OUR FINANCIAL MASTERS

A. Raven Thomson

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By

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A fascinating look at facts which seem to show that a small group of co-religionists are in the process of gaining control of our money supply and thereby Government Economic Policy.

THE BANK OF ENGLAND

In examining the strange network of financial interests which constitute the real government of these Isles and of the Empire founded by our fore-fathers, we do best to begin with the Hank of England, which is the official hub of City finance, although, as we shall see, the real directing power is situated elsewhere. In any case, the Bank is the essential "governor" of the financial machine controlling the issue of currency and credit, and hence exercising a dominating influence over all internal finance through the Big Five Banks.

The Bank of England has been called the "Bankers Bank," and, as such, controls the policy of the Joint Stock Banks by granting or withholding credit from them and by regulating the flow of currency upon which the Banking System bases its creation of credit. We need, therefore, waste no more time upon the Banking System itself, even upon the Big Five, because they are ultimately under the domination of "the" Bank, and are, in any case, to-day no more than vast bureaucratic concerns bound by strict central office regulations. However alarming they may seem to the unfortunate client who desires an overdraft, we must look beyond them to the real financial masters who wield the ultimate power.

Not only is the Bank of England the "Bankers' Bank," it is also the "Government's Bank," and as such wields a mighty influence over the Treasury, especially when the Government desires a vast "overdraft," as it did during the crisis year of 1931. In fact, the Bank is the ultimate repository of the financial power of the City of London, and can not only make or break Government by its policy, but can stimulate or depress British industry at will by its granting or withholding the currency and credit which is the life-blood of commerce.

As the Bank of England exercises such appalling power over the economic life of the nation, we have every right to examine it with great care, and discover who are the men and what are the interests that control this essential piece of financial machinery. No doubt most people have a vague idea that the Bank is in some way a part of the Treasury and under Government control. Nothing could be more incorrect, for orthodox financial opinion repudiates Government control as a vile heresy, and, in fact, the Bank of England is a private Company entirely independent of Government.

WHO ARE THE DIRECTORS?

Of the twenty-seven directors for 1936 we may select the following groups:

Three directors without outside interests:

B.G. Catterns.

W.H.Clegg.

E. H. Martin (brother in Insurance).

Two economic and financial experts:

Sir Josiah Stamp.

Sir Otto Niemeyer.

The latter has frequently been placed at the disposal of colonial and foreign governments to bring them back into the path of orthodox finance.

Six directors representing home industry:

Sir A. R. Duncan (the Central Electricity Board).

Lord Hyndley (Coal).

Hon. Alexander Shaw (Shipping).

J. G. Weir (Engineering and Aviation).

L. J. Cadbury (Cocoa).

Sir A. G. Anderson (Shipping).

Four directors representing international combines:

Hon. R. D. Kitson (Ford Motors).

W. K. Whigram (Oil).

J. C. Hanbury Williams (Rayon).

C. B. Gardner (Armaments).
Five directors representing foreign investment:

G. M. Booth (South America).

P. A. Cooper (South America).

A. G. Gladstone (Ottoman Bank).

Cecil Lubbock (President, Corporation of Foreign Bond-holders).

D. G. M. Bernard (China).

Seven directors representing the big finance houses:

Montague Norman (Governor) (Brown Shipley).

K. Goschen (Goschens).

C. J. Hambro (Hambros).

Sir R. M. Kindersley (Lazards).

Sir E. R. Peacock (Barings).

F. C. Tiarks (Schroders).

Lord St. Just (Morgan Grenfell).

Considering the fact that the work of the Bank is of paramount importance to home industry and the standard of life of the British people, we cannot fail to be alarmed at the obvious bias of the board of directors in favour of foreign investment. Of twenty-seven directors no less than twelve are directly interested in foreign investment, either through directorship of foreign concerns or through the City finance houses which engage in this form of business. Four more represent vast international combines, and of the experts, Sir Otto Niemeyer is far more associated with foreign than home finance. Against this we have only six directors concerned with home industry, and three of these have important foreign connections through their cocoa and shipping interests.

Strangest of all are the omissions from the list. Why is there no agricultural interest represented? Why have not the Government, the Bank's principal client, a member on the board? Why are none of the Dominions given a seat? Why should the private finance houses receive such a disproportionate representation, when the Big Five, who depend upon the Bank for their existence, are excluded?

THE NORMAN CONQUEST

The present Governor of the Bank of England is a striking figure for more than one reason. Not only is his appearance more that of an artist than of a banker (he has a strong personal resemblance to Mr. Augustus John), but he is the first Governor who has been permitted to establish what amounts to a personal dictatorship. It was a long established pre-war custom to appoint the Governor for a short period only, and to maintain a relatively rapid circulation of this honour among the directors.

Only since the War has this tradition been departed from, and Mr. Montagu Collet Norman has been permitted to hold his post for no less than seventeen years. Ever since 1920 this picturesque figure has held unbroken sway at Threadneedle Street.

