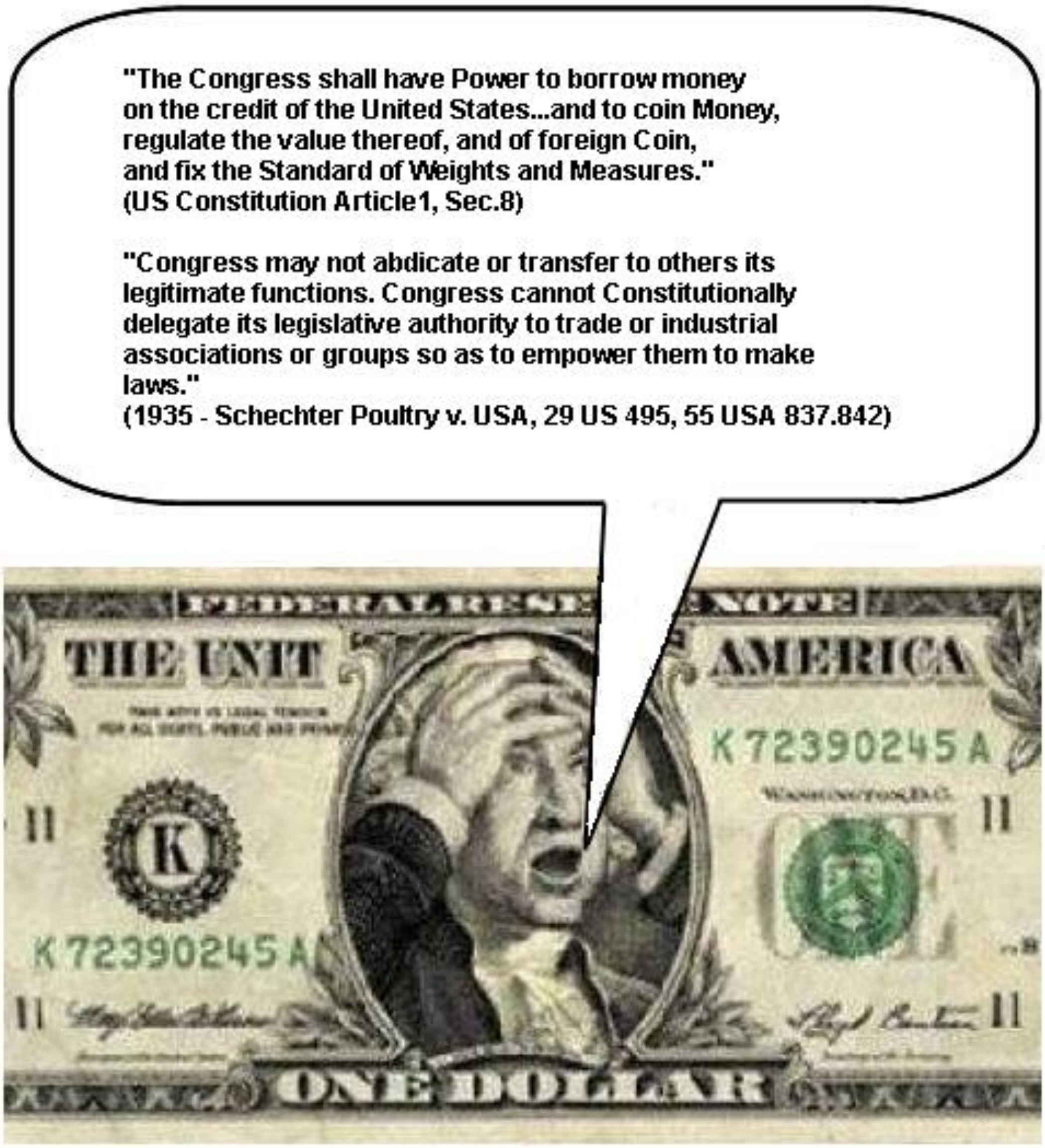
Letter from Jekyll Island

by

William Shepherd



a cesc dispatch

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Letter from Jekyll Island by William Shepherd [1]

PART I: November 1910

In the night of November 22, 1910, a group of newspaper reporters stood disconsolately in the railway station at Hoboken, New Jersey. They had just watched a delegation of the nation's leading financiers leave the station on a secret mission. It would be years before they discovered what that mission was, and even then they would not understand that the history of the United States underwent a drastic change after that night in Hoboken.

The delegation had left in a sealed railway car, with blinds drawn, for an undisclosed destination. They were led by Senator Nelson Aldrich, head of the *National Monetary Commission*.

