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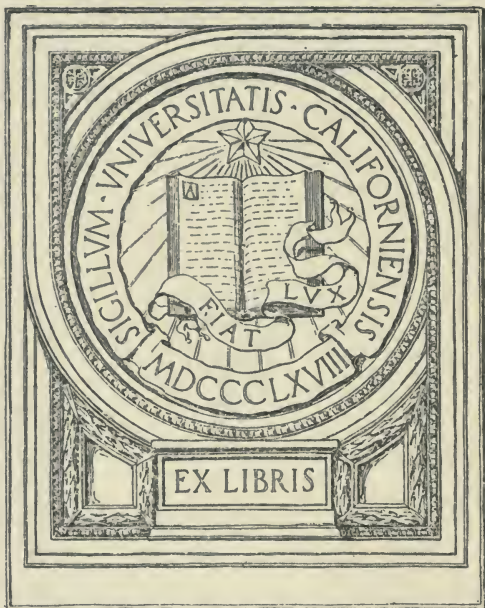
The
Federal Reserve
Monster

By
Jim Jam Jems

BISMARCK, N. D.

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The
FEDERAL RESERVE
MONSTER

By
Jim Jam Jems
BISMARCK, N. D.

Clark, Sam H.

UNIV. OF
CALIFORNIA

Price \$2.00 in U. S. A.
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COMPILED, EDITED AND PUBLISHED

By

Sam H. Clark and Wallace Campbell

Of

JIM JAM JEMS

Bismarck, North Dakota

Copyright August 1922

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To Miss
Alfreda

EDITOR'S FOREWORD.

WITH "charity toward all and malice toward none" we indite this volume of criticism of the Federal Reserve "Bunking" System as it is "practiced" in America. We are not posing as a modern David, nor do we underrate the size of the giant we have tackled herein by several damsights. And by the same token we are not depending on a single stone to deliver a knockout; on the contrary we are delivering a veritable volley of rocks at the object of our criticism and we hope that every chapter written here will raise bruises and welts on the back and belly of the critter.

We have no intention nor desire to kill. And we don't believe in reform. When a thing needs reforming it needs an axe. But what we are striving to do is to awaken public sentiment to the damnable ramifications of the Federal Reserve Octopus in the hope that the people will "come alive" and eventually force the Federal Reserve System to be born anew.

It is the abuse of the Federal Reserve System to which we object. Every little while some

FOREWORD

smart Alec mounts the bema and roars about the great good that the Federal Reserve System has accomplished. It is called the Savior of Credit and Industry. But it is misbranded. There's a vast difference between the picture on the tomato can and the contents of the can.

If you have ever lived in the West or North or in any part of the country where wild ducks or partridges or prairie chickens nest, you are familiar with the antics of the mother duck or prairie hen during the hatching season. You have come suddenly upon the mother of a brood along the roadside and as she hops along there is every indication that the bird is wounded and she leads you away from her nest to a point where she figures the young are safe and then up and away she goes. These touters for the Federal Reserve System remind us of the mother duck and the prairie hen. They flap along and distract your attention from the nest which they are so beautifully feathering; they prate about "saving" and "benefiting" and flap you along until you lose sight of the brood of evils that they are really mothering.

Our object in attacking the evils of the Federal Reserve System has been to awaken sentiment—that is all. For the past two years we have kept up a continuous bombardment against the iniquities of the Federal Reserve System through the monthly issues of Jim Jam Jems. The demand

FOREWORD

for back numbers and extra copies has been so great that we deemed it advisable to collect all of these charges under one volume and thus place the whole Truth about the Federal Reserve System before the people. What we publish herein is fact, carefully compiled from the System's own reports and from public records. We commend this volume to all thinking, upstanding Americans who are ever ready to fight for a square deal.

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Federal Reserve "Bunking"

CHAPTER I

THE FEDERAL RESERVE SYSTEM— WHAT IT REALLY IS



THE Federal Reserve System is the visible hand of the Invisible Empire picking the pockets of the producers of real wealth. It is the most leviathan parasite engrafted upon—and grafting on—production in the world's history. It is an industrial vampire sucking industry's life blood down its bottomless maw. Its greed is fathomless, its rule is ruthless and its lust for power is insatiate.

It is openly and avowedly run and managed in the interest of a so-called "superior class." It has a cynical contempt for the public—whom it ruthlessly plunders. It believes—and practices the belief—that it was instituted for the promotion and protection of superior privileges; that wealth is produced for its exploitation; that production of values exists for its parasitical plunder;

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that Shylockery is a virtue and that the fruits of industry belong not to its producers but to its despoilers.

Property-owners, property-earners and property-producers are but its puppets whom it plunders at will. By monopolizing and juggling money—the mere symbol of wealth—it destroys the value of real wealth. It has but one interest in the public whom it hypocritically professes to serve and that interest is expressed in the query “How much will the people stand?”

There is nothing with which to compare it for it stands alone in the world's history as the most gigantic plunderbund ever conceived in predacity's womb. Czardom at its height and Kaiserdom at its zenith never held a tithe of the real power held by the Federal Reserve System. It is the perfected fruit and flower of financial highbindery, industrial plunderbund and applied Shylockery. Under the cloak and mantle of the law it reaches forth its paws of predacity and pouches filcheries which are simply stupendous.

That is briefly what the much touted and saccharinely adulated Federal Reserve System really is. Abraham Lincoln, the greatest human intellect which ever functioned on this planet, prophetically drew its portrait in these words:

“It (the Civil War) has been indeed a trying hour for the Republic; but I see in the near future a crisis approaching that unnerves me and

FEDERAL RESERVE "BUNKING"

causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned and an era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before even in the midst of the war. God grant that my suspicions may prove groundless."


That is the true portrait, drawn by a master hand, of the Federal Reserve System.

In subsequent chapters you will see the birth of the monster, its ruthless methods of plunder, its machinery of despoilment, its monopoly of money and credit, its pawnbrokery and Shylockery and its huge mounds of pillage.

And in looking it over don't overlook the fact that you, you yourself—whatever may be your part in American industry—are laying tribute on the Federal Reserve altar of Mammon. You can't escape its net of pillage. Amid its mounds of gold, currency and securities—the hugest ever massed together on this planet—your contribution is there. Your brain or your brawn, or both, have added to its lootage. If you live and toil in the U. S. A.—in whatever capacity—your "mickle" adds to the "muckle"—of its stored pillage.

CHAPTER II

THE BIRTH OF THE FEDERAL RESERVE SYSTEM

LICKER than an eel in a bucket of soap suds" is a fair description of the accomplished financial accoucheurs who ushered this monster into legal existence. You must understand that the real object was to establish what was in truth and fact a Central Bank which would dominate and control currency issues and bank credits in the United States. To weld those chains upon American industry without appearing to do it was the object in view. It could be done only by encasing dirty hands of real pillage in the white gloves of a "Reserve System." The Invisible Empire must remain invisible. Visibility would defeat its object. The Money Masters had read history and knew that the American people stood four square against a Central Bank. If their monster of pillage were called a Central Bank they knew it would die in the legislative womb.

BIRTH OF FEDERAL RESERVE SYSTEM

Two such attempts had been made and had resulted disastrously thusly. The first attempt was the First United States Bank. It was the child of Alexander Hamilton's astute brain. It began business on December 12, 1791. It met violent opposition from its birth. It was branded as a "Money Trust," struggled along with varying fortunes and finally died on March 3, 1811, when its charter expired—with its renewal vainly sought. American industry rebelled at the idea of a Central Bank domination. It savored too much of that aristocracy and oligarchy whose chains they had recently chiseled.

The second attempt to engraft a Central Bank on American industry was the Second Bank of the United States. It was chartered on April 10, 1816, and was a stormy petrel of finance. About it waged a running battle. It was from birth to death the center of a conflict. Against its domination American industry rebelled. Real producers of real wealth constantly fought this parasite of finance. Andrew Jackson was its bitter foe and it went out of existence during his administration "unwept, unhonored and unsung" except in the doleful dirges of the then Money Masters who mourned its demise. The Money Masters of those two eras read the handwriting on the wall. American industry would not endure a Central Bank and the Money Masters of 1914 read the same symbols. History was

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against them and the genius of American institutions was against them. Their idea of a Central Bank had never changed. It was the very core and center of their scheme to dominate American industry. But to "get it across" or to "put it over" they must re-christen the monster. Twice the people had violently repudiated the Central Bank banditry. Hence in the fertile brainery of predacity was born the idea of the Federal Reserve System—a camouflage, a deception and a mere cloak of Pecksniffian hypocrisy. A clever nation-wide propaganda was at once instituted with every "prop" put under it that wily astuteness could suggest. A subsidized press ballyhooed, touted and paeonized the proposed Federal Reserve System. It was hailed as the Moses which was going to lead America into the Promised Land of industrial freedom. It was paeonized as an absolutely new discovery in finance—when in truth and in fact it was one of predacity's oldest cards soiled in many a game. But it was varnished o'er and played again.

There wasn't to be any "Central Bank" you understand. The sponsors of this monster abhorred the idea of a "Central Bank." It was the furthest possible from their pure thoughts of altruistic finance! They were going to have twelve banks, each one established in a center of industry and catering to and upbuilding the industries in its regional zone. Each one was

BIRTH OF FEDERAL RESERVE SYSTEM

going to be a separate and distinct corporation absolutely disconnected from its eleven brethren. This idea was advertised, adulated, and saccharinely paevanized until America was lulled to sleep. For month after month this cone of chloroform was held over American citizens until the anesthetic took effect. Then came forth what was known as the Glass-Owen bill. The smoothness of its head sponsors' name was symbolic. The ground had been prepared for its reception. Propaganda seed had been diligently sown. Years of the most astute scheming and plotting of the brainiest schemers who ever schemed bore its fruit in the Glass-Owen bill. On rails greased by years of propaganda it slid into the legislative hopper, came through in an oil bath and went to President Wilson. Whether he was the deceived or the deceiver none but himself knows. But he painted the Federal Reserve System with his most magnificent verbal rainbow colors, prated of it as "the emancipator of credit," signed it in the midst of a coterie of sycophantic Pecksniffs and the pen whose strokes made it a law was religiously preserved!

Its real authors—who had spent years in weaving its phrases and scores of thousands of dollars in propagandizing for its passage—winked, smiled in their sleeves and prepared for pillage. The Federal Reserve System was born with a caul—concealing its grin of greed—and was brought

THE FEDERAL RESERVE MONSTER

into being by the most astute coterie of legislative accoucheurs who ever delivered a babe of legislation.

Here and now read just two of the sample promises made by the Money Masters at the birth of their monster. They told you that the Federal Reserve System would "prevent unfair and undue constriction of credits with its consequent paralyzing effect on business and on the productive energies of the nation." They told you that "men will not be thrown out of employment wholesale throughout the country by the fright of financial and commercial panic, but finance and commerce will be steady. Hundreds and thousands of men will not suddenly be thrown out of employment during these national waves of depression nor undue feverish buoyancy." Peg these specious promises in your brainery and compare them later on with the actual performances of this monster of depression with the Federal Reserve Board at Washington really functioning as a Central Bank.

CHAPTER III

THE FRAMEWORK OF THE MONSTER

HERE'S the idea. Were you one of a coterie of multi-millionaires lusting for the control of American industry and finance—exclusively for pillage—you would, if necessary, join in providing any amount of capital necessary to obtain the result. You could afford to provide it for it would make you one of a coterie enabled to loot the richest prizes on this planet. Any system which could at will open or shut the valves of American credit, stage an orgy of "inflation" or stage a debacle of "deflation," increase or decrease the money supply, make the tide of employment flow to prosperity's height or ebb to despair's depths, create a "bull" or a "bear" market at will—would justify the investment of hundreds of millions or even billions of capital! Its power would be practically boundless, its profits be fabulous and from its coign of vantage it could coin the sweat of scores of millions of toilers into its coffers of greed.

THE FEDERAL RESERVE MONSTER

But if you could do this very same thing and obtain precisely the same results and reap exactly the same harvest in power and pelf without investing one thin dime or one plugged nickel you wouldn't put up the money, would you? That is just exactly what these Federal Reserve highbinders did and this is just exactly how they did it. There lay fair to their hands the most successful banking system in the world's annals—the National Banks.

Here was the core and center of their pillage. Here was the capital ready to their hands. They proceeded to levy upon, to appropriate and to commandeer their capital from the National Banks of the United States. They divided the U. S. A. into twelve financial satrapies or dependencies or loot areas with centers of pillage thusly: New York, Chicago, Atlanta, San Francisco, Boston, Minneapolis, Kansas City, St. Louis, Cleveland, Philadelphia, Richmond, and Dallas. Upon every National Bank in the U. S. A. there was levied a capital tribute of six per cent of their capital and surplus account for subscribed capital to the Federal Reserve Bank set over them. Of this amount one-half or three per cent was required to be immediately paid in and the other half was held subject to call if required.

Take a look at this first step on the stairway of pillage. Without the investment of one copper cent, of one plugged nickel or of one thin dime

FRAMEWORK OF THE MONSTER

and by one stroke of the pen when this infamous law was passed practically one hundred millions of capital was commandeered into the coffers of Federal Reserve banditry. Without the risk of one penny of their own money the Federal Reserve plunderbund seized in its talons of greed the hugest banking capital in the U. S. A.—practically two hundred millions of dollars with one-half of it immediately payable and the other half subject to call! It was the most daring financial high-bindery ever enacted on earth.