It must not be thought that Mr. Montagu Norman is in any sense an upstart as certain political dictators have been described. He was born to the purple, belonging by lull pride of birth to that select finance oligarchy that controls the destinies of the City of London. Both his grandfathers were directors of the Bank of England. On his father's side, George Warde Norman married into Martin's Bank, which has the reputation of being one of the oldest banking houses in the country, dating back to the sixteenth century. On his mother's side, Sir Mark Wilks Collet, Governor for two years, was partner in the influential house of Brown, Shipley and Co.

As Mr. Norman's father retained the family partnership in Martin's Bank, while an uncle became a partner in the mighty Barings, young Montagu was certainly given a flying start in things financial. It was, however, his mothers' side of the family who gave him his apprenticeship, when he joined Brown, Shipley and Co. in 1890 at the age of 19. A few years later he transferred to New York, where he worked with the associated American house of Brown Brothers (now Brown Brothers and Harriman). In fact it was in New York that the coming Governor of the Bank of England took his first lessons in international finance.

Returning later to the family business, Mr. Montagu Norman soon gained a Directorship on the Bank of England, to which his family connections gave him an almost unchallengeable claim. Appointed in 1907, he became Deputy Governor in 1915, when he resigned from Brown, Shipley and Co. and renounced all affiliations, except presumably of family sympathy, with any firm outside the great Bank which he has controlled since his appointment to Governor in 1920.

The most astonishing feature of Mr. Montagu Norman's tenancy of the Governorship has been the complete ascendancy attained by the Bank over the Treasury. This certainly is a tribute to the personal magnetism of a man who could dominate over such men as Winston Churchill, Snowden and Neville Chamberlain, not to speak of such an adroit politician as Stanley Baldwin. Throughout the period of his power Mr. Montagu Norman has treated these Chancellors of the Exchequer like small children.

First of all he took Baldwin to America in 1922 and negotiated with his Wall Street friends for the funding of the America War Debt on such outrageously onerous terms that poor Bonar Law is credibly supposed to have gone into a decline and died shortly afterwards in consequence. Yet Baldwin did exactly what Norman and his American friends told him, and on the strength of this appalling financial blunder actually replaced Bonar Law in the Premiership.

Then Winston Churchill, the terror of pre-war politics, fell under the spell, and in 1925 carried through our return to the gold standard at full parity with the dollar, to the incredulous delight of the American financiers who staged a magnificent unprecedented boom in consequence. Poor Winston! What did he know about finance, who once actually said:

"The gold standard is no more responsible for the conditions of affairs in the coal industry than is the Gulf Stream" in 1925, when our coal exports where crippled by the return to gold!

Snowden followed, the great incorruptible Socialist leader. What record has he left of his impression of the great banker, privileged leader of the financial oligarchy of the City, which Labour was pledged to destroy? This:

"During the four years I was at the Exchequer I had abundant opportunities of getting to know Mr. Norman well. . . . The rantings of ignorant demagogues, who know as much about monetary and financial matters as a boat-horse, who hurl denunciations at the Governor as a sinister ogre who uses his great power to serve only selfish interests, of financiers crushing industry, fill me with disgust. Whether Mr. Norman's policy and actions are right or wrong, whether he makes mistakes or not, one thing is indisputable; no man with great responsibilities ever tried more faithfully to discharge them with the single aim of promoting national and international well-being."

The Spectator, October, 1932.

What greater tribute to personality could be paid than for the Socialist Chancellor to pen such a eulogy, after the almost incredible events of 1931, when Wall Street dictated its terms to the British Government?

We, who have never fallen under the spell of this bearded figure in the black slouch hat, may be forgiven a little scepticism when we view the career of Mr. Norman as a whole. We cannot entirely ignore the early association of our present Governor of the Bank of England with Wall Street, when he worked for Brown Brothers now so closely connected with the Harriman interests. We cannot entirely dismiss the pro-American trend of his policy, ever since he became Governor merely as a strange coincidence.

GOLDEN KEY TO THE BANK

Even though the Bank of England exercises immense apparent power over internal financial affairs and Government foreign policy, a little examination will show that the Bank itself can be controlled from without, should the internal control of the representatives of the great finance houses break down. According to statute the Bank is restricted in its issue of currency to gold backed notes, only a certain limited amount of currency, known as the "fiduciary issue " (usually £200,000,000), may be put into circulation without gold backing.

Hence, if it is possible to control the supply and price of gold on the London market, then a very definite "distant control" can be exercised over the Bank.

Many people think that because we left the rigid gold standard in 1931, gold no longer controls finance. Actually we have now been back on a new gold standard at 40 per cent depreciation for years past. It is true this new standard is not so rigid as the old, and the Exchange Equalisation Fund acts as a buffer between the Bank and the bullion market, but ultimately this "fluid" gold standard works much as it did the old and the Bank and the Treasury between them are bound to purchase all gold offered, if the pound sterling is to be maintained in its present relation to other currencies.

Who then fixes the price of gold on the London Market and handles supplies of bullion? Every morning a group of firms representing the bullion brokers and gold-refiners of the City of London meet in the Rothschild offices in St. Swithin's Lane to fix the price of gold for the day.

These firms are:

N. M. Rothschild & Sons (who supply the chairman).

Pixley and Abel.