President Theodore Roosevelt had signed into law the bill creating the *National Monetary Commission* in 1908, after the tragic *Panic of 1907* had resulted in a public outcry that the nation's monetary system be stabilized.

Aldrich had led the members of the *Commission* on a two-year tour of Europe, spending some three hundred thousand dollars of public money. He had not yet made a report on the results of this trip, nor had he offered any plan for banking reform.

Accompanying Senator Aldrich at the Hoboken station were his private secretary, Shelton; A. Piatt Andrew, *Assistant Secretary of the Treasury*, and *Special Assistant* to the *National Monetary Commission*; Frank Vanderlip, president of the *National City Bank of New York*; Henry P. Davison, senior partner of *J. P. Morgan Company*, and generally regarded as Morgan's personal emissary; and Charles D. Norton, president of the Morgan-dominated *First National Bank of New York*.

Joining the group just before the train left the station were Benjamin Strong, also known as a lieutenant of J. P. Morgan; and Paul Warburg, a recent immigrant from Germany who had joined the banking house of *Kuhn, Loeb and Company, New York* as a partner earning five hundred thousand dollars a year.

Six years later, a financial writer named Bertie Charles Forbes (who later founded the *Forbes Magazine*; the present editor, Malcolm Forbes, is his son) wrote:

"Picture a party of the nation's greatest bankers stealing out of New York on a private railroad car under cover of darkness, stealthily heading hundreds of miles South, embarking on a mysterious launch sneaking onto an island deserted by all but a few servants, living there a full week under such rigid secrecy that the names of not one of them was once mentioned lest the servants learn the identity and disclose to the world this strangest most secret expedition in the history of American finance." *(Photo right: Hoboken Ticket Hall)*

"I am not romancing; I am giving to the world the real story of how the famous *Aldrich Currency Report*, the foundation of our new currency system, was written...the utmost secrecy was enjoined upon all.

The public must not glean a hint of what was to be done. Senator Aldrich notified each one to go quietly into a private car of which the railroad had received orders to draw up on an unfrequented platform. Off the party set."

"New York's ubiquitous reporters had been foiled. Nelson (Aldrich) had confided to Henry, Frank, Paul and Piatt that he was to keep them locked up at Jekyll Island, out of the rest of the world, until they had evolved and compiled

[1] The text of the *Letter from Jekyll Island* by William Shepherd draws heavily on the 1949-1951 research of Eustace Mullins and on the first three chapters of the 1991 edition of *The Secrets of the Federal Reserve* (ISBN 978-0-9799176-5-3)...an updated version of *Mullins on the Federal Reserve*, commissioned in 1948 by Ezra Pound while a political prisoner of the United States Government at St. Elisabeth's Hospital in Washington DC…a Federal institution for the insane…and published by John Kasper and David Horton in a small edition in 1952…see *The Federal Reserve Story* by William Franklin. The complete list of contents of *The Secrets of the Federal Reserve* is: (1) Jekyll Island; (2) The Aldrich Plan; (3) The Federal Reserve Act; (4) The Federal Advisory Council; (5) The House of Rothschild; (6) The London Connection; (7) The Hitler Connection; (8) World War One; (9) The Agricultural Depression; (10) The Money Creators; (11) Lord Montague Norman; (12) The Great Depression; (13) The 1930's; and (14) Congressional Exposé.

a scientific currency system for the United States, the real birth of the present *Federal Reserve System*, the plan done on Jekyll Island in the conference with Paul, Frank and Henry. Warburg is the link that binds the Aldrich system and the present system together. He, more than any one man, has made the system possible as a working reality." [2]

The official biography of Senator Nelson Aldrich states: "In the summer of 1910, six men went out to shoot ducks. Aldrich, his secretary Shelton, Andrews, Davison, Vanderlip and Warburg. Reporters were waiting at the Brunswick (Georgia) station. Mr. Davison went out and talked to them. The reporters dispersed and the secret of the strange journey was not divulged. Mr. Aldrich asked how he had managed it and he did not volunteer the information." [3]

Davison had an excellent reputation as the person who could conciliate warring factions, a role he had performed for J. P. Morgan during the settling of the *Money Panic of 1907*. Another Morgan partner, T.W. Lamont says: "Henry P. Davison serves as arbitrator of the Jekyll Island expedition." [4]

From these references, it is possible to piece together the story. Aldrich's private car, which had left Hoboken station with its shades drawn, had taken the financiers to Jekyll Island, Georgia. Some years earlier, a very exclusive group of millionaires, led by J.P. Morgan, had purchased the island as a winter retreat.

They called themselves the *Jekyll Island Hunt Club*, and, at first, the island was used only for hunting expeditions until the millionaires realized that its pleasant climate offered a warm retreat for the rigors of winters in New York, and began to build splendid mansions, which they called 'cottages', for their families' winter vacations.

