

The School of Power #4 – Power in Modern Times

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*The idea gleaming and dancing before ones eyes like a will-of-the-wisp at last frames itself into a plan. Why should we not form a secret society with but one object, the furtherance of the British Empire and the bringing of the whole uncivilized world under British rule, for the recovery of the United States, for the making the Anglo-Saxon race one Empire. What a dream, but yet it is probable, it is possible.
~ Cecil Rhodes, speaking about the formation of the Round Table group*

The School of Power class was becoming incredibly involved and intense, with a large amount of history and Henri could see why it had been rated by other students who had taken it as the best class that they had ever had. As usual, Dr. Quigley moved from in back of his lectern and sat on his desk on order to become more intimate with the students; today he had a large sheaf of notes and references with him. As usual he also had his laptop running a PowerPoint presentation showing pictures relating to what he was talking about.

“Today we will focus on politics and some of the people at the very top of the power pyramid. Organizations often seem to be monolithic and to have a life of their own, but they are always made up of people, and it is people who direct and control them.

“You also will notice that as we go deeper, many of these people are not the leaders you have read about in your history books. Rather, they constitute the power behind the throne. As I explain this history and tell the stories of these people, I will have to leave out many events, details, and personalities that would further enrich and explain what has happened, but time does not permit us to consider them here. Please read more about this on your own so that you will have a good grasp on the history of power. You cannot fully control the present and the future if you do not understand the past.

“There are many points in history that we could use as a launching pad for today’s lesson, but let us begin our study of contemporary power with Cecil Rhodes, the English imperialist who lived in the latter half of nineteenth century. Rhodes attended Oxford University and was heavily influenced by John Ruskin, a popular socialist professor, who taught there in the 1870s. Ruskin hated democracy and capitalism, and he believed that a socialistic aristocracy must rule for the benefit of all. He advocated the ‘white man’s burden’ of the Anglophile people of England and America to bring civilization to the rest of mankind. In Ruskin’s mind, much of the world was incapable of ruling itself, and the elite therefore needed to take up this burden and rule over the unwashed masses for their own good. Ruskin also was a believer in eugenics, the idea that some races of people are superior to others, and inferior races should be eliminated from the gene pool.

Ruskin influenced many individuals including the Pre-Raphaelite painters William Morris and Dante Gabriel Rossetti, and the poets Shelly, Byron, Keats, and Kipling. His thinking also influenced the feminist Margaret Sanger, who became enamored with his eugenic ideas, and founded Planned Parenthood to push for birth control and for the abortion of unwanted babies. Ruskin was also one of the intellectual fathers of Hitler's eugenics program, which eventually became the holocaust. But Cecil Rhodes was probably Ruskin's most important convert since Rhodes absorbed Ruskin's philosophy more thoroughly than the others and became the most powerful and influential man of his era.

"Cecil Rhodes moved to South Africa and became an energetic entrepreneur, buying out the DeBeers Mining Company with financing from the Rothschilds. Under Rhodes' leadership, DeBeers eventually gained a virtual monopoly over the worldwide diamond trade and sought a monopoly in gold as well.

"Rhodes then involved himself in South African politics and applied Ruskin's racist and fascist teachings by trying to extend English hegemony over the entire southern part of the African continent, in order to add Africa to the British empire. He especially coveted the gold mines in the Transvaal, a territory to the north, which was the home of the Dutch Afrikaners. Rhodes launched the Boer Wars to defeat the Afrikaners and take over their territory, and after a number of English defeats and the death of many soldiers, Rhodes and the English were finally successful in crushing all Afrikaner resistance. This victory allowed Rhodes and his South African government to gain control of the Afrikaner gold mines, and thus he became one of the wealthiest and most influential men of his time. The country of Rhodesia, now called Zimbabwe, was named after him.

"Cecil Rhodes never married, and in his will, he dedicated his fortune to the spread of Ruskin's socialistic and eugenic ideas. He named Nathan Rothschild, the head of the English Rothschild banking group, as his trustee, and he founded the Rhodes Scholarship Fund as a means of helping bright young men from England and America to receive a socialist education at Oxford in order to carry out his vision for the world. President Bill Clinton, a Rhodes Scholar, typified the student that Rhodes was seeking to cultivate.