Sharpe & Wilkins.

Samuel Montagu.

Mocatta & Goldsmid.

Johnson Mathay

Rothschilds, Samuel Montagu and Mocatta & Goldsmid are well-known Jewish houses, and as the chairman possesses a casting vote, the Jewish influence is absolutely predominant at this vital central point of financial control. Now we can see why Rothschilds are conspicuous by their absence from the board of the Bank, and why few Jews are directors of the big five. The Chosen Race has concentrated its power upon the precious metal itself and the golden key to our entire financial system is in their hands.

The only result of the refusal of the Bank of England since 1931 to buy and sell gold at fixed prices has been to transfer the centre of financial gravity from Threadneedle Street to St. Swithin's Lane. Rothschilds, not the Bank of England, are now the centre of gold bullion business in London, giving immense power directly into the hands of Jewish International Finance. A power which they may well exercise on behalf of the Jewish race in its conflict with National Socialism, rather than on behalf of the British Empire in its conflict with Bolshevism.

It may be argued that the bullion brokers are themselves mere agents for the gold producers, and therefore do not wield the power which we impute to them. This does not allow for the immense speculative "migrations" of gold which have passed through these men's hands of recent years as currency after currency has toppled off the old gold standards down to the new. Whether the bullion brokers were themselves heavily involved in these transactions or not, the fixing of the price of gold in London is a matter of such national importance that it should certainly not be left to a group of brokers under a Jewish chairman and subject to a Jewish majority vote.

Even accepting the argument that these brokers are mere men of straw acting for the gold producers, and fixing the price of the metal strictly in accord with demand and supply, we still

do not escape from the implication of Jewish control. Indeed, even more ominous facts then come to light, as the following table of gold production shows:

WORLD GOLD PRODUCTION

(Thousands of ounces)

Country	1933	1934	1935	1936
South Africa	11,014	10,480	10,774	11,336
U.S.S.R	2,667	4,263	5,831	7,350
Canada	2,949	2,972	3,285	3,720
U.S.A	2,277	2,742	3,163	3,714
Australia	830	887	915	1,160
Rest of the World	5,615	6,213	7,016	7,720

Clearly South Africa and Russia supply by far the largest amount of gold to the world to-day. South African supplies come from the famous Rand goldfields at Johannesburg, but it is notorious that the control of these goldfields is almost entirely in Jewish hands. Indeed this country fought an ignominious war against the Boer farmers of the Transvaal to establish the ascendancy of such Jewish mine owners as Solly Joel, Barney Barnato, Adrien Beit and the notorious Wolff brothers. Johannesburg is now known throughout South Africa not by the abbreviation "Jo'burg," but by the more cynical "Jewburg" on account of the overwhelmingly Jewish atmosphere of this city, which claims to be the most prosperous in the world.

Leaving out of account the powerful Jewish influences in the other goldfields of Australia and the Yukon, which are now becoming worked out, we find Soviet production increasing from year to year until it is obvious that it will soon exceed even the vast output of South Africa itself. Thus we are in danger of falling from the frying pan into the fire. It is bad enough that the bulk of the world's gold supply, upon which economic prosperity now depends, should be under Jewish capitalist control ; but it is far worse if the key to our financial system is to pass into the still more autocratic control of Communist hands, as seems highly probable.

THE FINANCE HOUSES

Who, then, wields the real financial power in the City of London, which so obviously dominates over our economic affairs? Undoubtedly gold plays a very large part, but the great Finance Houses also exert a vast influence by their manipulation of international credit which can and frequently docs completely mask the underlying movements of gold.

These Finances Houses float the foreign loans on the London market, or alternatively in New York or Paris, and by this means transfer gold and goods from country to country without regard to normal economic relations. Furthermore, they enable capital to be exported to countries abroad, especially the Orient where higher profits may be earned by exploiting lower paid labour, evading trade union protected labour at home.

It is an amazing fact that the great Finance Houses of the City, whose names carry immense weight on the Stock Exchange, are almost all of alien origin, quite regardless of their present alien connections. The following list tells a strange story:

ROTHSCHILDS, the largest and most influential of them all, are, of course, Jewish, founded by Nathan Rothschild, who came to London in 1797. They are a branch of the original house in Frankfurt, founded in the 18th century by Nayer Anselm.

BARINGS, for long Rothschild's chief rival, were founded by a family of German merchants from Bremen, who migrated to London in 1717.

GOSCHENS are also of German origin, the original firm of Fruhling and Goschen migrating from Leipzig about the time of the Napoleonic Wars.

HAMBROS, are Scandinavian, becoming Court Bankers to the King of Denmark in 1800, and moving to London in 1839.

SCHRODERS are another famous German house, coming to London from Hamburg at the beginning of the nineteenth century.

LAZARDS are French, being even more powerful in Paris than in London, where they settled during the Franco-Prussian War in 1870.

MORGANS, although originally founded in London, are to-day predominantly American through the influence of Pierpont Morgan of New York. In London they are allied with another longstanding firm in Morgan Grenfell and Co.