The club building itself, being quite isolated, was sometimes in demand for stag parties and other pursuits unrelated to hunting. On such occasions, the club members who were not invited to these specific outings were asked not to appear there for a certain number of days. Before Nelson Aldrich's party had left New York, the club's members had been notified that the club would be occupied for the next two weeks.

The *Jekyll Island Club* was chosen as the place to draft the plan for control of the money and credit of the people of the United States, because of its isolation and because it was the private preserve of the people drafting the plan.

(Photo left: Jekyll Island Clubhouse)

On May 3, 1931, *The New York Times*, commenting on the death of George F. Baker, a close associate of J.P. Morgan's wrote: "…the *Jekyll Island Club* has lost one of its most distinguished members."

One-sixth of the total wealth of the world was represented by the members of the *Jekyll Island Club*. Membership was by inheritance only.

The Aldrich group had no interest in hunting. Jekyll Island was chosen for the site of the preparations of the central bank because it offered complete privacy, and because there was not a journalist within fifty miles.

Such was the need for secrecy that the members of the party agreed, before arriving at Jekyll Island, that no last names would be used at any time during their two week stay. The group later referred to themselves as the *First Name Club*, as the last names of Warburg, Strong, Vanderlip and the others were prohibited during their stay.

The customary attendants had been given two week vacations from the club, and new servants brought in from the mainland for this occasion who did not know the names of any of those present. Even if they had been interrogated after the Aldrich party went back to New York, they could not have given the names. This arrangement proved to be so satisfactory that the members, limited to those who had actually been present at Jekyll Island, later had a number of informal get-togethers in New York.

Why all this secrecy? Why this thousand mile trip in a sealed railway car to a remote hunting club? Ostensibly, it was to carry out a program of public service, to prepare banking reform which would be a boon to the people of the United States, which had been ordered by the *National Monetary Commission*.

[2] *Current Opinion*, December 1916, p. 382.
[3] Nathaniel Wright Stephenson, *Nelson W. Aldrich, a Leader in American Politics*, (Chapter XXIV Jekyll Island).
[4] T. W. Lamont, *Henry P. Davison*, Harper, 1933.

The participants were no strangers to public benefactions. Usually, their names were inscribed on brass plaques, or on the exteriors of buildings which they had donated. This was not the procedure which they followed at Jekyll Island. No brass plaque was ever erected to mark the selfless actions of those who met at their private hunt club in 1910 to improve the lot of every citizen of the United States.

In fact, no benefaction took place at Jekyll Island. The Aldrich group journeyed there in private to write the banking and currency legislation which the *National Monetary Commission* had been ordered to prepare in public. At stake was the future control of the money and credit of the United States.

If any genuine monetary reform had been prepared and presented to *Congress* it would have ended the power of the elitist one world money creators. Jekyll Island ensured that a central bank would be established in the United States which would give these bankers everything they had always wanted.

As the most technically proficient of those present, Paul Warburg was charged with doing most of the drafting of the plan. His work would then be discussed and gone over by the rest of the group. Senator Nelson Aldrich was there to see that the completed plan would come out in a form which he could get passed by *Congress*, and the other bankers were there to include whatever details would be needed to be certain that they got everything they wanted, in a finished draft composed during a one-time stay.

After they returned to New York, there could be no second get together to rework their plan. They could not hope to obtain such secrecy for their work on a second journey. The Jekyll Island group remained at the club for nine days. Working furiously to complete their task. Despite the common interests of those present, the work did not proceed without friction. *(Photo right: the dunes of Jekyll Island)*

Senator Aldrich, always a domineering person, considered himself the chosen leader of the group, and could not help ordering everyone else about. Aldrich also felt somewhat out of place as the only member who was not a professional banker. He had had substantial banking interests throughout his career, but only as a person who profited from his ownership of bank stock. He knew little about the technical aspects of financial operations.

His opposite number, Paul Warburg, believed that every question raised by the group demanded, not merely an answer, but a lecture. He rarely lost an opportunity to give a long discourse designed to impress them with the extent of his knowledge of banking. This was resented by the others, and often drew barbed remarks from Aldrich.

The natural diplomacy of Henry P. Davison proved to be the catalyst which kept them at their work. Warburg's thick alien accent grated on them, and constantly reminded them that they had to accept his presence if a central bank plan was to be devised which would guarantee their future profits. Warburg made little effort to smooth over their prejudices, and contested them on every possible occasion on technical banking questions, which he considered his private preserve. 'In all conspiracies there must be great secrecy.' [5]

The 'monetary reform' plan prepared at Jekyll Island was to be presented to *Congress* as the completed work of the *National Monetary Commission*. It was imperative that the real authors of the bill remain hidden. So great was popular resentment against bankers since the *Panic of 1907* that no *Congressman* would dare to vote for a bill bearing the *Wall Street* taint, no matter who had contributed to his campaign expenses.