"Rhodes set the pattern as a wealthy socialistic monopolist that others would follow, but his prime contribution to the New World Order was the founding of the Round Table, a secret British organization of wealthy political insiders who applied Ruskin's teachings to foreign policy – namely the takeover of foreign governments supposedly for their own good and then ruling them from behind the scenes by those of superior wealth and intellect. After the victory over the Afrikaners, Rhodes set his sights on a much larger prize – the recapture of America by England, but he died at age 49 before he could begin work on that dream.

"After Rhodes' death in 1902, Lord Alfred Milner, one his associates in the Round Table, took charge of the organization and used Rhodes' money to endow chairs

at various universities, to gain control of many English newspapers, and to recruit a number of bright and motivated young men into foreign and domestic service with the South African and British governments. These men, known as ‘Milner’s Kindergarten,’ carried out the political plans of the Round Table group. In the 1920s, members of this same group formed the Royal Institute for International Affairs (the RIIA) in England and the Council on Foreign Relations (the CFR) in America.

“Around the same time the oil business was launched. After the invention of various types of engines and the discovery of abundant fuel sources, a few far-sighted people realized that there would be a great need for energy, and that the energy business would develop into one of the largest and most profitable enterprises of all time. Therefore, a tremendous struggle ensued for the control of the world oil’s resources. The biggest competitor was the Standard Oil Company owned by John D. Rockefeller, who bought up virtually all of the American oil resources. Soon afterward oil was also discovered in the Caucasus region of Russia, and the fields there were developed by Ludwig Nobel, the brother of Alfred Nobel, who was the inventor of dynamite and the founder of the Nobel Prize. Ludwig, known as the Russian Rockefeller, obtained the capital to fund this development from Rothschild loans. The Rothschilds also realized the potential of the energy business; they bought their own wells and eventually bought out Ludwig Nobel’s interest. Another man named Marcus Samuel started an Asian distribution network for the Rothschilds. After discovering oil in the Dutch East Indies, he founded the Royal Dutch Shell Corporation, and began competing with both Rockefeller and the Rothschilds. Intense competition and a number of acquisition attempts ensued until these organizations finally came together and formed a cartel. They agreed to fix prices and limit competition so that the profitability for each group could be vastly improved and guaranteed. A group of the seven largest oil companies, five from America dominated by the Rockefellers, and two from England dominated by Royal Dutch Shell and the Rothschilds, split the market as it was at the time between them.

“Rockefeller employed the same monopolistic principles a few years later when he bought several New York banks and forced his way into the money business. Applying lessons he had learned in the oil business, Rockefeller cooperated with Morgan and the Rothschilds rather than competing with them, and together they formed a hidden cartel to control the banking business.

“During the same period, Germany was becoming a major player on the European and world stage. At the time they were feeling extraordinarily strong because they had just defeated the French a few years earlier in the Franco-Prussian War of 1870. Many do not understand the far-reaching significance of that war. France had been the dominant power on the continent for centuries since the time of the Merovingian kings because of its size and political unity. France’s size and large tax base allowed its rulers to field large armies for defense and conquest. In contrast, Germany as we know it today did not truly exist before the 1860s because it was made up of a series of smaller duchies that fought against each other, such as Hamburg, Hanover, Saxony, and Pomerania. However, under the leadership of Otto von Bismarck, these were united into the country of Prussia, a much larger and stronger whole. Bismarck became famous for his nickname *Blut und*

Isen – Blood and Iron. But France turned up its nose at these German upstarts; the French generals felt that they could rout the Prussians in a week or two, and so they prepared for a quick battle. At the beginning of the war even some French women, dressed in bonnets and hoop skirts, rode out in carriages to the battlefield to watch the fighting of their men, who wore the dashing uniforms of the French legion. But this war ended the notion that war was romantic. It was also the last major conflict where cavalry charges were used, because for the first-time modern artillery and its destructive power was employed. Alfred Krupp, the German munitions manufacturer who was later the chief supplier of the German *Wehrmacht*, had a superior design for large guns, and the Germans blew the French to bits, covering the landscape with the body parts of French soldiers. The Germans eventually marched across northern France, invaded Paris, and even captured Napoleon III the French emperor, forcing him into exile. For France, the war was a total catastrophe and humiliation. Furthermore, it completely redrew the political map of Europe, setting the stage for many of the conflicts to follow, because of the French desire for revenge.