Right here don't hock your brains—do your own thinking. Without any option, without any vote of stockholders, without any action by its officers every National Bank in the U. S. A. was compelled to buy stock in the Federal Reserve Bank in its fiscal dependency or loot area in which it was located. Protest was useless—just as useless as if they stood under the guns of a Jesse James' or Younger Brothers' gang. It was just "stand and deliver" and they delivered!

At this time, in 1914, the banking business in the U. S. A., and particularly National Banks, was functioning soundly and safely. It was serving—not dominating—industry. It was making reasonable—not Shylock—profits.

Suppose the lustful eyes of the Federal Reserve lootage had turned to the drygoods instead of to the banking business. They would have compelled every drygoods merchant in the U. S. A.

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to contribute six per cent of his capital and surplus—with one-half immediately payable—to set up a drygoods jobbing house in the center of a designated loot area. They would have compelled every drygoods merchant to purchase his merchandise from that jobbing house at their price. Isn't one proposition as sane as the other? Of course it is. But there is this difference. By commandeering capital for the drygoods business licensed looters *could control only the drygoods business*. But by commandeering capital for the banking business licensed looters *could control all business!* That's the difference and that's all the difference. They commandeered capital where it could *control not one industry but all industries*. They didn't commandeer a leg or an arm of industry but they did commandeer *the life blood of all industry* and at one leap vaulted into a seat of power where their scepter's sway really governed all American industry. That's what they really did.

What price did Federal Reserve lootage pay for this commandeered capital? It limited the dividends to be paid to these sandbagged stockholders to six per cent per annum. No matter how fabulous might be—and really have been—the profits of Federal Reserve pillage the people who provided its life blood of capital must be content with a paltry six per cent dividend! Over a long term of years the net profits of the Nation-

FRAMEWORK OF THE MONSTER

al Banks of the U. S. A. have averaged slightly over 12 per cent per annum. But Federal Reserve lootage says: "We will pay you but one half what your capital has been earning." Some gall? It was the absolute acme of refrigerated nerve! No matter what Federal Reserve Shylockery might make on this commandeered capital the people who provided it—whose money it really was—could get but a paltry six per cent.

But one fact or series of facts is worth more than pages of language. So right here and now look at the actual results for the year 1920. Here is a list of Federal Reserve profits and pillage for that year:

*Location	Capital	Per cent on Capital	Net Sand- baggery Per Cent
New York	\$24,618,000	217	211
Chicago	13,213,000	195	189
Atlanta	3,759,000	162	156
San Francisco	6,412,000	159	153
Boston	7,454,000	137	131
Minneapolis	3,265,000	131	125
Kansas City	4,295,000	129	123
St. Louis	4,229,000	124	118
Cleveland	10,070,000	119	113
Philadelphia	8,278,000	116	110
Richmond	4,884,000	110	104
Dallas	3,757,000	89	83

*The average paid in capital for 1920 was \$94,234,000 and total net earnings were \$151,408,031. This is 160.7% profit and so stated on pages 153 and 154 of Federal Reserve Bulletin of February, 1921. When the net average of the individual banks are footed and averaged the average is 140.9%. This discrepancy is for Federal Reservists—not us—to explain.

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Take all of your reading, take all of the history of banking or of finance since banks were first founded and see if you can approximate any such leviathan Shylockery. The stockholders in National Banks who provided the capital for this orgy of profiteering were gyped out of all the way from 211 per cent in the New York satrapy to 83 per cent in the Dallas satrapy. For the year 1920 all over the U. S. A. on the average Federal Reserve lootage took away from the real providers of its capital—the stockholders in National Banks—better than 154 per cent on the money they provided!

These records are taken from the accounts of its own pillage rendered by the Federal Reserve System itself.

You could be quite some banker yourself, you could orate and strut and preen and propagan-dize, you could swell out your pouter pigeon breast at stage-managed banquets and be a prince of high finance with a limitless expense account and with an altitudinous salary—if you could commandeer your neighbor's money at 6 per cent and then sandbag out from 211 to 83 per cent profit on it, couldn't you?

Legal? Of course it's quasi-legal and that's the infamy of it. A coterie of the most astute lobbyists who ever enchained a people's industry log-rolled through a piece of legislation whereby they commandeered for their capital the people's mon-

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ey at a petty 6 per cent and in the year 1920 alone pouched on it a profit varying from 211 to 83 per cent! That's the record and those are the facts—hidden and concealed from you and draped in a mantle of silence. Federal Reserve lootage, Federal Reserve propaganda, Federal Reserve publicity—all paid for from your money—is too astute to “toot” anent this legalized sandbagery. Do you, the stockholders in the eight thousand and odd National Banks in the U. S. A., know of any reason why you should provide at 6 per cent the capital for Federal Reserve lootage on which it made in one year alone from 217 to 89 per cent? That is, do you know of any reason except your legal helplessness and the bottomless greed of Federal Reserve sandbagery? If the law—cleverly lobbied through your Congress—didn't compel you to do it, would you do it? Would you of your own free will provide capital at 6 per cent and be gypped out of 154 per cent? You know you wouldn't! Here is the core and center and solar plexus of the whole Federal Reserve System—commandeer capital at a petty six per cent and realize out of it profits that make Shylock look like a philanthropist. Peg this in your brainery and look further.

CHAPTER IV

THE STUFFING OF THE LEVIATHAN



YOU have seen the framework and skeleton of the monster—the commandeering of the capital for the operation of the twelve Federal Reserve Banks in each one of the satrapies. You have seen that the Federal Reserve oligarchs not only never put up one thin dime of their own for the capital for their System but obtained that capital—practically in perpetuity—at a paltry 6 per cent interest or dividend charge. This capital would naturally fluctuate somewhat—but ever upward—as new National Banks were commandeered into the jack-pot. By January 1, 1922, the paid-in capital legally sand-bagged into the twelve regional Shylockeries was as follows:

Boston	\$7,935,500
New York	27,114,000
Philadelphia	8,736,500
Cleveland	11,134,000
Richmond	5,428,500
Atlanta	4,189,500

STUFFING OF THE LEVIATHAN

Chicago	14,307,000
St. Louis	4,603,000
Minneapolis	3,569,000
Kansas City	4,570,000
Dallas	4,203,000
San Francisco	7,374,500
Total	<hr/> \$103,165,000

This is the assembled capital commandeered from National Banks in each one of the Federal Reserve satrapies. This is the framework or skeleton of the leviathan. Observe now how adroitly by another provision of the Federal Reserve legal grabbery and graftery this skeleton is stuffed and over-stuffed. A bank without depositors would be like a railroad without shippers, a store without customers, a hotel without guests or a doctor without patients—a mere expense account. But the same astuteness which could commandeer into its maw over a hundred millions of capital wouldn't falter for lack of deposits—you know that. If the Federal Reserve System could—as it could—commandeer capital, couldn't it commandeer and conscript deposits? Certainly it could and certainly it did. Every National Bank in the United States is compelled to carry in the Federal Reserve Bank in its satrapy or dependency a reserve account, i. e., the amount of money which the law compels it to carry in its reserve against its deposit liabilities. That sum of money is of course enormous and at this writ-

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ing at the close of business on May 10, 1922, amounts to the stupendous sum of \$1,806,464,000! This is the mightiest mound of massed deposits on this planet. And every dollar of that gigantic sum has been conscripted and commandeered into the hands of Federal Reserve oligarchs—without the capital investment on their part of one penny for its security! By a few strokes of a pen or taps of a typewriter Midas was made a piker, Aladdin's lamp was made but a tallow dip and Croesus was made a small change artist. What generations of toil and astute commercialism couldn't accomplish in centuries in the banking business adept Federal Reserve oligarchical lobbyists could accomplish—and did accomplish—by a few pen strokes! You don't know which to admire most—their supernal gall or their astute lobbying ability! But hang your cap of admiration on either horn of the dilemma which you choose you find the mightiest single mass of money on this planet swept into Federal Reserve coffers without toil, without effort, without one penny of capital contributed by them and without one scintilla of ability proven by them—except the ability of accomplished and astute lobbyists!

But did they stop there—after commandeering over \$100,000,000 of capital and after conscripting over \$1,800,000,000 of deposits? Little you know those birds if you think it. After they had got

STUFFING OF THE LEVIATHAN

their beaks into that capital and their claws firmly fixed on those deposits they spread their wings and took a financial flight hitherto absolutely untried—even by the boldest buzzardry of finance. Here it is, scan it, take a look at it. For generations of banking the reserve deposits of banks have always drawn a minimum rate of at least 2 per cent per annum. Why? Because of their size and because of their stability. Experience of generations had demonstrated the fairness and the wisdom of that usage. Reserve deposits rarely fluctuate—except upwards.

But at a few strokes of a pen Federal Reserve oligarchs reversed the custom of generations and *conscripted this mass of deposits—the largest on earth—into their coffers without interest!* Tie a towel about your throbbing brow so that you won't get dizzy, seize your trusty pencil and "figger" a moment. You will find that on this one item alone at 2 per cent interest on \$1,800,000,000 Federal Reserve satrapists and oligarchs and legalized tyrants sweep just \$36,000,000 a year into their profit pouch. It's \$36,000,000 a year that National Banks and their stockholders and their depositors used to get that they don't get and that Federal Reserve predacity does get! If you and a few hundred of your friends could, by astute lobbying ability, get the titanic sum of \$1,800,000,000 placed in your hands, practically in perpetuity, without interest, you could do quite

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a bit with it, couldn't you? You could, as do those Federal Reserve oligarchs, wield the mightiest scepter of power which ever ruled man. And you could do it with "other people's money"—every penny of it—just as they do and you could do it without the investment of a penny of your own—just as they do it!

Here they are: the Federal Reserve Board at Washington, really a Central Bank, dominating and domineering over the whole Federal Reserve System; the twelve Federal Reserve Banks, each one dominating and domineering over its own zone or regional satrapy; the commandeered and conscripted National Banks in each satrapy and finally their stockholders and depositors—working and toiling—at the base of the pyramid!

You have seen the birth of the Federal Reserve monster, you have seen the skeleton or framework of the monster and you have seen the stuffing of the monster. The Invisible Empire were the accomplished accoucheurs at its Congressional birth; they conscripted the capital, the framework of the monster; they commandeered the stuffing, the leviathan deposits, for the monster; it is in their keeping and now what do they do with it, whom do they "do" and how do they do it? Keep right on reading and you will find out.

CHAPTER V

CHECK COLLECTION BANDITRY

YOU have seen the birth of the monster; you have seen how it conscripted its capital at a petty six per cent interest rate; you have seen how it commandeered—at no interest rate—the mightiest mass of deposits ever gathered together on earth and you have seen how it did these things by its absolute control over the money and over the destinies of the National Banks in the United States. It could and it did and it does practically control their affairs.

But it could not—except by intimidation, by oppression or by practical banditry—control the State Banks of the United States. It could not legislate them into its sheep pen for shearing, but it could attempt to intimidate, bulldoze and banditize them. This it attempted to do in this wise:

One of the chief specialties of this Federal Reserve System of applied banditry is to attempt to force every bank in the United States—whether a member of its Shylockery or not—to collect

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checks for its benefit and advantage for nothing. In other words, where it couldn't conscript nor commandeer—purely for its own sordid profit—it proceeded to bulldoze.

There are just two ways to collect money on checks, one by presenting them at the counter of the bank on which they are drawn and getting the cash and the other by sending them through the mail for remittance by draft drawn on some large city depository. The latter method obtains in 99 per cent of the hundreds of millions of checks drawn. The bank upon which the check is drawn makes a small charge of one tenth of one per cent to compensate for clerk hire, postage, stationery and the like. It is a perfectly legitimate charge in vogue and practiced for generations in banking circles. But the Federal Reserve System, with its customary greed, insists upon sandbagging this service for nothing. This arrogant rule—purely for its own sordid profit—it could and did and does enforce against its conscripted and commandeered National Banks. But State Banks—not wearing the Federal Reserve yoke of bondage—were at liberty to make the usual collection charge of one tenth of one per cent. Thereupon the Federal Reserve System had a series of fits and fell into them. From an enormous number of its banditries three typical ones are selected for your observation—mere-

CHECK COLLECTION BANDITRY

ly straws showing whence blow the most arrogant winds of oppression.

First take a look at the Cones State Bank of Pierce, Nebraska. "I don't want a smug lot of experts to sit down behind closed doors in Washington and play Providence to me." That is what President Wilson said—on page 60 of his book, "The New Freedom"—before he, himself, was sitting tight "behind closed doors in Washington."

That is just exactly how Wood Cones, president of the Cones State Bank of Pierce, Nebraska, feels about a smug coterie of banking oligarchs known as the Federal Reserve Board at Washington and the Federal Reserve Bank at Omaha, Nebraska. First, read the subjoined affidavit about "hard boiled and armed" Federal Reserve Bank agents and then our comments on the whole proposition.

"In the Superior Court of Fulton County, Georgia.
AMERICAN BANK & TRUST CO., et al.

vs.

FEDERAL RESERVE BANK, et al.

THE STATE OF NEBRASKA }
PIERCE COUNTY } SS.

"Personally appeared before the undersigned attesting officer, Wood Cones, who makes this affidavit to be used as evidence in the above stated case and who being first duly sworn deposes and says:

"That I am, and for many years have been, the president of the Cones State Bank of Pierce, Nebraska,

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and as such officer of said bank, I was interviewed some time last September by a Mr. Jones, claiming to represent the Omaha branch of the Federal Reserve Bank of Kansas City, Missouri. I was urged by him to join the system. I refused and was then asked to sign a card agreeing that my bank would remit all items at par sent us by mail by the Federal Reserve Bank. I refused to sign and was told that I would be compelled to at an early date, as there was no limit to the power of the Federal Reserve Bank.