The Jekyll Island plan was a central bank plan, and in the US there was a long tradition of struggle against inflicting a central bank on the American people. It had begun in 1791 with Thomas Jefferson's fight against Alexander Hamilton's scheme for the *First Bank of the United States* backed by James Rothschild. It had continued with President Andrew Jackson's successful defeat in 1833 of Alexander Hamilton's scheme for the *Second Bank of the United States*, in which Nicholas Biddle was acting as the agent for James Rothschild of Paris. [6]

One outcome was the creation of the *Independent Sub-Treasury System*, which supposedly had served to keep the funds of the United States out of the hands of the financiers. A study of the panics of 1873, 1893, and 1907 indicates that these panics were the result of the international bankers' operations in London. The public was demanding in 1908 that *Congress* enact legislation to prevent the recurrence of artificially induced money panics. Such monetary

[5] Clarendon, Hist. REB. 1647.
[6] See *Andrew Jackson* by William Hall.

reform now seemed inevitable. It was to head off and control such reform that the *National Monetary Commission* had been set up with Nelson Aldrich at its head, since he was majority leader of the *Senate*.

The main problem, as Paul Warburg informed his colleagues, was to avoid the name *'Central Bank'*. For that reason, he had decided upon the designation of *'Federal Reserve System'*. This would deceive the people into thinking it was not a central bank. *(Photo below: Jekyll Island Conference Hotel)*

However, the Jekyll Island plan would be a central bank plan, fulfilling the main functions of a central bank; it would be owned by private individuals who would profit from ownership of shares. As a bank of issue, it would control the nation's money and credit.

In the chapter on Jekyll Island in his biography of Aldrich, Stephenson writes of the conference: "How was the *Reserve Bank* to be controlled? It must be controlled by *Congress*. The government was to be represented in the board of directors, it was to have full knowledge of all the bank's affairs, but a majority of the directors were to be chosen, directly or indirectly, by the banks of the association." [7]

Thus the proposed *Federal Reserve Bank* was to be 'controlled by *Congress*' and answerable to the government, but the majority of the directors were to be chosen, 'directly or indirectly' by the banks of the association. In the final refinement of Warburg's plan, the *Federal Reserve Board of Governors* would be appointed by the President of the United States, but the real work of the *Board* would be controlled by a *Federal Advisory Council*, meeting with the *Governors*. The *Council* would be chosen by the directors of the twelve *Federal Reserve Banks* and would remain unknown to the public.

The next consideration was to conceal the fact that the proposed '*Federal Reserve System'* would be dominated by the masters of the New York money market. Then *Congressmen* from the South and the West could not survive if they voted for a *Wall Street Plan*.

Farmers and small businessmen in those areas had suffered most from the money panics. There had been great popular resentment against the Eastern bankers, which during the nineteenth century became a political movement. The private papers of Nicholas Biddle, not released until more than a century after his death, show that quite early on the Eastern bankers were fully aware of the widespread public opposition to them.

Paul Warburg advanced at Jekyll Island the primary deception which would prevent the citizens from recognizing that his plan set up a central bank. This was the regional reserve system. He proposed a system of four (later twelve)

[7] Nathaniel Wright Stephenson, *Nelson W. Aldrich, a Leader in American Politics* (Chapter XXIV, Jekyll Island p. 379).

branch reserve banks located in different sections of the country. Few people outside the banking world would realize that the existing concentration of the nation's money and credit structure in New York made the proposal of a regional reserve system a delusion.

Another proposal advanced by Paul Warburg at Jekyll Island was the manner of selection of administrators for the proposed regional reserve system. Senator Nelson Aldrich had insisted that the officials should be appointive, not elected, and that *Congress* should have no role in their selection.

His Capitol Hill experience had taught him that congressional opinion would often be inimical to the *Wall Street* interests, as *Congressmen* from the West and South might wish to demonstrate that they were protecting them against the Eastern bankers.

(Photo left: A Jekyll Island 'Cottage')

Warburg responded that the administrators of the proposed central banks should be subject to executive approval by the President. This patent removal of the system from *Congressional* control meant that the *Federal Reserve* proposal was unconstitutional from its inception, because the *Federal Reserve System* was to be a bank of issue.

