of government, true liberty could never be enjoyed by the people no matter what form of government they established.

By inaugurating a national currency programme, Lincoln three score and three years ago anticipated and tried to thwart the economic collapse which President Roosevelt described in his inaugural address when he said:

"Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the medium of exchange of mankind's goods, knowing only the rules of a generation of self-seekers, has failed. Our true destiny is not to be ministered unto, but to minister to ourselves and to our fellow men."

Lincoln knew that if the government was to minister unto itself and to make it possible for men to live in Christian co-operation the government must take away from bankers and financiers the power to control both government and people through the management of the national currency and credit, which constitutes "the economic bloodstream of the social system."

The bankers defeated Lincoln, but the situation has now developed to the point where "we must destroy the monopoly of money and credit or the monopoly of money and credit will destroy our civilization". The long and unsavoury record of "the lovers of money in which the sacrifice of the mortal lives of Christ and Lincoln are registered, has culminated in exactly what the wise men of old prophesied, namely, world economic chaos and disaster.

There is some consolation, however, in the fact that the fundamental teachings of Christian Democracy are still unsullied, for instead of following the Christian teaching that condemned usury, we have tried to build upon a foundation of covetousness. We are now at the place in the history of civilization predicted by Plato, who prophesied that true Democracy would emerge from the dictatorship of oligarchical Money Power as the result of greedy oppression imposed upon the vast majority of the people by men who ruled through Money Power and who profited by lending at interest.

Lincoln firmly believed that the philosophy of Christianity, in addition to providing men with eternal peace, offered a plan under which all could live under their own vine and fig tree in plenty and in peace. He saw in national currency the means through which the exalted liberalism of Christianity could be adopted as the guide of government in its work of controlling and regulating the stability and progress of the social system. He believed that through the establishment of a national currency system the government would be able to offer the moral guidance which persuades and develops a desire for proper direction of human effort.

Let us come now to the subject matter proper of this treatise, that is, the development of the outline of a policy of planned economy based upon Lincoln's ideas of the possible and proper use of the government's power to create, issue and regulate the circulation of currency and credit buying power as a means of financing stable government and ordered progress.