“The Germans had their own versions of John Ruskin, and they likewise believed in the superiority of their own Aryan race; this theory was given a huge boost by the outcome of the Franco-Prussian War, after which the Germans became the masters of Europe and the dominant power on the continent. However, it was not until the time of Adolph Hitler that the practical application of these eugenic concepts bore fruit and resulted in anti-Semitic and racist pogroms intended to wipe out the Jews and other minorities.

“Germany also realized that the future lay in control of energy supplies, and they were eager to get into the oil business in order to supply the energy resources for their growing economy. However, Germany was late in getting into the game and the British-American cartel that controlled most of the oil fields effectively shut them out of direct involvement; they had to buy their oil from the British. Seeking to subvert the cartel and muscle their way in, the Germans tried to build a rail line to transport oil from Baghdad to Berlin in 1889. England and the Round Table group, who already were concerned about a newly emerging and powerful Germany, saw this as a serious threat and began taking steps to counter the Germans: they made coalitions with Russia and other countries, they sealed off access across Turkey through their colonial influence, and they established the country of Kuwait as a British Protectorate to prevent Germany from using a route through the Persian Gulf. Germany then tried to build a rail link through the Balkans, but before it could be completed World War I began.

“In 1913, just a few years before the outbreak of the World War I, the Federal Reserve was established in America, as we discussed in the last class. It is instructive to see what happened at the time, because this was typical of what would take place later. This story is also interesting because it helps to reveal the truth about the nature of conspiracies that I stated at the outset: first, that many events are larger than any group or collection of groups, in other words, not everything is a conspiracy; second, that conspiratorial groups can nevertheless take advantage of events and in some cases direct or redirect them to their advantage; and third, the best way to gain influence is by solving

a problem that people have, and if there are no good problems around to be solved, then create one.

“Banking crises had occurred in America throughout the 1800s caused by the formation of many small banks that loaned out most of their deposits and then went bankrupt when runs occurred. The most recent of these had taken place just a few years before in 1907, and consequently there was political pressure on the government to do something about this problem. The Federal Reserve System was thus a proposed solution to a genuine problem. But when the system was first submitted to Congress in 1910 it was rejected, because led first by the trust-busting president Teddy Roosevelt and later by William Taft, Americans strongly distrusted the big money interests of Morgan and Rockefeller. Many believed that the banking panic of 1907 had been caused by J.P. Morgan’s banking empire in order to impose a central bank on the country and gain even more control.

“The New York bankers and industrialists represented the epitome of the snobbish and super-rich eastern establishment, with their command of the Wall Street law firms; control of the Ivy League universities of Harvard, Yale, Princeton, and Columbia; ownership of many banks and industrial firms; and their domination of the eastern media, such as the *New York Times* and the *Washington Post*. Today we would say that they had an image problem, and this public disdain would not happen in today’s world because those in power now are much more aware of their public image, and careful to hide their true motives.

“The Morgan and Rockefeller insiders were determined to get rid of Taft in order to pass the Federal Reserve act, so when Taft’s first term of office was up in 1912, the insiders drafted Woodrow Wilson, a mild-mannered and malleable university president, to run against him on the Democrat ticket. Knowing that Wilson was a loser, the insiders also helped to promote former president Teddy Roosevelt’s attempt to run for office as a third-party candidate. Then they poured thousands of dollars into both the Roosevelt and Wilson campaigns, and Roosevelt’s popularity split the Republican support allowing Wilson to win with forty-two percent of the vote.