Article 1, Sec. 8, Par. 5 of the *Constitution* expressly charges *Congress* with "the power to coin money and regulate the value thereof." Warburg's plan would deprive *Congress* of its sovereignty, and the systems of checks and balances of power set up by Thomas Jefferson in the *Constitution* would now be destroyed.

Administrators of the proposed system would control the nation's money and credit, and would themselves be approved by the executive department of the government. The judicial department (the *Supreme Court* etc.) was already virtually controlled by the executive department through presidential appointments to the bench.

Paul Warburg later wrote a massive exposition of his plan, *The Federal Reserve System, Its Origin and Growth* [8] of some 1750 pages, but the name 'Jekyll Island' appears nowhere in this text. He does state (Vol. 1, p.58): "In November, 1910, I was invited to join a small group of men who, at Senator Aldrich's request, were to take part in a several days' conference with him, to discuss the form that the new banking bill should take. During this conference, I had my first opportunity of studying the Senator carefully, and I was deeply impressed by the earnest devotion with which he approached the subject and the untiring patience with which he applied himself to it."

Warburg does not disclose who attended this conference, or where it took place, even though it was a momentous gathering which would decide the future control of the money and credit of the people of the United States.

He continues (page 59): "But when the conference closed, after a week of earnest deliberation, the rough draft of what later became the *Aldrich Bill* had been agreed upon, and a plan had been outlined which provided for a *National Reserve Association*, meaning a central reserve organization with an elastic note issue based on gold and commercial paper."

On the following page Warburg writes, "The results of the conference were entirely confidential. Even the fact there had been a meeting was not permitted to become public." He adds in a footnote, "Though 18 years have since gone by, I do not feel free to give a description of this most interesting conference concerning which Senator Aldrich pledged all participants to secrecy."

(Photo above: Another Jekyll Island Club Accommodation)

B.C. Forbes' revelation [9] of the secret expedition to Jekyll Island had had surprisingly little impact. It did not appear in print until two years after the *Federal Reserve Act* had been passed by *Congress*; hence it was never read during the period when it could have had an effect, that is, during the *Congressional Debate* on the bill. Forbes' story was also dismissed, by those 'in the know', as preposterous, and a mere invention.

[8] Paul Warburg, *The Federal Reserve System, Its Origin and Growth* (Volume 1, p.58, Macmillan, New York, 1930).
[9] *Current Opinion*, December 1916, p. 382.

Stephenson mentions this on page 484 of his book on Aldrich:[10] "This curious episode of Jekyll Island has been generally regarded as a myth. B.C. Forbes got some information from one of the reporters. It told in vague outline the Jekyll Island story, but made no impression and was generally regarded as a mere yarn." The cover-up of the Jekyll Island conference proceeded along two lines, both of which were successful.

The first, as Stephenson mentions, was to dismiss the entire story as a romantic concoction which never actually took place. Although there were brief references to Jekyll Island in later books concerning the *Federal Reserve System*, these also attracted little public attention. Warburg's massive and supposedly definitive work on the *Federal Reserve System* does not mention Jekyll Island at all, although he does admit that a conference took place.

In none of his speeches or writings do the words *Jekyll Island* appear, with one exception. Warburg agreed to Professor Stephenson's request that he prepare a brief statement for the Aldrich biography. This appears on page 485 as part of *The Warburg Memorandum*. In this excerpt, Warburg writes, "The matter of a uniform discount rate was discussed and settled at Jekyll Island." *(Photo left: Aerial view of Jekyll Island)*

Another member of the *First Name Club* was less reticent. Franck Vanderlip later published a few brief references to the conference. In the *Saturday Evening Post*, February 9, 1935, p.25, Vanderlip wrote: "Despite my views about the value to society of greater publicity for the affairs of corporations, there was an occasion near the close of 1910, when I was as secretive, indeed, as furtive, as any conspirator."

"Since it would have been fatal to Senator Aldrich's plan to have it known that he was calling on anybody from *Wall Street* to help him in preparing his bill, precautions were taken that would have delighted the heart of James Stillman (a colorful and secretive banker who was *President of the National City Bank* during the Spanish-American War, and who was thought to have been involved in getting the US into that war). I do not feel it is any exaggeration to speak of our secret expedition to Jekyll Island as the occasion of the actual conception of what eventually became the *Federal Reserve System*."

Vanderlip later wrote in his autobiography, *From Farmboy to Financier*: [11] "Our secret expedition to Jekyll Island was the occasion of the actual conception of what eventually became the *Federal Reserve System*. The essential points of the *Aldrich Plan* were all contained in the *Federal Reserve Act* as it was passed."