"Early in October of the same year, the local express agent presented quite a number of checks on our bank from the Federal Reserve Bank and we gave him a draft for the full amount payable to the Federal Reserve Bank. A short time after, another bunch of checks of the same kind came in the same way but the express agent was instructed to collect in cash. I offered him silver dollars for the checks and he said he did not have time to count it and accepted an Omaha draft for the face of the checks.

"Following this, W. S. Lower, claiming to represent the Omaha branch, came with some checks and demanded legal tender in payment. We offered him a draft payable to the Federal Reserve Bank but refused to pay him the currency without better identification than was produced by him. After considerable loud talk and threat to protest the checks he accepted a draft. Shortly after this Mr. Lower came again, properly identified, and demanded cash on checks he had and we refused payment on account of improper and insufficient endorsement. He stormed around for a day and finally accepted a draft payable to the Federal Reserve Bank.

"November 14, 1919, a high powered auto containing four people, drove into Pierce and stopped in front of the Bank, but the engine kept running. Two men, W.

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S. Lower and M. L. Bishop, got out of the car, armed with revolvers and entered our bank. As agents of the Federal Reserve Bank, they demanded the currency on checks drawn against the Cones State Bank of Pierce, Nebraska, of the aggregate face value of \$31,900, some of which had been held for over three weeks. While one of our Bank force was counting out the money (about \$13,000 more than we are legally required to carry in our vault) to Mr. Bishop, Mr. Lower told us that Bishop was a United States marshal, hard boiled and armed, and that he had cleaned up the State of Kansas and would get us anyway, so we had better sign up the agreement and keep our money.

"Bishop said that a banker in Kansas who had the only bank in the town, held out against parring, and that he told him they would start a National Bank and drive him out of business, and that he personally was instrumental in starting the National Bank and said he would stick to it until he drove the Kansas bank out entirely.

"Mr. Jones and a Mr. Davis came along later and claimed they were peacemakers direct from the Federal Reserve Bank of Kansas City. Said that Lower and Bishop were — fools and had done entirely wrong at Pierce and advised us to forget what Lower and Bishop had done and sign up as the day was near when we would be forced. They took a draft for the checks they had and departed saying that they had enough of this — business.

"Subsequently checks were sent through the Express Company and returned by the express agent for the reason as I said that he didn't have time to count the money.

"Along about the 27th day of December, 1919, a Mr. Farley came to Pierce from Kansas City and asked

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us to sign the paper relative to parring checks or join the Federal Reserve System. We refused. He then stated that he was instructed to stay in Pierce until he had accomplished something. From that date until the day of making this affidavit Mr. Farley has been here continuously and collects cash every day on checks sent him by the Federal Reserve Bank.

"On January 5, 1920, a Mr. J. G. Bryan came in from Kansas City and he and Mr. Farley have been instrumental in trying to start a National Bank at Pierce, devoting practically their entire time collecting cash on checks sent by the Federal Reserve Bank upon banks in Pierce and promoting a National Bank that they will compel the banks of Pierce to join the system. Our customers report to us that these men have told them that we are robbing them out of ten cents on every hundred dollars of their money.

"On or before the 14th day of January, 1920, Mr. Jones joined Mr. Farley and Mr. Bryan and has acted as Notary Public, protesting checks presented by the aforesaid agents of the Federal Reserve Bank of Kansas City, notwithstanding such checks were endorsed on the face 'not payable through the Federal Reserve Bank, their branches or agents, nor Express Company nor Postoffice' and are continuing to protest such checks when we refuse payment of them in their hands and in one case have presented a check a second time and protested it each time.

"Every agent of the Federal Reserve Bank that has been here has advised us in substance that they were spending the Government's money like drunken sailors and will not stop at any expense to force us to join the system.

"One of my competitors told me that Mr. Davis told him in substance that the Federal Reserve Board had a steam roller on the way from Washington to

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crush me personally and ruin my bank if I persisted in refusal to comply with their demands. I subsequently called Mr. Davis' attention to this report and he personally acknowledged to me that he had made such a statement in substance.

(Signed) "Wood Cones.

"Sworn to and subscribed before me this 10th day of February, 1920.

(Signed) "Douglas Cones.

"Notary Public in and for Pierce County, Nebraska.

"My commission expires September 25, 1925."

The Cones State Bank couldn't be bulldozed, banditized by gun play nor coerced into the Federal Reserve slaughter pen. When the Federal Reserve System grabbed Wood Cones it grabbed a hot wire which it finally dropped, nursing its badly burnt paws!

Now take a look at the Brookings State Bank of Brookings, Oregon. It wouldn't wear the Federal Reserve yoke of bondage and made the customary collection charge of one tenth of one per cent for remitting check collections. It couldn't be bluffed, bulldozed, sandbagged nor coerced and the Federal Reserve System had its usual fit.

On October 8, 1920, it stationed an emissary from the Portland branch of its San Francisco Shylockery at Brookings, Oregon, for the sole purpose of collecting in cash over the counter all checks coming from all over the U. S. A., drawn on the Brookings State Bank—with the avowed object of whipping it into abject surrender. Noth-

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ing doing! Daily the Federal Reserve sub-bandit presented himself at the counter with his wad of checks and daily the Brookings State Bank smilingly handed over the cash! The Federal Reserve emissary—pursuant to orders—stuck at Brookings, Oregon, from October 8, 1920, until October 1, 1921, vainly endeavoring to wear down the Brookings State Bank. Positively nothing doing. The Federal Reserve octopus had struck at one bank where its slimy tentacle slipped.

Then this Federal Reserve sandbaggery resorted to the scheme of sending out what it called “notices of dishonor” against the Brookings State Bank, whereupon the Brookings State Bank went into the United States Court and obtained from Judge Wolverton an injunction against such “dishonor notices!” Drawing cash over its counter for over a year couldn’t bluff the Brookings State Bank and the United States Court forbade its fictitious “dishonor notice” game! So the octopus tried another method—equally damphoolish but characteristic of its banditry methods.

There lies before us as we write a photographic copy of a “transit slip” made out by the Federal Reserve Bank of San Francisco at its Los Angeles Branch on November 19, 1921. On this “transit slip” is listed a \$50 check drawn on the Brookings State Bank of Brookings, Oregon, and over against the item is marked “Bank Closed!” It is as foul a libel as even the Federal Reserve oc-

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topus ever spewed from its sac of venom! The Brookings State Bank was never "closed" for the fractional part of a second! In fact it was and is a damsite too "open" to suit the Federal Reserve thuggery!

Now look at the venom spat out by this Federal Reserve octopus at the Brookings State Bank because it wouldn't do its bidding. During the year it kept its emissary there it collected \$102,000 in checks. Counting his salary, expenses, expressage of currency and the like, it must have cost it at least \$4,000. It could have had precisely the same service for one tenth of one per cent or just \$102.

Then when that didn't work it sent out its fictitious "dishonor notices" and bumped into a United States Court injunction!

Then when that didn't work it sent out its lying "Bank Closed" notice on its "transit slip!" And it cowers behind the skirts of a girl clerk in trying to skulk out of this picture of malice. In the meantime the Brookings State Bank held the fort—unshackled by Federal Reserve oligarchy.

Now jump down into the Atlanta Federal Reserve loot area and take a look at its banditry there and read what the United States Supreme Court has to say on this whole thuggery proposition. The method of Federal Reserve thuggery at this point was to hold out and hoard up a mass of checks and present them at one time over

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the counter of the Atlanta Bank and Trust Company—with the avowed object of crippling it. Here are quotations from the opinion of the United States Supreme Court handing out a solar plexus blow to this Federal Reserve thuggery.

“The plaintiffs are not members of the Federal Reserve System and many of them have too small a capital to permit their joining it—a capital that could not be increased to the required amount in the thinly populated sections of the country where they operate. An important part of the income of these small institutions is a charge for the service rendered by them in paying checks drawn upon them at a distance and forwarded, generally by other banks, through the mail. The charge covers the expense incurred by the paying bank and a small profit. The banks in the Federal Reserve System are forbidden to make such charges to other banks in the System. It is alleged that in pursuance of a policy accepted by the Federal Reserve Board the defendant bank has determined to use its power to compel the plaintiffs and others in like situation to become members of the defendant, or at least to open a non-member clearing account with defendant, and thereby under the defendant’s requirements, to make it necessary for the plaintiffs to maintain a much larger reserve than in their present condition they need. This diminution of their lending power coupled with the lose of the profit caused by the above mentioned clearing of bank checks and drafts at par will drive some of the plaintiffs out of business and diminish the income of all. To accomplish the defendants’ wish they intend to accumulate checks upon the country banks until they reach a large amount and then to cause them to be presented for payment over the counter or by other devices detailed to require pay-

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ment in cash in such wise as to compel the plaintiffs to maintain so much cash in their vaults as to drive them out of business or force them, if able, to submit to defendant's scheme. It is alleged that the proposed conduct will deprive the plaintiffs of their property without due process of law contrary to the Fifth Amendment of the Constitution and that it is ultra vires. The bill seeks an injunction against the defendants collecting checks except in the usual way.

"The defendants say that the holder of a check has a right to present it to the bank upon which it was drawn for payment over the counter, and that however many checks he may hold he has the same right as to all of them and may present them all at once, whatever his motive or intent. They ask whether a mortgagee would be prevented from foreclosure because he acted from disinterested malevolence and not from a desire to get his money. But the word (right) is one of the most deceptive of pitfalls; it is so easy to slip from a qualified meaning in the premise to an unqualified one in the conclusion. Most rights are qualified. A man has at least as absolute a right to give his own money as he has to demand money from a party that has made no promise to him; yet if he gives it to induce another to steal or murder the purpose of the act makes it a crime.

"A bank that receives deposits to be drawn upon by check of course authorizes its depositors to draw checks against their accounts and holders of such checks to present them for payment. When we think of the ordinary case the right of the holder is so unimpeded that it seems to us absolute. But looked at from either side it cannot be so. The interests of business also are recognized as rights, protected against injury to a greater or less extent and in case of conflict between the claims of business on the one side

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and of third persons on the other lines have to be drawn that limit both. A man has a right to give advice but advice given for the sole purpose of injuring another's business and effective on a large scale, might create a cause of action. Banks as we know them could not exist if they could not rely upon averages and lend a large part of the money that they receive from their depositors on the assumption that not more than a certain fraction of it will be demanded on any one day. If without a word of falsehood but acting from what we have called disinterested malevolence a man by persuasion should organize and carry into effect a run upon a bank and ruin it, we cannot doubt that an action would lie. A similar result even if less complete in its effect is to be expected from the course that the defendants are alleged to intend, and to determine whether they are authorized to follow that course it is not enough to refer to the general right of a holder of checks to present them but it is necessary to consider whether the collection of checks and presenting them in a body for the purpose of breaking down the petitioner's business as now conducted is justified by the ulterior purpose in view.

"If this were a case of competition in private business it would be hard to admit the justification of self interest considering the now current opinion as to public policy expressed in statutes and decisions. But this is not a private business. The policy of the Federal Reserve Banks is governed by the policy of the United States with regard to them and to these relatively feeble competitors. We do not need aid from the debates upon the statute under which the Reserve Banks exist to assume that the United States did not intend by that statute to sanction this sort of warfare upon legitimate creations of the States.

"Decree reversed."

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The fact is that this Federal Reserve octopus in pursuance of its policy of gun play, banditry and oppression against State Banks—all from the dirtiest motives of pure sordidness—presented one of its tentacles of greed to the Supreme Court of the United States and it was ruthlessly severed! This is but an introduction—a mere curtain raiser—to the greatest drama of greed ever enacted under the guise of law in a civilized land. But here are two things settled by the highest tribunal in the land; first, that State Banks can't be coerced, banditized nor bulldozed by the Federal Reserve System and second, that the Federal Reserve System "is not a private business"—but it is in fact the business of the United States and "is governed by the policy of the United States."

CHAPTER VI

THE LOOT OF THE MONSTER

HERE is the proposition. The Federal Reserve System is the most gigantic parasite and despoiler of industry in the world's annals! You can search history from its first impression of stylus on parchment to this minute and you can find nothing which will approximate the bottomless greed and the fathomless lust for gold of this monstrous parasite. It isn't banking, it's banditry. It isn't business, it's pillage. The dirty paws of predacity are encased in the white gloves of officialdom and constantly dry-cleaned in propagandized hot air! Here follow some of the records—every figure in them taken from official reports—carefully concealed from your view by the money masters and by their lackeys who fatten and batten on the lootage.

And as you look over this record don't overlook this fact. No bank or no system of banks ever really makes or produces one copper cent in industry. They take toll from industry. Banks are

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a necessity to production and to commerce, but they should be servants, not masters. This touted and ballyhooed, propagandized and rainbow-painted "emancipator of credit" has proved itself to be the most leviathan industrial parasite of the ages. Here is what they call their "earnings" for the year 1920. Filchery from industry bullseyes the proposition.