“Paul Warburg meanwhile had been crisscrossing the country writing articles and speaking in favor of Federal Reserve System, and finally with the support of Woodrow Wilson, the legislation establishing the Federal Reserve was passed in 1913 with more deceptions to cover up its true purpose, and with a number of areas left intentionally vague so that its powers could later be expanded. Warburg was then appointed as a member of the Fed’s board of directors. J.P. Morgan was also instrumental in controlling the Federal Reserve – the Fed’s first governor was Benjamin Strong, who owed his career to Morgan; Strong had become secretary and later vice president of the Banker’s Trust company in New York, a Morgan bank. These are just a few examples of the many incestuous connections between government and banking at that time.

“Morgan and Rockefeller also took another cue from the Rothschilds and from their own experience with cartels in oil and banking; they developed connections with all

political parties so that they could keep a foot in all camps. Morgan himself was a Republican but several of his leading associates were Democrats, and he made alliances with groups on both the extreme right as well as the extreme left. For example, Thomas Lamont, a Morgan partner, was also a financial supporter of the Communist Party, and worked with various trade unions and a number of other leftist groups throughout his life. Corliss Lamont, his son, was once declared to be ‘The most persistent propagandist for the Soviet Union to be found anywhere in America.’ The Bolsheviks in Russia were even funded by American financiers. Jacob Schiff of the Wall Street firm Kuhn Loeb and Company gave \$20 million to Trotsky and Lenin for the revolution. Paul Warburg, the designer of the Federal Reserve System and a Rothschild representative, along with his brothers Max and Felix who ran investment banks in Germany, also provided approximately \$600 million to the Bolsheviks during the years 1918 to 1922.” Claude raised his hand.

“But Sir, why would capitalists give money to support communists and help put them in power?”

“Excellent question; these events graphically illustrate how these insiders are not capitalists in the way that the term is normally used. Instead they are monopolists who use capitalism to achieve wealth and power, and then try to discard the very system that enabled them to gain wealth in the first place so that they can exclude everyone else and maintain their power. Karl Marx indicated that capitalism is the enemy of socialism, and that the right and the left are bitter and implacable enemies. But that is not true – socialists and monopolists support each other and work very well together. The far right and the far left have much in common because they are both totalitarian. Entrepreneurial capitalism is their real enemy. This misunderstanding and confusion has been perpetuated by many historians and is at the heart of our current political debates; it allows the new world order groups to deflect criticism from themselves and stay hidden in the political shadows while other political groups hammer each other. When American liberal Democrats rail against corporatocracy they are thinking mainly about the large monopolistic insider companies, whereas when conservative Republicans champion capitalism they are thinking mainly of the entrepreneurial version. Both American political parties are therefore arguing at cross purposes, and if they could stop and consider things more deeply, they would find that they have a lot more common ground than it often seems; the NWO groups are the real enemy of both parties.

“Sergei Witte, who was the Russian Foreign Minister of Tsar Nicholas II, convinced his sovereign that Rockefeller could not be trusted and should not be allowed to build oil refineries in Russia. So the Tsar blocked Rockefeller's agents from gaining access to the Russian oil fields. In response, Rockefeller, Carnegie, Mellon, and others formed a company called the American International Corporation supposedly to finance Russian industrial development. C.A. Stone was the president of this corporation as well as being one of the directors of the Federal Reserve Bank of New York, demonstrating again the degree of incestuousness between government, industry, and banking. But the company’s real purpose was to bring the Bolsheviks to power so that after they were in control, they would turn the oil assets of Russia over to the Wall Street experts to

develop. When the communists finally seized control, they nationalized all Russian businesses except those of the donors, but they had the same concerns about Rockefeller that the Tsar had, and therefore prevented American interests from gaining control. It was a very dirty business.

“One of the conditions of Wilson’s campaign support from Morgan was that he had to accept a handler who would develop and set policy for him. This man was Edward M. House, who was a member of the English Round Table group and a one-world socialist. To a degree House and Wilson shared a common view of the world, as Wilson was a socialist academic whose entire career as a Princeton professor and president had been sustained by insider money and connections. But House had a much stronger and more commanding personality; consequently, he became the real power in the White House, eventually running roughshod over the mild-mannered Wilson. House chose the cabinet members, and in some cases, Wilson did not even know who they were going to be. There is an interesting anecdote from Wilson’s first cabinet meeting – Franklin Lane introduced himself by saying, ‘My name is Lane, Mr. President, and I am the new Secretary of the Interior.’ Edward House also pushed through legislation creating a permanent income tax, which the government could ultimately use as a tool of social engineering and control. This even required an amendment to the US constitution, which was passed in 1913, the same year that the Federal Reserve System was inaugurated.