Except for Rothschilds, all the above are represented on the Board of the Bank of England, and may therefore be taken as the most influential of the merchant bankers. Considering the pride many Englishmen show in the City of London as a national centre of world finance, it is strange, indeed, to find that of the Big Seven in City Finance, one only, Morgans, can lay claim to British origin, and this house is notoriously involved in American interests. Of the

remainder, the most powerful by far with its great gold interests, Rothschilds, is Jewish. Three come from great German merchant cities. One is French, and one is Scandinavian.

THE HOUSE OF ROTHSCHILD

The greatest of the Finance Houses is undoubtedly Rothschilds. Already we have noted the great power vested in this house through the "gold bullion board" which meets daily at the Rothschild offices in St. Swithin's Lane. But it is not only through this control over gold prices that Rothschilds takes the lead over the other Finance Houses. In the general business of foreign investment, in which all these merchant bankers are engaged, Rothschilds has been responsible for the flotation of hundreds of millions of pounds, more than double the amount of any other Finance House.

Indeed, it was Rothschilds that took the lead during the nineteenth century in this form of business, encouraging export capitalism at the expense of the home population. Hundreds of millions of surplus profits found their way through the agency of this House into foreign investment, especially in backward countries, where low wage rates gave a good prospect of high profits.

Unfortunately Rothschilds have been exceedingly unlucky in their choice of areas of investment, as they specialised in the following countries: Russia, Brazil, Chili, and Hungary.

In all these violent revolutions have taken place, resulting in the loss, or jeopardising, of the investments made by Rothschilds' clients. In Russia all the generous loans to the Tsarist Government are lost: in Brazil frequent revolts have taken place culminating in the recent "fascist" dictatorship, Chili has been the scene of an uprising against "foreign financial tyranny": while Hungary almost succumbed to Communism directly after the War.

Apparently the ungrateful countries which have benefited by Rothschild generosity are not nearly so appreciative as they should be. Strange that Shylock should not be more popular, and that violent efforts should be made to throw off his kindly yoke! However, Rothschilds have nothing to fear from such "unjust" default. They have merely acted as agents, and have long since cashed in the commissions on those flotations, upon which thousands of investors now wait in vain for dividends.

Their own investments are to be found elsewhere, as for example in the £5 million holding of Woolworth stock which pays a nice yearly dividend of 100 per cent. Some home investment is even better than insecure foreign bonds, and it makes money in just the same way, by the ruination of private English traders. Not content with ruining our exporters by financing their competitors abroad, Rothschilds in their old age now ruin our home distributors by financing gigantic combines against them.

The story of the rise of this House during the past 150 years has been acclaimed as the most "romantic" story of modern finance. It has certainly been made the story of the most "romantic" film, "The House of Rothschild," which bears but little relation to the true and

rather sordid tale of advancing financial power. Actually it is a family history of which few would be proud.

The Rothschilds spring from the Frankfurt ghetto of the 18th century where Mayer Anselm did money-lending business at the sign of the "Red Shield." In course of time he became "court Jew" to the Electors of Hesse-Cassel helping them to save their private wealth from Napoleon. Through this connection he was enabled to float a large government loan for the Danish Crown, founding the family fortunes.

Meanwhile Mayer Anselm had sent his sons with great foresight to act as his agents in the principal countries of Europe, Solomon to Vienna, Karl to Naples, Jakob to Paris and Nathan to London. In this manner the foundations were laid for the first great international Financial combine, which waxed rich in the congenial atmosphere of the Napoleonic Wars.

The ablest of the sons came to London where, like so many Jew immigrants, he at first engaged in the clothing trade. Huge profits were then to be made from supplying uniforms to the British Army fighting Napoleon, and Nathan Rothschild was not slow to benefit by the opportunity.

As his profits mounted, he turned from supplying uniforms to finance for the armies fighting under Wellington in the Peninsula.

In 1810, when the British cause was at its lowest ebb, and the Government financially embarrassed, he took advantage of the situation to discount Wellington's drafts at a heavy rebate, cashing them at par when the Government recovered. In this way he gathered resources for what was to be the greatest financial coup in history.

EXPLOITING WATERLOO

As international bankers the Rothschild Brothers had built up an amazing system of inter-communication through relays of riders, fast frigates and even carrier pigeons, so that they were better informed, in those days before telegraphs, than the governments themselves. This enabled Nathan to scoop the news of the Battle of Waterloo, and buy up the stock Market before the other financiers in London knew of the allied victory.

His opportunity was all the greater as Waterloo was preceded a few days before by the Prussian defeat at Ligny, after which Napoleon began a rapid advance on Brussels. This news precipitated a terrible panic on the London Stock Exchange, enabling Nathan to buy at almost any price, when his special information arrived 24 hours before the government couriers.

As a result Rothschilds emerged from the War as the greatest Finance House in London, far outstripping their bitter rivals, Barings. Fifteen years of profiteering and speculation on the grand scale had established the House of Rothschild. After this flamboyant entrance into London finance on the aftermath of war (how many great fortunes owe their origin to Mars!) Rothschilds subsided into quieter methods, no doubt in an attempt to gain respectability and a

place in rather scandalised London society. This took time, for many years later we find (Queen Victoria refusing a peerage to the Rothschild of the day in characteristic terms for which we must applaud her even now. She made it very clear to her Prime Minister that she was delighted to reward honest enterprise, but did not include in this definition those who attained wealth by mere speculation.