For the calendar year 1920 the gross "earnings"—more properly called filcheries—of the twelve Federal Reserve Banks reached the stupendous sum of \$181,297,338, as against \$102,380,583 for the calendar year of 1919! Quite some money to suck from the teat of industry, isn't it? The expenses for the calendar year of 1920 were \$29,889,307, as against \$20,341,798 for the calendar year of 1919! Over nine million dollars more in expense account but over seventy-eight million dollars more in net "takings!" The net filcheries for the calendar year 1920 was the leviathan sum of \$151,408,031, as against \$82,038,785 for the calendar year 1919. Almost a two-for-one shot and every dollar of it peeled from industry's roll! And incidentally meditate on the titanic expense accounts of these twelve tentacles—\$29,889,307, or more than an average of \$2,490,000 apiece for the year 1920! Some luscious salaries nesting and nestling there—to which reference will hereafter be made—aren't there?

Here is a list of the twelve Federal Reserve

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Banks in the precise order of their pillage with the percentage of their takings to their paid in capital for the year 1920!

Location	Capital	Per cent on Capital
New York	\$24,618,000	217.4
Chicago	13,213,000	195.6
Atlanta	3,759,000	162
San Francisco	6,412,000	159.1
Boston	7,454,000	137.3
Minneapolis	3,265,000	131.5
Kansas City	4,295,000	129.3
St. Louis	4,229,000	124.3
Cleveland	10,070,000	119
Philadelphia	8,278,000	116.8
Richmond	4,884,000	110.3
Dallas	3,757,000	89.3

The total capital employed was \$94,234,000, the total net earnings \$151,408,031, and the average percentage of profit taken on this capital—after charging most exorbitant expenses—was 160.7 per cent! Is this a system of banking of, for and by the people, is this the “emancipation of credit,” or is it the hugest parasite ever engrafted and wrapped about a nation’s industry? Compare this with a savings bank rate of 4 per cent or compare it with a high bank stock dividend rate of 10 per cent! It’s 40 times a savings bank rate, it’s 16 times a high bank stock dividend rate! It’s unconscionable, excessive, unfair, unjust, and a gigantic burden on industry’s overloaded back. You’re satisfied—and tickled pink

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too—to get a safe 8 per cent return on your investments, but your “emancipator of credit” wolfs down 20 times as much! Is this “credit emancipation” or is it the sandbagging of industry? Is this twenty-to-one shot “conserving the nation’s resources” or is it practicing the arts of thuggery upon the real production of real wealth? Is this “binding up the nation’s wounds” of finance or is it blood-letting to the point of exhaustion?

What became of this huge lootage wrung from America’s brawn and brain for the year 1920? Here’s where it went. Dividends to the people who provided the capital, i. e., the scores of thousands of member bank stockholders, amounted to just a pitiful 6 per cent or \$5,654,018 out of \$151,408,031, or about *one-thirtieth* of the amount! Ought the real providers of the real capital, upon which stupendous profits were made, to be fobbed off with *one-thirtieth* of its real earnings? Ought their money to be commandeered at 6 per cent, profiteered upon at 160 per cent and they be practically sandbagged out of 154 per cent? But it’s the law, you say! Of course it’s the law and that’s one of the infamies of the System! On the one hand it sandbags commandeered investors, on the other hand it filches from industry and then with both hands this legalized parasitism smugly pouches the proceeds into its bottomless bag of greed!

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These twelve octopi have a surplus account and then another receptacle for loot called a super-surplus account. There was swept for the year 1920 into the surplus account \$78,168,287 and into the super-surplus account \$6,747,727. The remainder went as a franchise tax, so called, to the Government. In a subsequent chapter you will read of this franchise tax chimera.

The total surplus of the twelve Federal Reserve Banks at the close of 1920, after they had sand-bagged out a profit of 160.7 per cent upon their paid in capital for that year, amounted to the stupendous total of \$202,036,367 upon a paid in capital of \$94,234,000 or 214.8 per cent—accumulated in practically but six years of operations!

Shylock was a pure philanthropist, the Rothschilds and J. P. Morgan & Co. are just alms givers compared with these gigantic toll takers on industry's pike.

Do you know or do you know anybody who does know, or have you a friend who knows of anybody who knows of any such gigantic banking predacity on earth? The people through their ownership of the member banks in the Federal Reserve System provide the capital—commandeered from them—for these Federal Reserve octopi. Why should they be restricted to a 6 per cent dividend when these Federal Reserve Banks "earned" 160 per cent or over 25 times as much? How do you like to have your money comman-


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deered for capital and get for one year less than one dollar out of twenty-five dollars made? Is that "democratizing" banking or is it bourbonizing banking? Is that "emancipating credit" or is it shackling it with you wearing the shackles? Can any sane or honest man—outside the ranks of its lolling beneficiaries—defend any such division of profits as fair or just or equitable? In this banking the lamb (the people) and the lion (the Federal Reserve System) lie down together—with the lamb inside the lion! But you say you're not a stockholder in any of the commandeered Banks of the Federal Reserve System and aren't hurt. Very well then. But the chances are that you are a depositor in one of those member banks and you are furnishing the Federal Reserve System with a part of its huge conscripted reserve deposits with no interest paid on them. If member banks were getting the interest they should get from these octopi they could pay you more interest than they do pay you.

The fact is that the real owners of the commandeered capital and of the conscripted deposits get the "rind" only of the huge "melon" when it's cut. The juicy interior of the "melon" goes to the Federal Reserve bureaucrats and to their money-masters who batten and fatten and thrive on the pillagement of real production.

CHAPTER VII

HOW THE LOOT IS GATHERED

 MEASURE now the reservoir of liquid capital—the hugest on this planet—siphoned into the coffers of the Federal Reserve System. The first pool comes from the capital of upwards of \$100,000,000 commandeered at 6 per cent interest from the member banks. That is but a little pond or lakelet. Then there comes the ocean of money, over \$1,800,000,000 conscripted at no per cent interest as reserve deposits from the member banks. This capital and these deposits—almost \$2,000,000,000—are held practically in perpetuity. It is the hugest reservoir of liquid money on earth, it costs its manipulators and managers and controllers not one red cent of their own money and only a petty 6 per cent on a petty \$100,000,000 of the gigantic sum. In other words, for an interest charge of practically \$6,000,000 a year the Federal Reserve System gets the use of practically \$2,000,000,000 or \$2,000,000,000 at the absurd interest charge of three-tenths of one per cent!

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That is what it really costs the money masters, the Invisible Empire of the U. S. A. and the Federal Reserve System—three-tenths of one per cent—for the practical control in perpetuity of the mightiest mass of liquid wealth ever massed on earth! Look at this in cold blood! Figure what it would mean to you if you could get the use of a petty \$100,000 at three-tenths of one per cent interest! Then figure what it means to them to have the use of 20,000 times \$100,000 at three-tenths of one per cent interest. Gives you an attack of vertigo, doesn't it?

Member banks and their stockholders and depositors furnish this titanic amount of practically \$2,000,000,000 at three-tenths of one per cent interest and then member banks are graciously permitted to borrow from the Federal Reserve System *their own money* at rates varying from *six to eighty-seven and one-half per cent per annum*. Impossible, you say? Not even organized Federal Reserve banditry, not even Amalgamated Shylockery, would have the supernal gall to so sand-bag productive industry?

Here are the figures taken from the records of the Federal Reserve Bank at Atlanta, from the records of the Federal Reserve Board at Washington and from the records of the Comptroller of the Currency at Washington. The Governor of the Federal Reserve Bank at Atlanta, the Governor of the Federal Reserve Board at Washing-

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ton and the Comptroller of the Currency at Washington—each of them and all of them—are hereby challenged to refute or question their absolute correctness and authenticity.

In a small town in Alabama was struggling a small National Bank. Its capital was \$25,000 and its surplus was \$12,500. It was a compulsory customer of the Federal Reserve Super-Shylockery sucking blood at Atlanta, Georgia. Its money had been commandeered by law to buy stock in the Super-Shylockery. Its reserve deposits had been conscripted by law to feed pap to the same parasite. It served the cotton industry—the breath of industrial life in its territory. Its name is not given because identification might work it great harm—but the Federal Reserve Oligarchs know its identity. Don't you ever doubt it.

This little National Bank in Alabama was in the grip of the Federal Reserve Octopus. It had to move the cotton crop in its territory. Farmers, planters, merchants—and in short, all industry in its territory including its own salvation—depended on the moving and on the marketing of the cotton crop. It was “root hog or die” and this little bank rooted and was looted precisely in this wise: It had to borrow from the Federal Reserve Super-Shylockery at Atlanta. It had no other house of refuge. It had to borrow something over \$100,000 from the Federal Reserve

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Bank at Atlanta and for the week's period ending on July 31, 1920, it was charged and it paid as high as *thirty-one per cent per annum interest!* Two months later when its loan reached as high as \$115,000 it was charged and it paid as high as *eighty-seven and one-half per cent per annum interest* to this subter-human super-Shylock. For the two weeks ending on September 30, 1920, it was borrowing an average of \$115,211. Two weeks' interest at six per cent would have been \$288, but the records show that this little bank paid the Federal Reserve Pawnbrokery at Atlanta for interest on that amount for that time \$2,189—running all the way from six to *eighty-seven and one-half per cent per annum!* The actual average time for this loan for that two weeks' period was almost exactly at the rate of *forty-five per cent per annum*, or at the rate of \$51,884 per year for the use of \$115,211! In about nine months that loan of \$115,211 at that rate would have eaten up the capital and surplus of that little Alabama National Bank. Was that banking or was it putrid pawnbrokery? Oughtn't the Federal Reserve Bank at Atlanta to put the three ball sign of pawnbrokery over its portals?

And yet you read subsidized headlines sprawled athwart the columns of a lick-spittle press about "Agricultural Interests Fostered by Federal Reserve Banks" and "Farmers Aided by Federal Reserve System" and messes of the like "bull" and

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“bunk” fed out by paid press agents and absorbed by a befooled people chained to such pawnbrokery! “Aided” by a sandbag! “Fostered” by pawnbrokery thuggery! It’s enough to make a “kike” pawnbroker sob and moan at his soft-heartedness. It’s enough to make Olomon Solomon Levi pull down his three balls and wail in the Synagogue!

Later on and for what real reason no one knows—except that it wasn’t from soft-heartedness—a portion of the usurious loot was disgorged by the Atlanta Federal Reserve pawnbrokery. That isn’t really interesting. What is really interesting is the super-supernal and subter-brutal gall to first extort it. Many a usurer when caught and cornered has disgorged loot—that’s as old as usury. Jesse James’ press agent could boast of as much. When grilled on this interesting subject the multi-initialed Governor Harding of the Federal Reserve Board chittered and chattered about “basic lines of credit” and “progressive rates of interest,” but that doesn’t chlorinate such sandbagery. Any pawnbroker can mutter and mumble such phrases.

When a bank has to pay up to *eighty-seven and a half per cent* interest you can imagine what its customers must pay it.

And at the very time—during these very two weeks ending September 30, 1920—when this little Alabama National Bank right at the door of real

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production was being charged those Shylock rates for a paltry loan, banks in New York were getting as high as \$100,000,000 handed out to them at from *five to seven per cent*. And yet you read about the Federal Reserve System "equalizing interest rates," "emancipating credit" and the like bunk! Why, it's enough to make Shylock and Pecksniff rend their cerements and jump from their graves and have another try at extortion and at applied hypocrisy. A difference of *eighty per cent per annum* between New York City—where nothing but parasitism is grown—and Alabama—where real wealth of real cotton grows—is some difference, isn't it? And the eighty per cent difference coddles parasitism and penalizes production. This isn't the only sandbaggery of extortion perpetrated by the Federal Reserve oligarchy. But it's a pretty good example, isn't it?

Now take a look at the twelve regional pawn-brokerages for the year 1921 in the order of their pillagements. Here they are:

Location	Paid in Capital	Net Earnings
Atlanta	\$4,189,500	131.18%
Chicago	14,307,000	101.31%
New York	27,114,000	96.23%
Minneapolis	3,569,000	88.21%
Richmond	5,428,500	80.94%
Kansas City	4,570,500	66.86%
San Francisco	7,374,500	66.72%
St. Louis	4,603,000	64.13%

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Philadelphia	8,736,500	61.11%
Cleveland	11,134,000	56.44%
Boston	7,935,500	53.94%
Dallas	4,203,000	38.40%
<hr style="width: 50%; margin: 0 auto;"/>		
Total	Capital \$103,165,000	Average 79.56%

You would expect to find—from the facts set forth in the first part of this chapter—that the most conscienceless of these gentry, the Atlanta super-Shylockery, would show the hugest pile of pillage, and it does! On a paid in capital of \$4,189,500, it vampired and blood-sucked out a net profit of \$5,496,000, or 131.18 per cent. What the other vampires blood-sucked out you can read from the above table. You know the net earnings made by banks where you live. You know that a net earning of 12 per cent is a large one, but here—in a year of general disaster and of huge losses—you have an average net earning for these twelve vampires of production of 79.56 per cent or over six times the average net earnings of National Banks for a long term of years!

Ask yourself if this enormous net earning percentage, made out of commandeered capital and out of conscripted deposits, isn't outside the realm of banking and in the realm of unconscionable vampire pawnbrokery? Ask yourself—in a land where pawnbrokers are licensed and restricted to two to three per cent a month or 24 to 36 per cent per year—if 79.56 per cent per year

HOW THE LOOT IS GATHERED

doesn't brand such a system as outrageous Shylockery?

But that isn't the worst of it. Before making these net earnings this Federal Reserve System sandbagged out an "expense account" of \$36,066,065, or an average of \$3,005,083 for each regional pawnbrokery. The most reckless expense squandermaniac was the New York sandbaggery with an expense account of \$8,167,780, and the most economical was the Minneapolis satrapy with an expense account of \$1,325,867. In a succeeding chapter reference will be made to these expense orgies. But ask yourself if, in a year of commercial disasters and of enforced economies, such leviathan expenses aren't an outrage? Ask yourself if such squandermania—imposed upon the producers of real wealth—by bureaucratic pillagement isn't alone and in itself an alarm clock?