“Before World War I had even begun, and while Wilson was saying everywhere that he would keep America neutral, House was secretly planning to go to war on the side of Britain against Germany. After Wilson was safely re-elected in 1916, he did a 180-degree flip-flop under the influence of House and announced that America was entering the war after all. The mood of America at the time was strongly against war and foreign entanglements, but this ran entirely opposite to the desires of the insiders, who were controlled by British interests. England had built a European coalition against Germany and anticipated an early German defeat, but unfortunately, Germany had developed a submarine fleet that was causing havoc to British naval power and was bringing England to its knees. Meanwhile, the Rothschild family had used Morgan to sell billions in English war bonds in America to raise money, and if England lost the war these bonds would be worthless. Somehow the insiders had to bring America into the war to rescue England, Morgan, and Rothschild, as well as to gain lucrative war material contracts for other insiders. So Morgan, Rockefeller, House, and Wilson went to work trying to convince people of the need to enter the war and save Europe. Both Morgan and Rockefeller used their influence with newspapers across the country, which then started churning out large numbers anti-German articles and agitating for US involvement. World War I was supposedly going to be the ‘war to end all wars,’ and it would ‘keep the world safe for democracy.’ But all of this publicity still was not enough to fully convince the American people; it took one more act of secrecy and staged wag-the-dog public relations. A passenger ship belonging to Cunard Lines, one of the competitors of J.P. Morgan, was loaded with ammunition and set sail for England with 195 American passengers aboard. As it approached Ireland, its escort was withdrawn, and it was sunk by a German U-Boat. The sinking of the Lusitania was the event that finally galvanized the American public into supporting the war against Germany.

“World War I resulted in the death of twenty million people, mostly civilians, and caused immense suffering, particularly in the trench warfare between France and Germany that took place in the Verdun region of France. The two armies blasted each other for months without either side gaining a significant advantage. The gross inhumane condition of soldiers living in a lunar landscape of foul craters and mud pits that were filled with dead and rotting bodies, covered with urine and excreta from outbreaks of dysentery and diarrhea, and having to drink polluted groundwater and breathe poison gas, drove even the survivors mad. If you have not already done so, read Erich Remarque’s book *All Quiet on the Western Front* to get a sense of the horror.

“Nevertheless, the war was immensely profitable for the Morgan and Rockefeller families, who made large sums from financing the war and from selling oil and other war material to the US and British governments. On the first day after war was declared in America, a payment of \$200 million was made to Morgan by the US government to relieve the firm’s financial pressures. While the war was still raging, Edward House was making more secret plans with the Round Table group in England on how to split up the world, particularly the oil interests in the Middle East. This was done in the Sykes-Picot Agreement drafted before the war ended. House also drew up plans for a League of Nations as a precursor to a one-world government, but this was rejected by Congress after the war was over. However, the insiders were more successful on the international front and were able to suck much of the lifeblood out of Germany under the draconian war reparations agreement drafted by Charles Dawes, a J.P. Morgan associate. This and other anti-German actions paved the way for the next world war twenty years later.

“Consider this statement from Beardsley Ruml, a US Treasury Official in an article entitled ‘Taxes for Revenue are Obsolete’:

Given control of a central banking system and an inconvertible currency, in other words, not backed by gold, a sovereign national government is finally free of money worries and needs no longer to levy taxes for the purpose of providing itself with revenue. All taxation, therefore, should be regarded from the point of view of social and economic consequences.

“What Ruml is saying, is that the US government can create all the money it needs simply by printing paper and inflating the money supply. Taxes are therefore unnecessary, and taxation is a tool used for social control, redistribution, and especially from the monopolist perspective, for preventing others from gaining entrance into the upper echelon of wealth. After the income-tax laws were passed, the large financiers and industrialists, such as Rockefeller, Carnegie, and later Ford, established trusts and foundations to shield their money from taxation. This helps to explain the constant drum beat to ‘soak the rich’ even from the wealthiest people, because they have already made their money, and have created trusts to shelter it, as well as the income created from it. Those whose income is exploited are the middle- to upper-middle income people whose earnings are primarily from wages paid by corporations that they do not control; therefore, they do not have recourse to the same protections. Thus, the expression ‘soak the rich’ really means ‘soak the middle class.’