Professor E.R.A. Seligman, a member of the international banking family of J. & W. Seligman, and head of the *Department of Economics* at *Colombia University*, wrote in an essay published by the *Academy of Political Science*, (Proceedings, v.4, No.4, p.387-90):

"It is known to a very few how great is the indebtedness of the United States to Mr. Warburg. For it may be said without fear of contradiction that in its fundamental features the *Federal Reserve Act* is the work of Mr. Warburg more than any other man in the country.

The existence of a *Federal Reserve Board* creates, in everything but in name, a real central bank. In the two fundamentals of command of reserves and of a discount policy, the *Federal Reserve Act* has frankly accepted the principle of the *Aldrich Bill*, and these principles, as has been stated, were the creation of Mr. Warburg and Mr. Warburg alone.

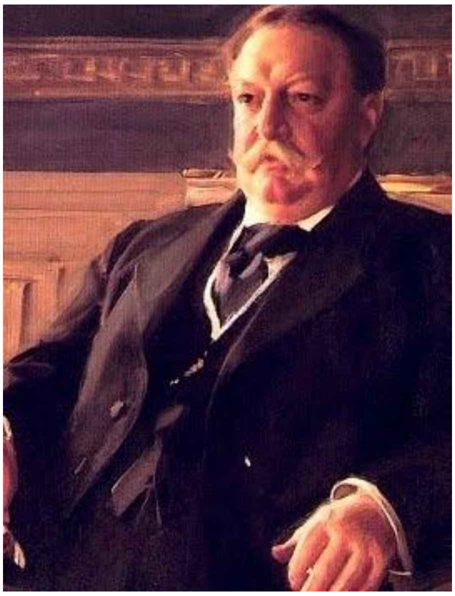
It must not be forgotten that Mr. Warburg had a practical object in view. In formulating his plans and in advancing in them slightly varying suggestions from time to time, it was incumbent on him to remember that the education of the country must be gradual and that a large part of the task was to break down prejudices and remove suspicion. His plans therefore contained all sorts of elaborate suggestions designed to guard the public against fancied dangers and to persuade the country that the general scheme was at all practicable.

It was the hope of Mr. Warburg that with the lapse of time it might be possible to eliminate from the law a few clauses which were inserted largely at his suggestion for educational purposes. In 1991 Eustace Mullins comments wryly, "Now that the public debt of the United States has passed a trillion dollars, we may indeed admit 'how great is the indebtedness of the United States to Mr. Warburg'. At the time he wrote the *Federal Reserve Act*, the public debt was almost non-existent."

[10] Nathaniel Wright Stephenson, *Nelson W. Aldrich, a Leader in American Politics* (Scribners, New York, 1930).
[11] Frank Vanderlip, *From Farmboy to Financier*.

PART II: 1910 to 1913

The *1912 Presidential Campaign* resulted in a political upset. The incumbent, William Howard Taft, was a popular president, and the *Republicans*, in a period of prosperity, held a majority in both houses. The *Democrat's* challenger Woodrow Wilson, had no national recognition, and was a stiff, austere man who excited little public support.



Both parties included a monetary reform bill in their platforms: The *Republicans* were committed to the *Aldrich Plan*…widely denounced as a *Wall Street Plan*…and the *Democrats* had the *Federal Reserve Act*. Neither party bothered to inform the public that the bills were almost identical except for the names.

In retrospect, it seems obvious that the *Jekyll Island Club* decided to dump Taft and go with Wilson. How do we know this? Taft seemed certain of re-election, and Wilson would return to obscurity. Suddenly, Theodore Roosevelt threw his hat into the ring, announcing that he was running as a third candidate. His candidacy was exceptionally well-financed and he was given unlimited press coverage…more than Taft and Wilson combined. *(Photo left: William Howard Taft)*

As a *Republican* ex-president, it was obvious that Theodore Roosevelt would cut into Taft's vote. This proved the case, and Wilson won the election. To this day, no one can say what Theodore Roosevelt's program was, or why he would sabotage his own party. Since the bankers were financing all three candidates, they would win regardless of the outcome. Later Congressional testimony showed that in the firm of *Kuhn Loeb Company*, Felix Warburg was supporting Taft, Paul Warburg and Jacob Schiff were supporting Wilson, and Otto Kahn was supporting Roosevelt.

The result was that a *Democratic Congress* and a *Democratic President* were elected in 1912 to get the central bank legislation passed. It seems probable that the identification of the *Aldrich Plan* as a *Wall Street Operation* predicted that it would have a difficult passage through *Congress*, as the *Democrats* would solidly oppose it, whereas a successful *Democratic* candidate, supported by a *Democratic Congress*, would be able to pass the central bank plan.