Yet she was forced to give way later, and in 1885 Baron Rothschild took his seat in the House of Commons. If this is a "romance" of modern finance it speaks little for financial standards. Surely it would be difficult to find a more sordid success than the rise of this family of ghetto moneylenders through the stages of "court Jews,' profiteers in military supplies, war financiers, stock exchange speculators, to the eminent respectability of the House of Lords and the Jockey Club.

BARINGS

The oldest of the great Finance Houses of the City is Barings, which was a power in London Finance before Rothschilds had sent Nathan over from Frankfurt. The founder of the family was a merchant from Bremen, who came to England in 1717 and started a clothing factory in Devon near Exeter. His two sons, Francis and John Baring established a banking house in London in 1770, which prospered, as all banking business seems to have done, during the wars and disturbances of the French Revolution and the Napoleonic period.

Francis Baring, despite his German descent, became the leading personality in the City of London before his death in 1810. He was a director and chairman of the East India Company during one of the most critical periods of our conquest of India, and sat for over twenty years in the House of Commons.

After this auspicious beginning the prosperity of Barings seemed assured. Honours were showered upon them by successive governments, who were prepared to overlook their foreign birth and commercial origin, in consideration of their vast wealth and power. Indeed, the precedent for giving rewards for commercial success, which was to culminate in the notorious Lloyd George Honours list after the World War, was set, when no less than three peerages were created on behalf of various members of the Baring family: Lord Ashburton (Alexander Baring), 1835; Lord Northbrook (Thomas Baring), 1866 (converted into an earldom in 1876); Lord Revelstoke (Francis Baring), 1885 (compensation for the Rothschild peerage of the same year).

Challenged by the dramatic rise of the Rothschilds on the wave of speculation associated with the Napoleonic wars, Barings turned to politics and diplomacy and gained through this influence an immense advantage. Lord Ashburton particularly combined diplomacy and business with great success, extended Barings' operations in America during the first half of the nineteenth century.

Marrying the daughter of William Bingham, Philadelphia merchant and United States senator, Lord Ashburton gained access to Washington, and following the floatation of a loan in 1824,

Barings became virtually bankers to the United States Government. About this time the great railway boom began, and Barings played a large and remunerative part in the building of the American and Canadian railroads with British capital. It is no small measure to Barings that North America owes its rapid development and later prosperity, but little permanent advantage was to accrue to Britain, when the U.S.A., became financially self-sufficient and excluded British goods by huge tariff walls.

THE ARGENTINE

As North America became less dependent upon European finance towards the close of the nineteenth century, and New York began to emerge itself as a great financial centre, Barings and the other London Finance Houses had to look for new fields for the exploitation of Export Capitalism. South America presented a favourable prospect of repeating the North American flotations, and a scramble began to supply the surprised South American republics (but recently released from the Spanish yoke) with railways, tramways, water and gas, and numerous industrial plants, Rothschilds and Barings as the two principal houses soon found themselves at loggerheads, and agreed to divide the field, Rothschilds taking Brazil and Chili, while leaving the Argentine and Portugal to Barings. The success of the latter in its financial penetration of these countries may be judged when we find that it is generally assumed abroad that they are both economic dependencies of Britain. Hundreds of millions of British investment have found their way largely through the agency of Barings to Buenos Aires and the hinterland of stock-raising "pampas".

Many people are proud of this achievement, but they do not seem to have grasped the appalling effect this development of Argentina has had upon British agriculture. The Argentines are predominantly an agricultural people. They can only pay for the railways and other modern amenities thrust upon them by City finance (and the interest and commission charged for the loans) by selling their produce upon the British market in competition with the home farmer.

If anyone is responsible for the depression of British farming today it is Baring Brothers, who opened up the Argentine and financed the railways that convey the beef from the herds on the rolling "pampas" to the refrigerators of Lord Vesty's fleet at Buenos Aires, to be carried to the Smithfield market. So it is that the underpaid Argentine gaucho and the unwanted British farmer pay the dividends of international finance.

THE BARING CRASH

It is perhaps some consolation that alone of the great Finance Houses Barings has been punished, or at least humiliated, for its part in this encouragement of the competitors of British industry. In 1890 a very severe depression involving the over-confident capitalist system began. Indeed, more miles of American railway were then in the hands of receivers than in 1932.

This was a terrible blow to Barings, as they were largely involved in American railways, and the Argentine Government chose this moment to default on its bonds. Towards the end of 1890 it became obvious that Barings could not carry on, and that they were on the eve of suspending payment with liabilities of no less than £21,000,000.

Great was the scandal in the City of London. But Barings, with its ancient lineage and international reputation, could not be allowed to collapse. Hurriedly the Bank of England consulted with the Joint Stock Banks, and took over these huge liabilities, hoping in this way to avoid disaster and restore public confidence. It was too late. Barings was saved, but the succeeding depression shook world commerce to its foundations. Already it was becoming evident that International Finance was building on an unstable foundation, and that the Capitalist System was tottering to its fall.