“People in general have often been surprised and confused as to why super-rich politicians such as Ted Kennedy, John Kerry, and others eagerly support policies such as the income tax, socialism, and even communism. People wonder, why do these men want something that seems to be completely against their own financial interests? Can it be that these politicians actually want to give their money away to the poor? But once you understand that that the assets and income of the super-rich are largely shielded, and that socialism and the income tax serve to enhance their power by limiting potential competition, then everything becomes clear. They are acting entirely in their own interests and are in favor of redistribution, as long as it is other people’s money.

“Yet another of Edward House’s initiatives during the 1920s was the founding of the American Council on Foreign Relations – the CFR. This was and is a semi-secret society patterned directly after the Round Table group in England. Ostensibly it is dedicated to discussing American foreign policy, but its real purpose is to push the NWO agenda. Many presidents, politicians, media personalities, and other society leaders in both England and America are CFR members, as we shall consider in more detail tomorrow.” Dr. Quigley adjusted his glasses.

“The 1920s were excellent years for America as a whole, and were known as the ‘roaring ‘20s,’ but they were not the best years for the insiders. Because the American people were sick of Wilson, House, and the Democrat party who had foisted the war on them, the Republican Warren Harding won the 1920 election with over sixty percent of the vote. Harding and Calvin Coolidge who followed him were generally anti-insider and popular presidents, but interestingly little is known about them personally, and they are rarely mentioned in the history books.

“The next major display of insider power and influence was the market crash of 1929 and the subsequent depression. Throughout the 1920s the Federal Reserve made money available for borrowing at low rates resulting in the rapid expansion of the economy, so rapid that wild speculation set in. Stock prices climbed quickly and a fever for stock trading seized the country. This continued until 1929 when on 9 August the Federal Reserve suddenly raised interest rates and stopped making loans. The rate of interest on loans used to buy stocks, known as the margin rate, jumped dramatically and the market began to crumble. Even even more damaging was the fact that banks began calling margin loans, which forced many investors to sell their shares. The selling snowballed and several months later on 29 October, Black Tuesday, the market crashed and lost billions in share price value; many traders and businesses were wiped out. Consider this quote by William Bryan, from *The United States’ Unresolved Monetary and Political Problems*:

When everything was ready the New York financiers started calling in the broker loans. This meant that the stockbrokers and customers who had borrowed money to buy shares had to dump their stock on the market in order to pay back the loans. This naturally collapsed the stock market and brought on a banking collapse all over the country because many banks not owned by the oligarchy were heavily involved in broker loans, and they soon exhausted their currency and had to close.

The Federal Reserve System would not come to their aid, although they were instructed to do this under the law.

“The insider banks and companies had been notified of this well ahead of time. All of them – Rockefeller, Morgan, and their associates, including the Joseph Kennedy family – were out of the market by the time the storm hit, and were later able to buy stocks at pennies on the dollar, in a replay of Nathan Rothschild’s market killing of the prior century. For example, Joseph Kennedy, the father of President John, Attorney General Robert, and Senator Ted, was a bootlegger, a stock manipulator, and a friend of Franklin D. Roosevelt’s. Kennedy made money during the crash because he sold stocks short in anticipation of the market disaster. During the depression years Kennedy’s fortune grew from \$4 million in 1929 to \$100 million in 1935, largely due to his insider connections. Here is a description from David Kennedy’s book *Freedom from Fear* of what the stock market was like in those times:

It was a strikingly information-starved environment. Many firms whose securities were publicly traded published no regular reports or issued reports whose data were so arbitrarily selected and capriciously audited as to be worse than useless. It was this circumstance that had conferred such awesome power on a handful of investment bankers like J.P. Morgan, because they commanded a virtual monopoly of the information necessary for making sound financial decisions. Especially in the secondary markets, where reliable information was all but impossible for the average investor to come by, opportunities abounded for insider manipulation and wildcat speculation.