Here is a table showing the location, the capital and the piled up pillagements of these twelve regional pawnbrokereries:

Location	Paid in Capital	Surplus Percentage
New York	\$27,114,000	222
Atlanta	4,189,500	217.6
Kansas City	4,570,500	211
Minneapolis	3,569,000	209.2
Boston	7,935,500	207.8
San Francisco	7,374,500	206.2
Philadelphia	8,736,500	205.4

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St. Louis	4,603,000	204
Cleveland	11,134,000	203.2
Richmond	5,428,500	203.2
Chicago	14,307,000	202.8
Dallas	4,203,000	176
<hr style="width: 50%; margin: 0 auto;"/>		
Total	\$103,165,000	Average 209

Upon this capital (commandeered at a petty 6 per cent) and from its gigantic deposits (conscripted at no per cent) this super-vampire Federal Reserve System has in a few brief years—after paying stupendously extravagant expense accounts—piled up an accumulated pillage of \$215,523,000. Do you know or do you know of anybody who does know—outside the magic circle of Hebraic pawnbrokery pillagement—of any such banking pillagement for the years 1914-1921, inclusive?

And incidentally these mazuma monarchs have \$42,231,240 invested in the palatial emporiums where they ply their traffic and gild their pills of pillage—to which reference will later be made.

Why don't you find these facts elsewhere? Why have they been hidden from you? Why doesn't the "Independent Press"—about as "independent" as a shackled slave—blazon them forth? Why don't editors of "Fearless Magazines"—about as "fearless" as a galley slave at the oars—ring the tocsin of alarm? Learn why here and now. Because in plain Americanese, they haven't the

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“guts.” These Federal Reserve money despots have the press of this land “buffaloed” and “hog-tied”—and “hog”-tied is particularly right too. Through their credit channels these Federal Reserve despots have a strangle hold on the banks and on the advertisers of the U. S. A. and the banks and the advertisers have a strangle hold on the press and there you are! Federal Reserve propaganda tinted and tainted with the extract of gold is published by the yard. But the real facts, the interesting details of pillage are all surrounded by Maxim silencers!

The next chapter will tell you of the Partiality of the Pillage.

CHAPTER VIII

THE PARTIALITY OF THE PILLAGE

HERE is the idea. For reasons best known to themselves Federal Reserve Oligarchs penalize production and favor parasitism. Who are really entitled to the largest loans from the huge storage or reservoir of Federal Reserve money? Why, the real producers of the real wealth, the agricultural interests in the U. S. A. Have they had it? They have not. Look at the figures—official, please remember—as of January 1, 1920, when the Federal Reserve “Drastic Deflation” Drama was beginning to be staged.

At this time the Federal Reserve Bank of Atlanta was lending to all its member banks in the States of Georgia, Florida, Alabama and parts of Louisiana, Tennessee and Mississippi a total of \$88,000,000 and had “bought paper” to a total of \$16,000,000—and that included some \$10,000,000 which it was loaning to other Federal Reserve Banks, principally in the North for speculative

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loans. Mark that down—\$94,000,000 of loans covering that enormous area of production.

At this same time the Federal Reserve Bank of St. Louis was lending to all its member banks covering the greater part of Missouri, Arkansas and parts of Illinois, Indiana, Kentucky and Mississippi \$80,000,000 and had \$31,000,000 of bought paper—including \$20,000,000 taken from other Federal Reserve Banks. Mark that down—\$91,000,000 of loans in that area of production.

At this same time the Federal Reserve Bank of Kansas City was lending all its member banks in Kansas, Nebraska, parts of Missouri, Oklahoma, Wyoming and Colorado \$88,000,000 and had \$17,000,000 of bought paper. Mark that down—\$105,000,000 of loans in that fertile area of production.

At this same time the Federal Reserve Bank of Dallas was lending to all its member banks in all of Texas, parts of Oklahoma, Louisiana, New Mexico and Arizona \$57,000,000 and had \$6,000,000 of bought paper. Mark that down—\$63,000,000 of loans in that vast area.

At this very time, in January, 1920, one huge speculative bank in New York City was borrowing of the New York Federal Reserve Bank \$130,000,000! This one New York Bank—catering to speculators, to money masters, to “corner” builders and to “high financiers,” not even remotely connected with the real production of

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real wealth—was borrowing more money from the New York Federal Reserve Bank than the Federal Reserve Bank of Atlanta or of St. Louis or of Kansas City or of Dallas was lending to their member banks in their huge areas of real production of real wealth! And not only that, but at that very time the Federal Reserve Bank of New York was borrowing of other Federal Reserve Banks \$100,000,000 to hurl into the New York maelstrom of speculation!

And not only that, but at that very time all the money which all the twelve Federal Reserve Banks in the U. S. A. were lending on agricultural and live stock paper to the 9,000 member banks in the 48 states of the U. S. A. amounted to the pitiful and piffling sum of but \$51,068,000—not one-half of the amount borrowed by one speculative bank in New York from the New York Federal Reserve Bank. At that time agricultural interests, particularly in the South, and live stock interests all over the land were beseeching the Federal Reserve Oligarchy for money and beseeching in vain.

Take another look at the official figures for the month of November, 1920. At this time the real producers of real value—in the West and the Northwest and in the South and the Southwest—were gasping for money and credit. Bear in mind that their property, their production and their toil forms the real foundation for the vast

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superstructure of American wealth. Where you find a lily-fingered parasite lolling in a mahogany-eyrie of splendor and gambling with money—the tokens of production—you find a battalion of real producers in the great stretches of America toiling to produce real values. If there is to be any discrimination, if there is to be any partiality shown by the overlords of the Federal Reserve System, it ought to favor production of real wealth, and not parasitism gambling with its proceeds. When there was this drouth of credit and money where real wealth is made, how was the Federal Reserve System opening its irrigation gates of money? It shut them in production's face and opened them wide at parasitism's demands.

At this very time—in the middle of November, 1920—one speculative bank in New York borrowed \$134,000,000 from the Federal Reserve Bank in New York, or \$20,000,000 more than the Federal Reserve Bank of Kansas City was lending to the 1,091 member banks in the Tenth Federal Reserve District.

Another speculative bank in New York borrowed from the Federal Reserve Bank in New York \$40,000,000 more than the Federal Reserve Bank in Minneapolis was lending to its 1,000 member banks in Minnesota, North Dakota, South Dakota, Montana and part of Wisconsin.

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Another speculative bank in New York borrowed from the New York Federal Reserve Bank \$30,000,000 more than the Federal Reserve Bank of Dallas was lending all its member banks in all its huge territory.

Another speculative bank in New York borrowed from the New York Federal Reserve Bank \$20,000,000 more than the Federal Reserve Bank of Richmond was lending to all its member banks in the Fifth Federal Reserve District.

Massing these gigantic figures in another form, the fact is that at the time four speculative banks in New York were borrowing from the New York Federal Reserve Bank an average of \$118,000,000 apiece—or practically as much money as the Federal Reserve Banks of St. Louis, Kansas City, Minneapolis, Dallas and Richmond were lending more than 4,000 member banks in 21 states comprising more than half the entire area of the United States!

If this isn't coddling parasitism and penalizing production, you find a name for it!

Millions by the hundreds for parasitical speculation, for the pounding down of prices in "short" markets in a "bear" campaign waged against real values and millions by the paltry tens only for the real producers of real wealth! If these actual figures don't batter down the "prop" of Federal Reserve propaganda about "furthering agricultural interests," nothing will. "Furthering agricul-

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tural interests" with a bludgeon! "Equalizing credits" with a meter of equality so stretched as to enwrap parasitism! If these actual figures don't convict Federal Reserve Oligarchy of the height of Pecksniffian hypocrisy it's convict-proof! Look over—and don't overlook—these figures. You can't consider them in cold blood without irresistibly concluding that Federal Reserve Oligarchy pampers parasitism, penalizes production and bestrews its gigantic resources by favoritism instead of by merit. It is obsessed by a squandermaniac prodigality for speculation and by a niggardly parsimony for real production of real wealth. It exalts the tokens of wealth and the jugglers of it far, far above its real producers. It reaches out almost limitless largess to the pinnacles of parasitism while practically starving the real makers of real wealth on whose shoulders parasitism gaily rides. It shovels out hundreds of millions for speculation and serves with an eyedropper tens of millions for production. It's unfair, unjust, inequitable and Janus-faced. It mumbles and mutters and chitters and chatters and propagandizes about "equalizing credits" and "emancipating credit," while in truth and in fact it is grossly discriminating in its credits and instead of "emancipating" credit enchains it to the golden chariot of speculative splendors! That's what it really does and that's the true tale of its Partiality of Pillage.

CHAPTER IX

THE TRAGEDY OF DRASTIC DEFLATION

YOUR money masters, the Federal Reserve Board at Washington and the twelve tentacular Federal Reserve Banks in their regional satrapies, staged in 1920 the greatest financial debacle in human history. They were, and they are, as much your money masters, as was ever a slave-holder the master of his human chattel. Your labor and the produce of your labor—in whatever capacity you worked—were, and are today, as completely under their control as was ever the labor and the production of the labor of slavery before Lincoln's Emancipation Proclamation chiseled chains. So long as you exist in the U. S. A. and the Federal Reserve System exists, the lash of these money masters will writhe over your back and you must cringe under its sting. Make no mistake about that. No sceptered king nor bedizened kaiser ever wielded a tithe of the power which rests in the cunning brains and in the ruthless edicts of these money masters.

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Here are the facts. Read first these quotations from their own lips and from their own pens which prove that these Federal Reserve oligarchs deliberately staged the greatest financial debacle in all human history. Nothing in human history approaches it for cold-blooded, wanton, ruthless slaughter of values.

“Credit must be brought under effective control.”

“The Board (meaning the Federal Reserve Board) will not hesitate to use every statutory power to regulate currency and credits.”

“Our present task therefore is to proceed with the deflation of credits as rapidly and as systematically as possible.”

If for “deflation” you read “destruction” you get the real intent and the real meaning of these ichor-veined assassins of real values. Don't let these word jugglers and these money jugglers confuse you with their lacquered language. When they say “inflation” what they really mean is increase of values and when they say “deflation” what they really mean is destruction of values.

The tragedy was staged in 1920—about fourteen months after the World War was closed—but it didn't get going good and strong until the summer and fall of 1920. After the summer had arrived, after grain and cotton were in the ground, after cattle and sheep were on the ranges, after merchants' stocks were on the shelves, after fac-

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tories had run at full capacity and after all producers and merchandisers were hopelessly committed and couldn't retrace their footsteps, the lash fell. Or to change the figure the trap wasn't sprung until every foot was within its iron ring.

The first proof of a murder is the corpse and here are the corpses of murdered values just as they were struck down by the Federal Reserve bludgeon. Look at them.

1920 . No. 3.	Chicago Corn	New Orleans Middling Cotton
January	1.47	.40
May	1.98	.40
June	1.83	.40
July	1.53	.39
August	1.53	.33
September	1.29	.27
October	.87	.20
November	.80	.17
December	.73	.14
1921		
January	.65	.14
February	.63	.13
March	.61	.11
April	.55	.11
May	.60	.11
June	.60	.11
July	.60	.11
August	.55	.12

Here you get from January, 1920, to August, 1921, when these value assassinations culminated, a corn debacle of 92 cents a bushel and a cot-

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ton debacle of 28 cents a pound. If you had known that this value assassination was en route and had "gone short" 1,000,000 bushels of corn you could have robbed the corn growers of this land of \$920,000, couldn't you? And some "high financiers" did that very thing. If you had known that cotton was going to shrink at least 28 cents a pound and had "gone short" 10,000 bales (500 pounds to the bale) you could have robbed the cotton growers of this land of \$1,400,000, couldn't you? And some high financiers did.

Take a look at some more value murders.

	Wheat No. 2 Red Winter	Wool Ohio Grades
	Chicago	
1920		
January	2.63	1.23
May	2.97	1.16
June	2.89	1.00
July	2.80	.90
August	2.47	.87
September	2.40	.83
October	2.20	.72
November	2.05	.69
December	2.01	.54
1921		
January	1.96	.54
February	1.91	.54
March	1.67	.52
April	1.38	.52
May	1.56	.50
June	1.43	.49
July	1.22	.49
August	1.23	.49

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A destruction of \$1.40 a bushel on wheat and of 74 cents a pound on wool ought to satisfy the most murderous destructionist of values, oughtn't it? You can make your own computations as to the millions coteries of "bears" could make—and doubtless did make—out of these value assassinations.

Have some more views of values on the toboggan.

	Steers at Chicago	Penn. Crude Oil
1920		
January	15.93	5.06
May	12.60	6.10
June	15.03	6.10
July	15.38	6.10
August	15.35	6.10
September	15.25	6.10
October	14.68	6.10
November	14.57	6.10
December	12.09	6.10
1921		
January	9.84	5.79
February	9.31	4.18
March	9.56	3.00
April	8.71	3.18
May	8.42	3.35
June	8.09	2.65
July	8.40	2.25
August	8.77	2.25

When you grease the toboggan with \$2.81 a barrel on oil and \$7.16 a hundred on steers you can slide a good many millions of dollars into the

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maws of foresighted "short sellers," can't you?