The history of Barings, more sober than that of the flamboyant Rothschilds, is perhaps most typical of the Finance Houses as a whole. Less concerned than Rothschilds with speculation, they have been the main agents of the export capitalism that dominated the nineteenth century, using the surplus profits of the hard-fisted British industrialists to develop the New World, without regard to the repercussions of this foreign investment upon home industry, and particularly home agriculture.

Barings are still with us, thanks to the good offices of the Bank of England; but thousands of acres of British farmland have passed out of cultivation, thanks to the importation of Argentine produce to pay the interest on Baring loans to Buenos Aires. It is not difficult to see that finance comes first in Financial Democracy.

GOSCHENS OF LEIPZIG

It was in 1814 that the firm of Fruhling and Goschen of Leipzig founded its London branch, which was later to overshadow the original firm. Wilhelm Heinrich Goschen was the son of a Leipzig publisher, who took up banking, and celebrated the collapse of Napoleon following the Battle of Leipzig by transferring his centre of operations to London, the hub of Allied finance. There he prospered exceedingly and was soon accepted, despite his foreign origin as a leading member of the cosmopolitan fraternity of the City.

The son of Wilhelm Heinrich Goschen, whose name was slightly anglicised to George Joachim Goschen, was educated at Rugby and Oriel College, Oxford, and soon entered public life. Returned unopposed for the City of London, he became prominent in Parliament, and finally obtained the important post of Chancellor of the Exchequer for no less than six years, 1886 to 1892, during which he carried through a gigantic conversion operation. In fact the 2.75 per cent Consols were known as "Goschens" for some time afterwards. He finally retired from politics in 1900 with the title of Viscount, and his son completed the process of penetration into the English ruling class by marrying into the aristocracy.

We do not question Goschen's ability, but we only ask, if any other son of a foreigner (except for the significant Disraeli) has had the opportunity to rise so far, and what other man but a

member of a great finance house could have done it? In any case, is it in the public interest that the head of a prominent foreign banking house should become Chancellor of the Exchequer of this country, and exercise vast financial powers, which must have immense influence upon the fortunes of his own private banking concern?

Goschens, after Rothschilds and Barings, have played the greatest part in City finance. Not content with a hereditary seat on the Bank of England, they have for generations represented the voice of the City in political affairs, and have left their imprint upon the mutual relations of Treasury, Bank of England and Finance Houses.

HAMBROS OF COPENHAGEN

Although Hambros did not reach London until 1839, they also rose to prominence at Copenhagen as a result of the Napoleonic Wars. Founded by Joseph Hambro in 1780 they became Court Bankers to the King of Denmark in 1800, and dominated over Danish financial affairs until their ambitions brought them to London.

Owing to their strong connection with Copenhagen, Hambros have become especially associated with Continental financial business. As might be expected Scandinavia has been their main field of operations, and they became engaged in a violent struggle with German financial interests in this area before the War.

Hambros' interests are not, however, by any means confined to Scandinavia. Indeed, they are reputed to have financed Garibaldi, and certainly floated a number of Italian loans. Also they have specialised in Greece where they have sent tens of millions of British pounds.

Clearly Hambros are one of the most dangerous of the Finance Houses as they are heavily involved in Continental politics, and might at any moment involve us in some foreign quarrel on account of their interests in one or other of the Continental countries, as indeed they seem to have done in the past. Since the War they have extended their operations to Germany and the Danube basin, and must be responsible for the tying' up of many millions of British money in the "stillstand" agreements which followed the collapse of 1931 in this area.

SCHRODERS OF HAMBURG

The third of this group is Schroders, founded by a Hamburg patrician family in 1804, owing to its early success to the Napoleonic Wars. The original founder, J. Henry Schroder, fled Hamburg, when it was occupied by the French, and transferred his operations to London.

From the first, Schroders have honestly maintained their German connection, a branch of the family being prominent bankers in that country, and the head of the house only giving up his German nationality in 1914. They have been engaged in the usual financial business, floating loans particularly for Sweden, Japan and South America.

MODERN JEWISH FINANCE

Although finance in the City of London has always been alien, with few English families of any prominence, the Jewish element, with the outstanding exception of the House of Rothschild, was not at first predominant. It was only in recent times that Jewish emancipation brought with it the dramatic rise of Jewish financial power. As was perhaps natural, this Jewish influence radiated out from the New World, where social tradition was weak, and individual liberty to exploit, greatest. There, immense fortunes could be made by unscrupulous profiteers, and experts in finance and usury could easily outwit the rough-handed pioneer. In fact, America became, by the end of the nineteenth century, a Jewish paradise, and New York rapidly gained (if that is the word) the largest Jewish population of any City in the world.

LAZARDS

At first, this development of Jewish power across the Atlantic had little effect upon European finance, but soon London and Paris became affected by the new influence. Lazards' was the first great Jewish house to found its fortunes on American finance, gained in the great gold rush of 1849 to California. The Lazard brothers soon took the lead in French finance in conjunction with another Jewish family, the Weils, and opened a London office during the Franco-Prussian war of 1870.