Taft was thrown overboard because the bankers doubted he could deliver on the *Aldrich plan*. Roosevelt was the instrument of his demise.[12] To further confuse the American people and blind them to the real purpose of the proposed *Federal Reserve Act*, Nelson Aldrich (though no longer a senator) and Frank Vanderlip, *President of the National City Bank*, set up a hue and cry against the bill. They gave interviews wherever they could find an audience denouncing the *Federal Reserve Act* as inimical to banking and to good government.

The bugaboo of inflation was raised because of the Act's provisions for printing *Federal Reserve Notes*. *The Nation* on October 23, 1913, pointed out, "Mr Aldrich himself raised a hue and cry over the issue of government 'fiat money', that is, money issued without gold or bullion at the back of it, although a bill to do precisely that had been passed in 1908 with his own name as author, and he knew besides, that the 'government' had nothing to do with it, that the *Federal Reserve Board* would have full charge of the issuing of such moneys." *(Photo right: Woodrow Wilson)*

Frank Vanderlip's claims were so bizarre that Senator Robert L. Owen, chairman of the newly formed *Senate Banking and Currency Committee*, which had been formed on March 18, 1913, accused him of openly carrying on a campaign of misrepresentation about the bill. The interests of the public, so Carter Glass claimed in a speech on September 10, 1913 to *Congress*, would be protected by an advisory council of bankers.

"There can be nothing sinister about its transactions. Meeting with it at least four times a year will be a bankers' advisory council representing every regional reserve district in the system. How could we have exercised greater caution in safeguarding the public interest?"

[12] The final Electoral College vote in 1912 was Wilson - 409; Roosevelt - 167; and Taft - 15.

Glass claimed that the proposed *Federal Advisory Council* would force the *Federal Reserve Board of Governors* to act in the best interest of the people. We now begin to understand why such a lengthy campaign of planned deception was necessary, from the secret conference at Jekyll Island to the identical 'reform' plans proposed by the *Democratic* and *Republican* parties under different names.

The bankers could not wrest control of the issuance of money from the citizens of the United States to whom it had been designated through its *Congress* by the *Constitution*, until the *Congress* granted them their monopoly for a central bank. *(Photo left: Theodore Roosevelt & Family).*

Therefore, much of the influence exerted to get the *Federal Reserve Act* passed was done behind the scenes, principally by two shadowy, non-elected persons: the German immigrant, Paul Warburg and Colonel Edward Mandel House of Texas.

In *The Strangest Friendship In History, Woodrow Wilson and Col. House*, by George Sylvester Viereck,[13] Viereck writes: "What," I asked House, "cemented your friendship?"

"The identity of our temperaments and our public policies," answered House. "What was your purpose and his?" "To translate into legislation certain liberal and progressive ideas."

House told Viereck that when he went to Wilson at the *White House*, he handed him $35,000. This was exceeded only by the $50,000 which Bernard Baruch had given Wilson.

The successful enactment of House's program did not escape the notice of other Wilson associates. In vol. 1, page 157 of *The Intimate Papers of Col. House*, House notes, "Cabinet members like Mr. Lane and Mr. Bryan commented upon the influence of Dru with the President. 'All that the book has said should be,' wrote Lane, 'comes about. The President comes to 'Philip Dru' in the end.' "[14] On page 45, Viereck notes, "Col. House looks upon the reform of the monetary system as the crowning internal achievement of the *Wilson Administration*."

PART III: December 2013

The Glass Bill (the House version of the final *Federal Reserve Act*) had passed the *House* on September 18, 1913 by 287 to 85. On December 19, 1913, the *Senate* passed their version by a vote of 54-34. More than forty important differences in the *House* and *Senate* versions remained to be settled, and the opponents of the bill in both houses of *Congress* were led to believe that many weeks would yet elapse before the *Currency Bill* would be ready for consideration. The *Congressmen* prepared to leave Washington for the annual *Christmas Recess*, assured that the *Currency Bill* would not be brought up until the following year.