This panorama of value murders could be continued for pages of tables. They all tell the same story. Granulated sugar dropped in the same time from .15 cents a pound to .05 cents a pound; copper ingots from .19 cents a pound to .11 cents a pound; cotton yarn from 72 cents a pound to 25 cents a pound; pig iron from \$37.75 per ton to \$18.20 per ton; hides from 40 cents a pound to 14 cents a pound and so on down the line.

These are the corpses strewn all along America's highways of production. What was the bludgeon which hit all these commodities on the head and drove them into the pit of loss? It was the persistent, wanton, ruthless and cold-blooded calling of loans and refusal of bank credits and contraction of currency by Federal Reserve oligarchy. They said they'd do it and they did it—aplenty. Here is the bludgeon, look at it.

Their total of all loans and discounts including "bought paper" in all of the twelve Federal Reserve Shylockeries stood around from \$2,700,000,000 to \$3,000,000,000 from January to October, 1920, when the bludgeon pounded hard. Here is the bludgeon. Look at it in action.

1920	
October	\$3,099,672,000
November	2,983,103,000
December	2,974,836,000

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1921	
January	2,622,174,000
February	2,500,013,000
March	2,356,160,000
April	2,180,178,000
May	1,995,051,000
June	1,782,951,000
July	1,661,036,000
August	1,527,255,000

And from May 28, 1920, to January 25, 1922—when the slaughtered were piled the highest—the twelve Federal Reserve Shylockeries hammered and battered down their bank credits in the leviathan sum of \$2,005,149,000, or from \$2,938,031,000 to \$932,000,000! And incidentally the circulation of Federal Reserve notes contracted in the same period by the stupendous sum of \$923,020,000! So that from May 28, 1920, to January 25, 1922, the Federal Reserve oligarchy—at their will or at their whim or for hidden purposes—contracted bank credits and currency by the titanic total of \$2,928,169,000, almost \$3,000,000,000, almost 3,000 million dollars. That was the pile driver battering your values down into the mire of loss.

Take now a look at the financial corpses so slaughtered. Here they are. Look 'em over and don't overlook the hands that killed them.

In 1921 there were 19,625 business failures as compared with 6,451 in 1919, or an increase of 13,174—more than three for one. And the lia-

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bilities reached the stupendous total of \$627,401,000, an increase of \$514,000,000 over 1919, more than five for one. In the so-called panic year of 1907, the high tide of business failures, liabilities were only \$197,000,000, as against \$627,000,000 in 1921. Why, if 1907 was a "panic year," 1921 was a pandemic year!

And here is another destruction meter, absolutely infallible—the suicides. In the first six months of 1921 there were 4,527 men suicides, as against 1,810 for the same period in 1920; 1,982 women as against 961; 214 boys as against 88 and 293 girls as against 137—7,016 suicides for the first six months of 1921 as against 2,996 for the same period of 1920. The enormous increase in men suicides—over two and one-half for one—tells its own story. They came from all classes, bankers, merchants, farmers, laborers and professional men. None know how many of this enormous increase, the largest since statistics have been kept, were driven to desperation and to death from hunger, from unemployment, from the loss of life's toil or from the failure of enterprises in which they had spent their lives. No statistics can summarize human emotions, but they can tell and they do tell of the greatest holocaust of suicides ever ravaging this land—undoubtedly due to industrial tragedies staged by the cold blooded butchery of production. This much is certain. Never before in a given time

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in this land has there been such a holocaust of failures, of suicides and of unemployment. Never before in this land were such sacrifices laid on the twin altars of Moloch and of Mammon. And they precisely correspond in time with the Tragedy of Drastic Deflation!

During all this time and particularly beginning with the late summer and early fall of 1920, individuals, associations, committees and organizations representing farmers, planters, cattlemen, manufacturers, bankers and merchants—in short, representatives of all industries—were entreating and beseeching Governor Harding of the Federal Reserve Board and his associates to be more mild and more lenient and more reasonable in their drastic tragedy of destruction. They might as well have besought a cyclone or entreated a tornado or prayed to an earthquake. Cold-bloodedly, relentlessly and wantonly loans were called, extensions were refused, renewals were tabooed and bank credit put on the chopping block. The very people whose toil and whose labor and whose real wealth were building the magnificent palaces wherein these Shylockeries were housed and were paying the exorbitant salaries of these money despots were being ruined by their servants! The Federal Reserve System at that very time had a loaning ability of over \$2,000,000,000 more than it then used and not only wouldn't use it, but contracted

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its loans by \$2,005,149,000 and currency by over \$932,000,000. Instead of aiding production, it throttled it. And instead of aiding the producers of commodities to carry them it forced producers to market them at most ruinous losses! Instead of dropping the curtain on this Tragedy of Drastic Destruction, it ran it to its close! It staged the greatest debacle of blasted credit, number of failures, magnitude of liabilities, suicides and unemployment ever witnessed in this land. It did it deliberately, ruthlessly and as per program too.

Go back over these figures, all taken from official records—all undenied and undeniable—and ask yourself if ever before in human history the industries and credit of a successful nation and successful in the greatest War ever waged, too, were so butchered? These figures indict and convict the Federal Reserve System, as it has been maladministered, as the arch betrayer of a people's trust. It indicts and convicts them as juggling with the symbols of value to the destruction of real values. No sane man can read this record, frozen into Government statistics, and defend the oligarchs who made it. It never was "deflation." That is just a sonorous euphemism to disguise sandbagery. It was destruction to scores of thousands and to hundreds of thousands of the real producers of real wealth. Billions of dollars of real values were annihilated, not by the trend

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of the markets, but by artificial "bear" markets artificially created by the throttling of credit. You can't withdraw literally billions of credit and currency—almost three billions of them—the very life-blood of commerce from industry and have it thrive any more than you can tap a man's jugular vein and have him live! That's what really happened in this Tragedy of Drastic Destruction.

And upon whom did this Tragedy bear the hardest? Upon those least able to endure its fearful pressure—the farmers. Bear in mind that farming is not only the largest industry in the U. S. A., but it is the only absolutely basic industry—the keystone upon which rests the entire industrial superstructure.

Here is what this Tragedy of Drastic Deflation did to the farmer as measured for the years of 1919, 1920 and 1921.

Value in 1919	\$13,500,000,000
Value in 1920	9,000,000,000
Value in 1921	5,675,000,000

In each of these years there was practically the same acreage under cultivation, 350,000,000 acres. In 1919, farm products were worth \$39 per acre, in 1920, \$26 per acre and in 1921, \$16 per acre. Here is where the Federal Reserve credit crusher pulpified the finest—at the very foundation of all industry! The production of these basic farm products—the real foundation of all this Federal

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Reserve splendor—was practically the same in volume for these three years, but the Federal Reserve credit crusher crushed it from \$39 to \$26 to-\$16 per acre measured by its purchasing value! That's the Tragedy of Drastic Deflation in its final analysis battering down the money value of America's basic industry almost two-thirds! But the profits of the Federal Reserve System—and its exorbitant expense account and its lavish salary rolls—kept off the toboggan down which slid all the others!

CHAPTER X

THE PALACES OF THE MONSTER

FEDERAL Reserve Oligarchy houses itself most palatially. There is nothing in Government annals or in corporate prodigality private or public to anywhere approximate the absolute squandermania of Federal Reserve obsession for luxurious quarters.

If you want in your city a Post Office Building, a Federal Court Building or a Custom House Building you must lobby and beseech and petition and "trade" and pull wires in Congress until you do—or don't—get it. But it's different with Federal Reserve satraps. By merely a Federal Reserve ukase or decree or resolution or order an Aladdin's Palace arises like magic—paid for by your money. No such squandermaniac obsession has ever before been seen in this country in prodigality of buildings, in luxuriance of equipment or in splendor of quarters. And not only that, but the speed with which enormous sums have been "charged off" from building accounts

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is absolutely appalling. Take a look at some of the items of this profligacy.

The Philadelphia Federal Reserve Bank bought a building for \$600,000 and spent in "remodeling" it \$1,099,638, making a total cost to September 30, 1921, of \$1,699,638, and then "charged off" to "depreciation allowance" the enormous sum of \$1,166,848! In other words, after spending \$1,099,638 in "remodeling" its building it "charges off" for "depreciation" \$1,166,848, or \$67,210 more than it cost to "remodel" it! So that after spending \$1,099,638 on "remodeling" the whole property is worth only \$532,790, or \$67,210 less than it cost before "remodeling." Either Philadelphia real estate depreciates with lightning-like rapidity or Federal Reserve judgment isn't worth a picayune or this huge "charge out" for "depreciation" is a mere camouflage or deception. Take your choice. It's either damphoolishness or incompetency's height of deception. And that's all you can make it.

The San Francisco Federal Reserve Bank spent originally in "original investment" for a building \$520,785, spent \$232,895 for "remodeling," spent \$448,776 for "new building" operations, making a total cost to September 30, 1921, of \$1,202,456 and then "charged off" for "depreciation allowance" \$530,795, so that after spending \$681,671 on "remodeling" and new buildings on an original purchase of \$520,785, it emerges with

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a value of but \$671,661! Or in other words, after spending \$681,671 on a \$520,785 purchase it claims the gross value to be but \$671,661, or but \$150,876 more than the original purchase! Or in other words, it got but \$150,876 of value for an expenditure of \$681,671! Does San Francisco real estate depreciate as fast as that, or are Federal Reserve business oligarchs futile wastrels, or is this method of accountancy just a camouflage? Figure it out for yourself.

The St. Louis Federal Reserve Bank made an "original investment" in building of \$1,311,197, spent \$560 on "remodeling" and "charged off" \$685,000 for "depreciation allowance," emerging with a value of \$626,575 for an expenditure of \$1,311,757! Another case of swift shrinkage in value or wastrelcy in expenditure or camouflage in accountancy. Figure it to suit yourself.

The New York Federal Reserve Bank paid \$4,797,882 for its site, spent up to September 30, 1921, \$758,072 on building operations, making a total expenditure of \$5,555,954 and immediately charged off to "depreciation" the enormous sum of \$1,841,618! Did it pay too much for its site or does real estate in the heart of the greatest city on earth depreciate almost 40 per cent almost immediately after purchase? Figure it for yourself. Later on reference will be made to this New York oligarchical palace of splendor.

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Up to September 30, 1921, Federal Reserve satrapists had spent \$36,158,056 on its twelve building operations and had "charged off" as "depreciation allowance" the gigantic sum of \$6,684,213! In other words, in a very few years, and in most cases practically at once, it depreciated its own building accounts by about eighteen per cent!

Incidentally up to the same date it had spent \$3,212,349 on its Branch Bank buildings and had depreciated them by \$346,369. In its Helena Branch it made an "original investment" of \$15,000, blew in \$161,438 on the purchase and then "charged off" for "depreciation allowance" \$77,738 when it got through, or about 45 per cent on the whole transaction.

Up to September 30, 1921, Federal Reservists, including branch banks, had "reserved" \$39,370,405 of your money in building operations and had them "depreciated" by the enormous sum of \$7,030,582, or about 18 per cent, almost immediately. You are entitled to draw your own conclusions as to the necessity for these palaces, for the splendor of their equipment and for the real motive of so speedily "charging off" such enormous sums for "depreciation allowance." You are entitled to draw your own conclusions as to the wisdom of allowing a coterie of bureaucrats to spend such huge sums for their personal comfort or convenience or splendor unsupervised and unhindered.

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You are entitled to ponder on the proposition that these huge expenditures aren't obtained by legislation from Congress, but are made to suit the whim or ambition or convenience or extravagant ideas of an appointive body.

The New York Federal Reserve Bank in cost, in expenditure, in equipment, in splendors purely for the convenience of its occupants is intended to surpass any like building on earth. Its cost has been estimated at from \$17,000,000 to \$20,000,000. Its corner stone—amid speeches and plutocratic glorifications—was laid on May 31, 1922. The fees of architects and engineers alone amounted to the stupendous sum of \$1,106,000. It is intended to house 5,000 employees—about 2,500 more than it now has.

Make right here some comparisons.

In the first week of May, 1922, the loans and discounts of the New York Federal Reserve Bank amounted to \$89,956,248, and it must have a \$17,000,000 building and equipment to handle its activities. On the same date the loans and discounts of the National City Bank of New York amounted to \$506,840,494, and its bank buildings to but \$6,060,000. On the same date the loans and discounts of the National Bank of Commerce of New York amounted to \$259,165,930, and its bank building to but \$4,000,000. Figure it for yourself. It makes some difference whose money is being spent, doesn't it? Private business is one

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thing, and public business is another thing, when it comes to housing it, isn't it? Compare the volume of the loans of these banks, compare their building costs and draw your own conclusions.

In addition to veined marble and polished brass and in addition to a mass of luxurious equipment the New York Federal Reserve Bank has, or will have on completion, a beautiful auditorium, a gymnasium, a club room for men, a club room for women, and a restaurant.

It will doubtless gratify farmers on the prairies, workmen all over the land, merchants, and manufacturers and professional men to know that their toil, their efforts and their earnings are in effect being levied upon to provide this modern palace equipped with an auditorium, a gymnasium, two clubs and a restaurant.

It will doubtless gratify the stockholders in National Banks, whose money is commandeered to capitalize this leviathan, to know that their money, or its proceeds, or its earnings, is being used to erect and equip a veritable Temple of Mammon with all these attendant luxuries—which they themselves cannot afford in their places of business!