This London branch soon outstripped the Paris office, and has now won a permanent seat on the Bank of England, where it is represented at present by Sir Robert Kindersley, who negotiated the loans to France, made during the last war by the British Government. These loans have remained unpaid in the cancellation of war debts, but Lazards had long since received their commission on this vast flotation.

MORGANS, AND NEW YORK JEWS

Meanwhile in New York, a great struggle was going on between the English house of Morgans and the rising power of such Jewish financiers as Jacob Schiff, Paul Warburg and Otto Kahn. At first Morgans dominated New York, as they had been first in the field aiding the Federal Government in the Civil War, and later acting as agents for the British Government in the financial arrangements with America during the recent conflict.

Gradually, however, the Jewish financiers began to gain the mastery until Paul Warburg founded the Federal Reserve banking system after the slump in 1907. This gave him complete control over the entire banking system with the assistance of the Federal Government, and finally assured Jewish money-power in the United States. In this connection the fact that Morgenthau is now Treasurer in the Roosevelt administration is significant.

The reaction of this Jewish group upon European politics was extraordinary. They could not shake Morgans in London, where Pierpont held a Seat through the allied family of Grenfell on the Bank of England. (This seat is now filled by Lord St. Just, formerly Mr. E. C. Grenfell.)

Instead, they turned to Russia, where they claimed the Jewish minority was oppressed by Tsarist tyranny. According to reports from the United States secret service, quoted by Mr. A. N. Field, Kuhn, Loeb, and Warburg, one of the principal New York finance houses, financed the Bolshevik Revolution in 1917. Certainly Jacob Schiff helped to finance Japan during her war with Russia in 1905. In their blind rage against the Tsar as the enemy of their race, these American financiers aided Communism to establish itself in Europe, and there are not a few who insist that this attack upon European civilisation was premeditated and deliberate.

Turning back to England we find Jews prominent in the trustification of British commerce and industry. Sir Alfred Mond, later Lord Melchett, formed Imperial Chemical Industries after the War, with the help of safe-guarding duties gathering the bulk of the chemical industry of the country into one gigantic combine. Israel Moses Sieff built up the immense multiple-shop combine of Marks and Spencer, advocating the complete trustification of retail trading through his organisation, P.E.P. (Political and Economic Planning.) Even Rothschilds invested millions in Woolworth's. Further combines, such as Montagu Burton's the universal tailors, owe their development to Jewish finance, and there can be little doubt that this highly objectionable tendency in the economic life of the nation, destroying private initiative and enterprise has its origin in alien finance, and not in genuine industry.

SLESINGER OF SOUTH AFRICA

We have already had cause to mention the Jewish ownership of the Rand goldmines at Johannesburg, where the Stock Exchange is regularly closed on the Jewish holiday; but Jewish financial power in South Africa is not restricted by any means to gold. A certain magnate of the name of Slesinger is credited by the popular press with the ownership of "half South Africa".

Certainly his transactions extend from selling shares in orange groves to credulous people in England to running chains of cinemas up and down the country. Since he landed at Cape Town early in the century everything he has touched has prospered for Slesinger, although the owner of the orange groves may not have done so well out of their side of the bargain. But did we fight Zulus, Matabeles, and Boers to make South Africa safe for Mr. Slesinger and his friends to live and thrive in? Or did we intend it to be a homeland for the British race?

SASSOONS

We come now to what is by far the most ominous feature of recent Jewish finance — the exploitation of coolie labour in the Orient to ruin the white manufacturer and drive the white worker into the street. This new development is inextricably associated with the notorious House of Sassoon, which now has a member on the Treasury Bench of our British Parliament.

David Sassoon, the founder of the family, was a Jew from Baghdad, who settled in Bombay, and turned from trading to cotton spinning and weaving, bringing all the evils of a new industrial revolution to the unfortunate Indian coolie. While hideous tenements arose on the mud flats of Bombay, the Sassoon family grew richer and richer from the proceeds of the

cotton mills in which coolie labour sweated for twelve hours a day to earn a miserable pittance.

At first, Lancashire laughed at native competition, but soon the effect of Sassoon enterprise, copied by Parsees and other native merchants, began to be felt, until after the war exports of cotton goods from Liverpool fell away with alarming rapidity. Now, hundreds of mills are closed and untold thousands of expert cotton spinners and weavers walk the streets of Lancashire unemployed, directly displaced by coolies labour. As if this were not enough harm to the land of their adoption, Sassoons have spread their influence over the whole of the Orient, erecting a magnificent building, Sassoon House, at Shanghai, where the cheapest labour of all, that of overcrowded China, is at the disposal of unscrupulous finance.

I cannot conclude this study of Jewish finance better than with a quotation from an article of fulsome praise of this Jewish family in the Jewish-owned Sunday Referee for August 22, 1937:

"Sassoon House, the great business centre in the heart of the Shanghai war front, is but one memorial to the genius of the House of Sassoon."

"The Sassoons may be called the House of Rothschild of the Orient — hotels, banks, wharves, warehouses, are all under their sway. One of the family is a member of the British Government, but his great grandfather, founder of the House, began as a poor carpet seller in Baghdad."