“After Roosevelt became president, he ironically appointed Joseph Kennedy as the first chairman of the newly formed Securities and Exchange Commission which was charged with investigating stock market fraud. Kennedy knew a lot about fraudulent market practices, having used them himself to create his own fortune. He did reform the market and broke the information monopoly by requiring that public companies file disclosure statements, but he also made sure that he and his friends were not prosecuted.

“Franklin Roosevelt became president in 1932. In one of the great ironies of American political history, prior to the election Roosevelt had blasted Herbert Hoover, the sitting president, for socializing the country, accusing him of ‘reckless and extravagant’ spending, of ‘thinking that we ought to center control of everything in Washington as rapidly as possible,’ and of presiding over ‘the greatest spending administration in peacetime in all of history.’ Roosevelt’s running mate, John Nance Garner, charged that Hoover was ‘leading the country down the path of socialism.’ Roosevelt and Nance were correct – Hoover had stupidly signed several socialist pieces of legislation into law, including the Smoot-Hawley tariff bill which drastically reduced trade. It led to agricultural disaster and helped to spread the depression. But when Roosevelt was elected he broke all of his campaign promises to reduce spending and became one of the most socialistic presidents that America ever had; his New Deal was simply an expansion of Hoover’s work. Roosevelt eliminated the gold backing for US currency and implemented the social security system; in subsequent histories of those times Americans were taught the lie that the depression was caused by the free market

and was ultimately saved by government intervention. In reality, it was the exact opposite. The reason that the American economy did not recover until World War II was largely because of Roosevelt's socialistic policies.

“Much of the new economic theory of that time was based on the work of the economist and Fabian socialist John Maynard Keynes, who advocated government control of the markets. His books and writings were very influential on the New Dealers and later economists. The legacy left by FDR, Keynes and others from this period was, on the one hand, one of compassion for the plight of the poor, unemployed, and underprivileged, but on the other hand, the construction of socialistic governmental bureaucracies for intrusion, taxation, and control, and the shameless use of poverty as an excuse for more government and the enrichment of insiders. This tension has continued and forms the basis of the current divide between the American political parties.

“In 1934, Congressman Louis T. McFadden of Pennsylvania, who had for ten years been chairman of the House Banking and Currency Committee, brought formal charges on the floor of the house against a group of Federal Reserve governors and agents. He charged them with unlawfully appropriating billions of dollars during the years 1928 through 1933 and using the money for various purposes without the authorization of Congress. These were his opening remarks:

Mr. Chairman, we have in this Country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks, hereinafter called the Fed. The Fed has cheated the Government of these United States and the people of the United States out of enough money to pay the Nation's debt. The depredations and iniquities of the Fed has cost enough money to pay the National debt several times over. This evil institution has impoverished and ruined the people of these United States, has bankrupted itself, and has practically bankrupted our Government. It has done this through the defects of the law under which it operates, through the maladministration of that law by the Fed and through the corrupt practices of the moneyed vultures who control it.

“Congressman McFadden also accused Roosevelt of doing exactly what the international bankers ordered him to do, but McFadden's charges were ignored, and he died suddenly on 3 October 1936 at the age of fifty. Prior to his death he had survived two attempts on his life – an attack by gunmen, and a poisoning attempt in which his stomach had to be pumped. However, his tirade had some effect, because after this time the Fed ‘got religion’ and became much more circumspect. In the following decades, the spotlight on insider trading became much brighter, and the system was forced to be more honest and transparent.

“This event illustrates another principle in the complex game of money and power. Throughout history for periods of time, the power game has been and is played by certain rules and protocols. Then through some chain of events, a sea change occurs, and the rules change. For example, at one point all of the European countries sought to build colonial empires, but later colonies became a negative factor and Europe divested itself. Likewise, McFadden's outburst, though very subtle and virtually unannounced in the

press, eventually caused a change in the power protocols of central banking. The insiders no longer could manipulate things to the extent that they had in the past. The power game continued with a revised set of protocols, and new and more subtle mechanisms had to be developed to exert control.”