If you, who read these lines, could commandeer over a hundred millions of dollars for capital at 6 per cent and could conscript over \$1,800,000,000 of deposits at no per cent you could transact your business in a palace in the heart of New

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York with an auditorium and club rooms and a gymnasium and a restaurant, couldn't you? But as you can't commandeer your neighbor's capital nor conscript for nothing the deposits of the public, you find yourselves compelled to work and to provide the wherewithal for those who can!

You can measure these lavish expenditures for buildings and equipments and luxuries by any known measure, by volume of business, or by like buildings for like purposes and it is as clear as day that these Federal Reserve Palaces are a monument of needless extravagance and of wanton wastage—pulled off by the ukase of enthroned! bureaucracy spending “other people's money!” That's all you can make of the Monster's Palaces.

CHAPTER XI

THE MONSTER'S EXPENSES



YOU ARE going now to look over—and not overlook—the most stupendous, wasteful and exorbitant bank expense account ever entered on bank ledgers on this earth. You are going to look at the details of an expense account where the items run by millions, where expenses have no legal limit and where they are incurred, paid and audited without any supervisory authority. You are going to gaze at an expense account where the “sky is the limit.”

Take first a look at the New York Federal Reserve Bank's expense account. That one is the most arrogant, wasteful and prodigal of all the twelve regional satrapies.

In 1917 the entire salary and wages account of the New York Federal Reserve Bank was \$970,580 and their total loans and discounts were \$399,078,000. Mark that down—salaries and wages of \$970,580 and loans and discounts (which really measure the business of a bank) of \$399,-

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078,000, or \$1 of expense to every \$413 of loans and discounts.

On January 25, 1922, the salary and wages account of the New York Federal Reserve Bank was \$4,988,703, with loans and discounts of \$146,526,938, or \$1 of expense to every \$29 of loans and discounts!

Ask any practical banker, any administrative business man, any expert accountant or any efficient expert if it is possible to justify any such expense ratio. One to four hundred and thirteen in 1917 and one to twenty-nine in 1921—fourteen to one raise!

In 1917 there were 12 officers of that bank to administer loans of \$399,078,000. In 1921 there were 40 officers of that bank to administer loans of \$146,526,938. In other words, you get 28 more officers to administer a business shrunken down over sixty per cent! In other words, you get over a two hundred per cent increase in officers to administer a sixty per cent business shrinkage!

And now incidentally the pay of those 40 officers—administering a sixty per cent shrunken business—amounted to more money than the salaries of the President of the United States, the Vice President of the United States, half the United States Senate and the Governors of twelve American States besides! If that isn't bottomless bureaucratic greed expressed mathematically, you express it yourself!

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Look further into the depths of this golden pool of New York Federal Reserve expense plunderbund. You are helping pay it and you are entitled to scrutinize the salary items. Take 'em as they come.

J. Crane entered the bank at a yearly salary of \$1,080 as manager foreign department and now receives a yearly salary of \$7,500, or an increase of 594 per cent.

A. J. Lins, manager at large, entered the bank at a yearly salary of \$1,500 and now receives a yearly salary of \$10,000 or an increase of 566 per cent.

John Raasch, manager supply department, entered the bank at a yearly salary of \$1,000 and now receives a yearly salary of \$6,000, or an increase of 500 per cent.

E. R. Kenzel, deputy governor, entered the bank at a yearly salary of \$4,200 and now receives a yearly salary of \$22,000, or an increase of 423 per cent.

A. W. Gilbert, controller of administrations, entered the bank at a yearly salary of \$2,400 and now receives a yearly salary of \$12,500, or an increase of 420 per cent.

L. R. Rounds, controller of accounts, entered the bank at a yearly salary of \$2,400 and now receives a salary of \$12,500, an increase of 420 per cent.

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Chas. H. Coe, manager of the check department, entered the bank at a yearly salary of \$1,500 and now receives a yearly salary of \$7,200, an increase of 380 per cent.

W. B. Matteson entered the bank at a yearly salary of \$2,400 and now receives \$10,000, an increase of 316 per cent.

J. D. Higgins, controller of cash, entered the bank at a yearly salary of \$3,000 and now receives a yearly salary of \$12,000, an increase of 300 per cent.

S. S. Vansant, manager discount department, entered the bank at a yearly salary of \$1,500 and now receives a yearly salary of \$5,000, an increase of 233 per cent.

R. M. Gidney, controller at large, entered the bank at a yearly salary of \$4,000 and now receives a yearly salary of \$15,000, or an increase of 275 per cent.

I. W. Waters, manager personal service department, entered the bank at a yearly salary of \$2,250 and now receives a yearly salary of \$7,200, or an increase of 220 per cent.

James Rice, manager government bond department, entered the bank at a yearly salary of \$1,800 and now receives a yearly salary of \$5,500, or an increase of 205 per cent.

L. H. Hendricks entered the bank on a yearly salary of \$6,000 and now receives a yearly salary of \$18,000, or an increase of 200 per cent.

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Incidentally Benjamin Strong, the governor of the New York Federal Reserve Bank, has had his salary increased from \$30,000 per year to \$50,000 per year—more than six times the pay of a United States Senator!

Ask any corporate manager, any practical banker, or any efficiency expert if they permit, or if they know of any such stupendous salary increases—increased and maintained in a time of general disaster and enforced economies. If this isn't strutting bureaucracy running amuck with public money, what is it?

Take now a look at the total expense account—which you are helping to pay—of the Federal Reserve System for the year 1921. It amounted to the stupendous sum of \$36,066,065, or an average of \$3,005,500 for each one of the twelve regional satrapies! You can't measure it—because there is nowhere on earth any other banking expense account by which to measure it! Like an Andean peak it towers aloft in solitary splendor. But you can look at some of the items. Here they are. The New York Federal Reserve Bank heads the list of extravagance with an expense account of \$8,167,780, and the Minneapolis Federal Reserve Bank was the most modest—and not any too modest at that—with an expense account of \$1,325,867. It cost you for bank officers' salaries \$2,383,994, for clerk hire \$15,201,393, for special officers and watchmen \$789,879 and for

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“all other” \$1,102,984. What that “all other” item of \$1,102,984 really is, is deep buried in Federal Reserve archives. When you get through with bank officers, bank clerks, special officers and watchmen, you would think that included about all possible bank employees, but Federal Reserve ingenuity slips over \$1,102,984 under the cloak of “all other!”

It cost you \$7,750 for Federal Reserve Governors to “confer,” \$4,443 for Federal Reserve Agents to “confer” and \$10,522 for the Federal Advisory Council—whatever that is—to “confer.” “Conferences”—in bureaucracy—come high, don’t they? And it cost you \$168,556 to hold directors’ meetings with 173 out of 254 of them living in the same town where the bank or its branch is located. Traveling expenses cost you \$357,962—some travelers these Federal Reserve tourists are!

These bureaucratic “expenses” of a parasitical system hooked on to your banking system are stupendous, titanic, gigantic! They are indefensible—and undefended too—from any possible standpoint of efficiency, economy or necessity. Look them over in cold blood. Look over the stupendous salary raises—both in amounts and in percentages—in the New York Federal Reserve satrapy and compare them with any private business on earth. Private stockholders—not commandeered by law and not chained by act of

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Congress—would drive out any such maladministration of extravagance. You know it.

Who is responsible—directly, morally and legally responsible—for this orgy of Federal Reserve extravagance absolutely unequaled in the history of the world or in the history of banking? Why, the Federal Reserve Board at Washington is responsible. What makes them responsible? Here is the exact language. Read it. "Any compensation that may be provided by Boards of Directors of Federal Reserve Banks for directors, officers or employees shall be subject to the approval of the Federal Reserve Board." That's plain, isn't it? If the Federal Reserve Board at Washington doesn't "approve" these huge compensations, they can not be paid. It is the Federal Reserve Board at Washington—and no other authority on earth—which is responsible for the greatest orgy of expense ever strapped on the backs of staggering business. It's their ukase, it's their decree, it's their order which registers these titanic expenses—every penny of which is wrung from American producers of wealth! And they are political appointees—not elected, but appointed. The Federal Reserve Board at Washington really wields a power greater than any sceptered monarch ever swayed. At their nod or at their beck every Federal Reserve employee holds his job, for if they don't "approve" his "compensation" he can't

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attach his lips to the public teat with its golden flow of "compensation!" It's the Federal Reserve Board at Washington—unsupervised and with legally limitless power—which is responsible for this Federal Reserve expense orgy.

CHAPTER XII

WHAT THE MONSTER DOES WITH ITS LOOT



HIS chapter is going to be like a tack—short but pointed. Federal Reserve apologists—on and off the floor of Congress—when driven into their last retreat always take their final stand and make their last play in the “franchise tax” stronghold. Their assertion is in effect that no matter what may be the abuses and sandbaggeries and extravagances of this system the “big money” gets back to the Government in the shape of the mythical “franchise tax.” Here is where you get the facts precisely as they are. What became of the lootage of the Federal Reserve System for the year 1921 and what proportion of it did your Government get?

The gross takings of the Federal Reserve System—extracted from American production and industry—amounted to \$122,864,605. That's what it euphoniously calls its “earnings.” First there came out the gigantic expense account, of which you have already read, of \$36,066,065, leav-

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ing \$86,798,540, which the monster calls its "current net earnings." There is then added to this \$360,856, which in previous years had been deducted for "depreciation on U. S. Bonds," which didn't finally "depreciate." There is also added \$131,536 under an "all other" blanket—much favored in the Federal Reserve System vocabulary. You now have \$87,290,932 "current net earnings." From this are deducted \$1,251,675 for "depreciation allowance on bank premises;" \$2,861,500 for "reserve for possible losses" which probably won't occur; \$400,000 "reserve for self insurance"—whatever that is; \$49,295 "reserve for depreciation on U. S. Bonds"—which probably won't depreciate now that they have been sandbagged out of the hands of the original purchasers; \$641,237 sandbagged out under the favorite "all other" Federal Reserve blanket. Here are \$5,203,707 gone out in mere bookkeeping entries with the real money which these entries represent still in Federal Reserve custody. This leaves \$82,087,225. From this is deducted a petty \$6,119,673 dividends paid on the capital commandeered. From this is deducted \$15,993,086 to be added to the already swollen Federal Reserve Surplus Account. And there is left just \$59,974,466 for the much touted franchise tax.


If you have followed these figures you have seen that in order to get a petty "franchise tax" of \$59,974,466 into the hands of your Govern-

WHAT MONSTER DOES WITH LOOT

ment, it cost you just exactly \$62,890,139 to collect it—the precise difference between the Federal Reserve “earnings” and the amount paid into the Government. Ask yourself, is a tax of \$59,974,466, which costs \$62,896,139 to collect a “painless tax?” Is there any more painful tax levied on American industry? That’s what this ballyhooed “franchise tax” amounted to in 1921 and all it amounted to—a tax of \$59,974,466, which cost \$62,890,139 to collect!

CHAPTER XIII

THE CAMOUFLAGE OF THE MONSTER

 ON'T check your brains at the portals of the Federal Reserve "Bunking" System. That is what its touters and ballyhooers want you to do. Federal Reserve bureaucrats and its beneficiaries and its hirelings and an artfully subsidized press have really put the "prop" in propaganda.

They would have you believe—and literally hundreds of columns of inspired writings have been used to make you believe—that the Federal Reserve System is composed of twelve independent Federal Reserve Banks, each one especially devoted to fostering industry in its own regional territory.

Such is not the fact. The fact is that the Federal Reserve System is in truth a huge Central Bank, managed, manipulated, directed and operated from Washington by the Federal Reserve Board. There sits the spider and there the web is woven—spreading all over the U. S. A.—in which are enmeshed the victims.

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You can read—if you want to waste your time—oodles of language about how the Boards of Directors of these twelve Federal Reserve Banks are seated in office and how part of them are elected by member banks and how part of them are appointed by the Federal Reserve Board. You can—if you want to waste more of your time—absorb messes of artfully worded verbiage about the duties of the Boards of Directors. But it's all “gammon and spinach,” it's all artful camouflage. *The real government of the Federal Reserve Banking System and of its twelve Federal Reserve Banks and branches is in the absolute dictatorial control of the Federal Reserve Board at Washington.* It is all contained in one little joker of just thirty words. Here it is. Read it. “*Any compensation that may be provided by Boards of Directors of Federal Reserve Banks for directors, officers or employees shall be subject to the approval of the Federal Reserve Board.*” In every one of the twelve Federal Banks every director, every Governor, every one of the Deputy Governors, Federal Reserve Agents, Cashiers, Assistant Cashiers, Controllers, Secretary, Counsel, Assistant Counsel, Clerks, Stenographers, Messengers and Watchmen—in short, the whole horde of Federal Reserve bureaucratic parasites—are subject to the approval of the Federal Reserve Board at Washington because *their compensation is subject to the approval of the Federal Reserve Board.* You

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know that the hands that hold the money rule the enterprise. You know that approval or disapproval of compensation is in effect "hiring and firing." You know that "approval of compensation" is simply a euphonious bit of language or smoke screen behind which really sits an enthroned autocracy. No matter how many "conferences" are held between Governors of Federal Reserve Banks, between Federal Reserve Agents and with the Federal Advisory Council—"conferences" which during 1921 cost you \$22,716—the Federal Reserve Board at Washington is the supreme and final dictator of the personnel and of the pay of its 10,313 employees and of its 231 officers. The Federal Reserve Board as to the compensation of this horde—and hence as to its personnel—is an absolute autocracy from whose order there is no appeal! It draws its expense account from a practically bottomless treasury without let, hindrance, supervision or veto! Kaiserdom and Czardom in their palmiest days drew from no such lake of liquid gold as draws the Federal Reserve Board at Washington. Set that down on your mental tablets and proceed to the next camouflage station.