It reads like a story from the Arabian Nights, and, indeed, the growth of Jewish financial power over the world in the last few decades has been like the "genii" in one of the thousand and one stories, who spread in a cloud all over the landscape when the fisherman released him from the bottle. Our problem must be to get the Jewish genii back into the bottle of the ghetto in which our forefathers in their wisdom kept him, before his money power strangles the world.

HOW TO BREAK THE CHAINS

As money is the centre of power in decadent Financial Democracy it is obvious that international Finance in the City of London can only be overthrown by a Government vested by the people with superior power to that of the financiers, who at present control a large section of the National Press and the wireless (the Chairman of the B.B.C. being a brother of Montagu Norman of the Bank of England.) It is this power of action (condemned by our opponents as "dictatorship") which the British Union is honestly demanding.

Sir Oswald Mosley has experienced government once under the power of City Finance, and will never accept office again unless given power to govern and to carry out the will of the people, despite all the corrupting influence of Threadneedle Street and St. Swithin's Lane. This is no unreasonable demand, for if our national tradition of self-government means anything it means that the will of the people must take precedence over any vested interest however powerful.

Before granting such power, however, the British people will wish to know whether Mosley knows how to deal with financial matters. No-one better, for he has been a profound student and critic of finance for the past fifteen years, opposing the return to the gold standard in 1925 and condemning Snowden's subservience to the City while in the Labour Party. He has an encyclopedic knowledge of financial theory gained from an acute analysis of monetary authorities and would rely upon the advice of the progressive and the modern instead of the orthodox and obsolete.

The first act of the British Union Government on attaining power would be to impose full Treasury control over the Bank of England, and to break the domination of the private finance houses over foreign exchanges and capital movements abroad.

Nationalisation of the mere mechanism of the Bank, such is advocated by the Labour Party, will be of as little avail as the recent nationalisation of the Bank of France by M. Blum and the French Socialists, unless the "distant control" over the bank by finance houses and gold bullion brokers is also removed.

The next step will be the repudiation of all gold backing for the currency, thus smashing for good and all the power of Rothschilds of St. Swithin's Lane, and placing the security of British finance beyond reach of dumping raids by Soviet gold production. It will then be possible to expand the currency to meet the needs of commerce, and to supply the purchasing power to the masses of the British People to consume the fruits of their own Empire and Industry.

A COMMODITY CURRENCY

Many people will regard the repudiation of gold as a dangerous measure liable to lead to depreciation and inflation, yet in fact the present pound note is a fraudulent "promise to pay" which will not be honoured in gold on presentation at the Bank of England. Nevertheless the pound note is perfectly good for commercial purposes, because every shopkeeper is readily prepared to accept it in payment for his goods.

Let us recognise this fact and return to an honest "legal tender" currency, such as we had during the War, with the King's head on it in place of a picture of the omnipotent Bank. So alone can we symbolise the change from City government back to Royal command on behalf of the people. These new treasury notes will replace the present Bank of England notes, and will bear some such superscription as the following, which should be compared with that to be found on the present note:

"PEOPLE OF BRITAIN

promise to supply the bearer on demand

with goods or services to the value of

ONE POUND."

This note would be in no sense fraudulent, and it would be the business of Government to see that no more were placed in circulation than the shopkeepers and other distributors of the Nation could readily honour at stable prices on behalf of the British People. Most important, the new orientation would take the control of currency out of the hands of the financial tyrants, and make its supply depend, not upon gold, but upon the volume of production of useful goods and services offered for sale. In fact make money, not the master, but the servant of industry.

QUESTION OF STABILITY

I do not intend to deal here with all the questions and criticisms of such drastic steps to break financial control, sufficient that Mosley is fully equipped to deal with them when the time comes. I shall confine myself to reassuring those who see in our gold reserves the only guarantee of financial stability. They may be sure that British Union Government will not leave the new commodity currency without safeguard against violent price fluctuation. The gold reserve will still be used to balance foreign payments during the transitional period, and foreign investments will be mobilized in support, while meantime the Government will accumulate large reserves of staple commodities with a threefold purpose:

(1) To prevent speculation and control prices.

(2) To safeguard the nation if war should arise.

(3) To act as a reserve for the currency and a useful measure of its permissible volume.

Also the nervous need not fear that the British Union would blindly destroy the mechanism of insurance, of the acceptance of bills of exchange, of the produce markets and even of investment through the Stock Exchange, upon which so much of our commercial system, and even the food of the people, depend. All this mechanism of finance must, however, come under the control of government, and be used for the national benefit.

Particularly must the flotation of foreign loans and investments, through which the City of London has grown fat, be stopped, and the flow of British investment be turned to the needs of home agriculture and industry and of the development of the British Empire. So alone can the British People be freed from intolerable tyranny, and enabled to fulfill the tradition of our Nation and enjoy the heritage of our Empire, which endows us all with potential standards of life and of civilisation, far in excess of the miserable poverty alone permitted to the bulk of our People by Alien International Finance.

A. Raven Thomson

Director of Policy

British Union - 1937