Here it is. Federal Reserve propaganda—with a practical limitless expense account to further it—would have you believe that its favored coterie of 231 officials are top notch bankers. Take a look at this as it really is. The bankers whom

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you know and with whom you do your business and to whom you entrust your money and from whom you borrow your money have taken their own money and the money of their associates and contributed the capital of their banks and put it at risk. They wager their own money that they are good bankers. They have initiative and confidence in their own ability and they prove that they have by putting up their own money before they ask you to entrust yours to their keeping. The officers of the Federal Reserve Banks don't put up a copper cent, a plugged nickel, or a thin dime of capital. The capital which they manipulate is commandeered by law for their use at a petty six per cent rate. They may charge—and they have charged—as high as eighty-seven per cent in one of their Shylockeries, but six per cent is all that those who furnish the capital can claim. In 1919 the Federal Reserve System sandbagged out of other people's money a profit of 110 per cent, in 1920 160 per cent and in 1921 79 per cent. In 1919 its stockholders received 104 per cent less than their capital really earned, in 1920 154 per cent less than their capital really earned, and in 1921 73 per cent less than their capital really earned. For the three years of 1919, 1920 and 1921 the average net profits of the Federal Reserve System were 116 per cent and the real owners of the capital were gypped legally—but none the less gypped—out of an average of 110

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per cent for each of those three years. Do you suppose that officers of any bank not legally so buttressed could "get away" with any such proposition? You know they couldn't—and hold their jobs. No body of stockholders in the U. S. A., unless legally chained, would endure a profit of 116 per cent and a dividend of but 6 per cent! And no bank officers in the U. S. A., unless legally permitted, would attempt to "put over" any such proposition. You know it. Peg that and proceed to the next proposition.

What is the absolute, final and unquestionable test of a good banker, a real top notcher in his business? It is the volume of deposits which he attracts. That is the ultimate test of his ability and integrity—the confidence he inspires in his institution as measured by the volume of money entrusted to it! That volume of deposits must be obtained, retained and increased in the face of the hottest kind of hot competition. It is the absolute ability and integrity meter of a successful banker. There is no other. Are these strutting, preening, vociferating and vociferous Federal Reserve bankers measured—or measurable—by that standard? Do they battle for their deposits and by those deposits and the volume of them win their spurs? They do not. Their mass of deposits—the largest on earth—are dumped into their banks by law, conscripted into their coffers. They are not won in competition. Fed-

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eral Reserve bankers don't prove their ability by competition—they smugly admit it. At this writing over \$1,800,000,000 of deposits are in their coffers, conscripted there as were soldiers in the World War by law!

And not only that, but that vast mass of deposits—the hugest on earth—is handed to them free of interest charge. All other banks in large American cities not only compete with each other for the deposits of country banks, but pay interest on them at a minimum of 2 per cent per annum. Federal Reserve bankers pay no interest—not even to the Government. If a National Bank wants Government deposits it must put up the unquestioned security to get them and then must pay interest on them, but Federal Reserve bankers do neither! Not much competition for Federal Reserve bankers there, is there? Peg that proposition and look at the next one.

Here it is. The loans of a bank are the life of a bank. From the interest upon them comes practically the sole earnings of a bank and upon their repayment depends the solvency of a bank. The credit department of a bank is its solar plexus. Loans must be successfully made to men engaged in every variety of industry, some secured, some unsecured and in amounts varying from a few hundreds of dollars to hundreds of thousands of dollars. In May, 1922, the loans and discounts of the National City Bank of New York amounted

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to \$506,840,494—larger by over \$200,000,000 than all the “earning assets” of the Federal Reserve Bank of New York. But there is a greater difference than even in these figures and here it is. The bulk of the loans of the Federal Reserve System are made to its member banks and require very slight, if any, credit ability. The bulk of the people in the U. S. A. are loaning money to banks—when they make their deposits—without interest and unsecured, while the Federal Reserve System is engaged largely in making loans to banks at rates up to 87 per cent and mostly secured at that! In other words, what the bulk of the people of the U. S. A. do who are bank depositors is to loan banks money for nothing or at a very low rate of interest and unsecured, while the Federal Reserve System loans the banks money often at altitudinous rates and often secured at that! Or to put it another way, Federal Reserve bureaucracy draws fabulous profits for doing practically for the banks what the people of the U. S. A. are daily doing for nothing!

Sum up some of these differences between National and State Banks and Federal Reserve parasitism.

National and State bankers put up their own capital and risk their own money. Federal Reserve bankers commandeer their capital and risk not a penny of their own.

National bankers make practically over a large term of years about 12 per cent net profits and

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Federal Reserve bankers make the most fabulous profits ever registered on bank ledgers—during the three years last past an average of 116 per cent.

National and State bankers earn their deposits in the hottest kind of competition. Federal Reserve bankers conscript their deposits—without a scintilla of effort.

National and State bankers pay interest to the Government for Government deposits and give security besides. Federal Reserve bankers pay no interest and give no security for Government deposits.

National and State bankers pay interest upon deposits of other banks. Federal Reserve bankers do not pay any interest.

The capital of National Banks is commandeered into the capital of Federal Reserve Banks at a petty six per cent and their reserve deposits are conscripted at no per cent and then they are graciously permitted to borrow their own money at altitudinous rates!

Which are really the better and more necessary bankers—the National and State bankers or the Federal Reserve System of parasitical camouflage? Which is the more necessary, the National and State bankers close to the people, bearing the risk at petty profits or the Federal Reserve bankers distant from the people bearing practically no

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risk but reaping profits which would make Shylock frenzy with envy?

Isn't the Federal Reserve System as now constituted and as now administered really a Federal Reserve "Bunking" System astutely camouflaged, smoke screened by artful propaganda and by legalized privilege and favoritism? Isn't it in truth and in fact a commandeering and conscripting monster of finance, politically manipulated, with the most extravagant salaries, buildings, expense accounts and the most fabulous profits in all human history?

CHAPTER XIV

FINAL VOLLEY AT THE MONSTER



ET right down to brass tacks and ask yourself these questions:

No. 1. Do you want a Federal Reserve System managed and manipulated from Washington by the Federal Reserve Board composed of political appointees subject to no control, supervision nor oversight and in effect a mammoth Central Bank?

No. 2. Do you want capital commandeered at 6 per cent by the use of which are wrung out profits as high as 160 per cent?

No. 3. Do you want deposits—over \$1,800,000,000—conscripted at no per cent loaned out at interest charges as high as 87 per cent?

No. 4. Do you want to permit or allow the coercion or sandbagery of non-member State banks by the Federal Reserve System in its piratical attempts to get its checks collected for nothing? The Supreme Court of the United States frowns on such sandbagery. Do you favor it?

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No. 5. Do you want such titanic expense accounts and such altitudinous salaries paid to favored bank officers?

No. 6. Do you want such an orgy of squandermania in the erection and equipment of sumptuous palaces of pillage with its auditoriums and club rooms and gymnasium and restaurant attachments?

No. 7. Do you want to witness, or be victimized by, Debacles of Drastic Deflation with all the destructions, miseries and disasters in their wake?

No. 8. Do you want such a Partiality of Pillage whereby parasitical speculation is coddled and the necessary production of real wealth is throttled?

No. 9. Do you want such a Croesus-like hoarding of gold—now over \$3,000,000,000—which menaces the world and which deprives you of even the sight of your own money? And do you like a gold basis buried so deep that you can't even see, nor get, a stiver of it?

No. 10. Do you want a system where bank credits and bank currency—the very life blood of production and of commerce—can be arbitrarily contracted at the mere whim of a coterie of financial despots?

No. 11. Do you want pawnbrokering interest rates charged and Shylockery practiced under the aegis of your flag?

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And if you do want any or all of these things, do you want the financial destinies of your estate, of your children or of your inheritors dependent on the whim—or mayhap on the interests—of what is in reality earth's most autocratic Money-Bund?

Do you want the prosperity or adversity of the U. S. A.—the greatest Nation under Jehovah's canopy—summoned at the beck and call of the real Invisible Empire?

You know that when you hand over the financial government of a Nation to a parasitical coterie of men you hand over to them the real Government of a nation and, knowing that, do you want this autocratic Federal Reserve System continued as it is? In other words, do you want this parasitical Federal Reserve System—remote from the producers of real wealth—purely a child of astutely lobbied law in the interests of a few paltry "kings of finance" to really govern the United States by governing its money?

Do you want the very height and apex of Special Privilege enthroned and sceptered governing your Republic? Do you want to continue to be a Republic in name only, while its real destinies—through a money monopoly—are guided by coteries of Special Privileged strutting under your laws, housed in palaces of splendor paid for by you and extracting fabulous salaries from your toil? Were Washington, Jefferson, Jackson and

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Lincoln all wrong when they warned you against special privileges and the encroachments of massed wealth? Do you want unelected and politically appointed satraps parceling out and administering your Nation in twelve satrapies? Do you want your Government to continue its abdication of finance and to continue to be but a mere puppet in the hands of an organized Money-Bund?

Oughtn't this Federal Reserve "Bunking" System—which has the U. S. A. buncoed and chloroformed out of its financial independence—to be curbed, humanized, restrained, limited and governed instead of devouring the substance of its creators, the people? When the misbranded "emancipator of credit" becomes the destroyer of credit, oughtn't the destroyed to emancipate themselves? When an arrogant creature overrides and oppresses its creators, oughtn't it to be sternly regulated or destroyed?" When you were befooled into creating the Federal Reserve System, did you create a Frankenstein monster for your own industrial destruction?

Don't you want this parasite curbed ere it throttles to death the sturdy tree of American production about which it has entwined its throttling tentacles? Really, don't you?

End

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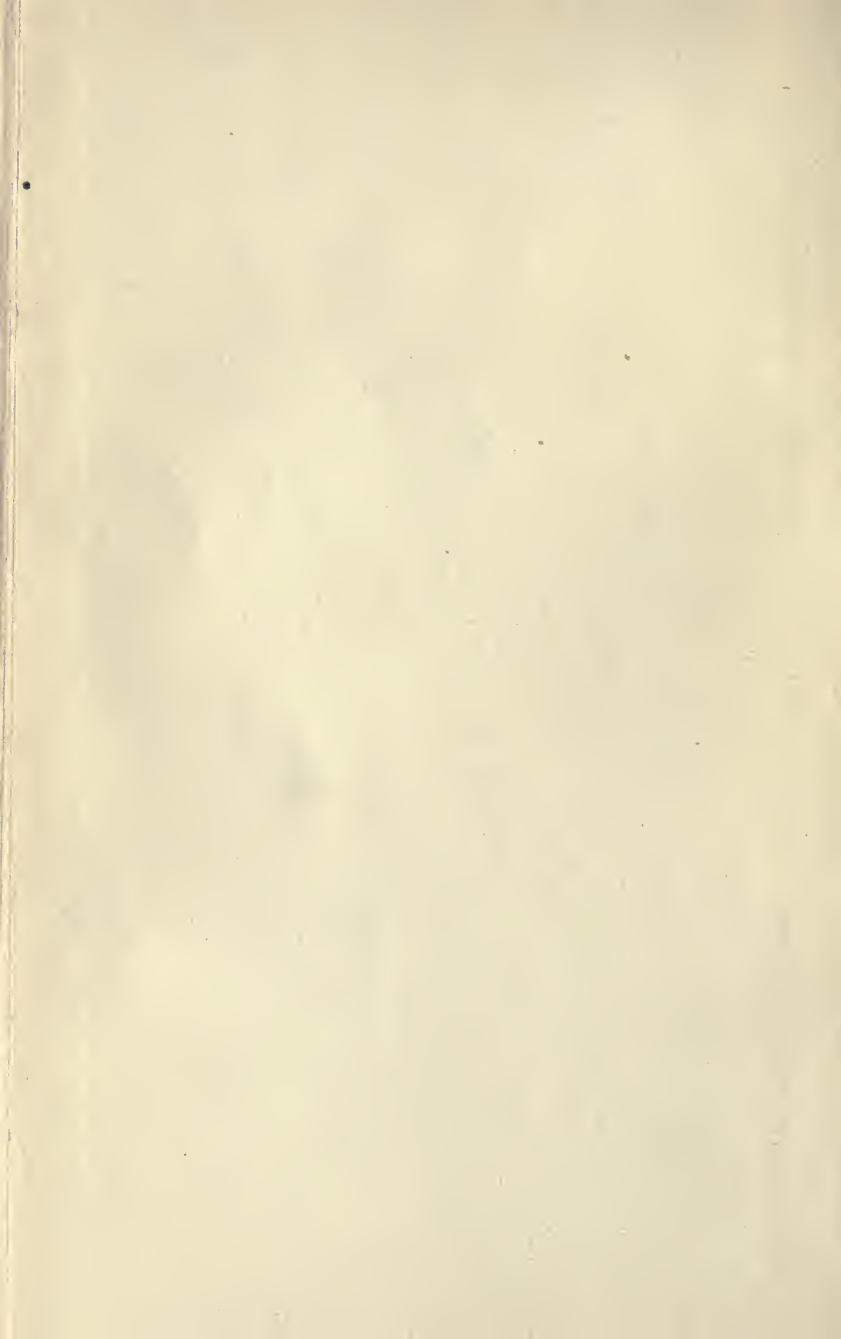
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