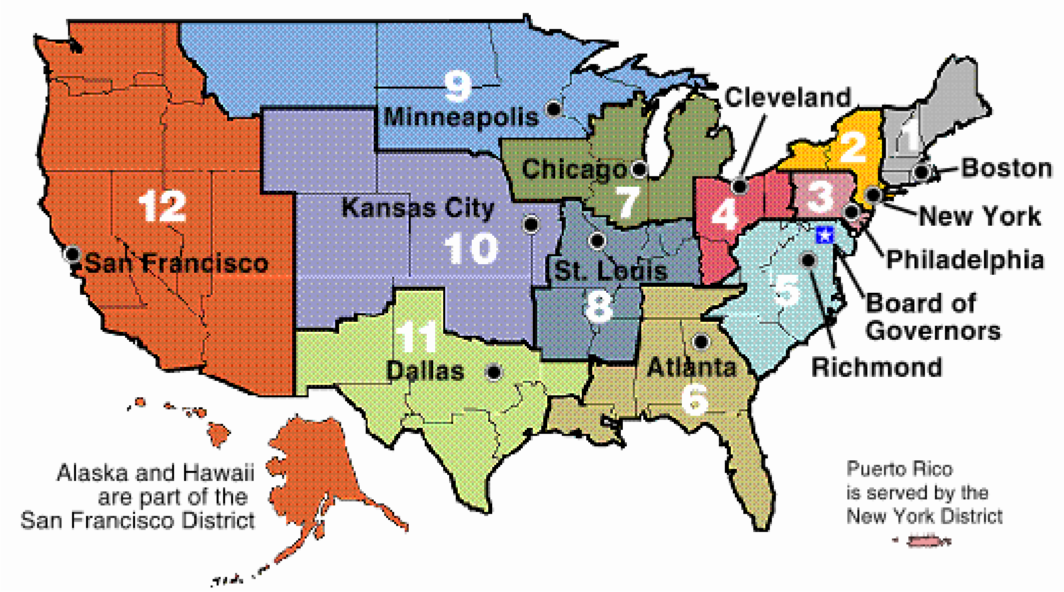
Now the money creators prepared and executed the most brilliant stroke of their plan. In a single day, they ironed out all forty of the disputed passages in the bill, and quickly brought it to a vote. On Monday, December 22, 1913, the bill was passed by the *House* 282-60 and the *Senate* 43-23.

[13] George Sylvester Viereck, *The Strangest Friendship In History, Woodrow Wilson & Col. House*, (Livright, New York, 1932).

[14] Col. Edward Mandell House, *The Intimate Papers of Col. House*, edited by Charles Seymour, Houghton Mifflin Co., 1926-28, Vol. 1, p. 157. House was to become for eight years with Wilson, the President's closest advisor. Later he continued his influence in the *Franklin D. Roosevelt Administration*. From his home in Magnolia, Mass., House advised FDR through frequent trips of Felix Frankfurter to the *White House*. Frankfurter was later appointed to the *Supreme Court* by FDR. *Philip Dru, Administrator,* was written by Col. House in 1912. In the book Philip Dru envisions himself becoming a dictator and forcing on the people his views. Eustace Mullins cites an extract from page 148 'to show House's totalitarian Marxist philosophy'. Here it is: "...they recognized the fact that Dru dominated the situation and that a master mind had at last risen in the Republic." He now assumes the title of General. "General Dru announced his purpose of assuming the powers of a dictator...they were assured that he was free from any personal ambition...he proclaimed himself Administrator of the Republic". "House imagined Dru managing to place himself in the position of the confidential advisor to the President of the United States, and then to have many of his desires enacted into law. On page 227, Dru lists some of the laws he wishes to enact as dictator. Among them are an old age pension law, laborers insurance compensation, cooperative markets, a federal reserve banking system, cooperative loans, national employment bureaus, and other 'social legislation', some of which was enacted during Wilson's administration, and others during Franklin D. Roosevelt's administration." According to Mullins, "The *FDR Administration* was actually a continuation of the *Wilson Administration*, with many of the same personnel, and with House guiding the administration from behind the scenes."

On December 21, 1913, *The New York Times* commented editorially on the act, "*New York Will Be on a Firmer Basis of Financial Growth, and We Shall Soon See Her The Money Centre of the World.*"

The New York Times reported on the front page, Monday, December 22, 1913 in headlines: *Money Bill May Be Law Today - Conferees Had Adjusted Nearly All Differences at 1:30 This Morning - No Deposit Guarantees - Senate Yields on This Point But Puts Through Many Other Changes.* *(Photo below: Federal Reserve Regions)*



"With almost unprecedented speed, the conference to adjust the *House* and *Senate* differences on the *Currency Bill* practically completed its labors early this morning. On Saturday the Conferees did little more than dispose of the preliminaries, leaving forty essential differences to be thrashed out Sunday. No other legislation of importance will be taken up in either *House* this week. Members of both houses are already preparing to leave Washington."

'Unprecedented speed', says *The New York Times*. One sees the fine hand of Paul Warburg in this final strategy. Some of the bill's critics had already left Washington. It was a longstanding political courtesy that important legislation would not be acted upon during the week before Christmas, but this tradition was rudely shattered in order to perpetrate the *Federal Reserve Act* on the American people.

The Times buried a brief quote from Congressman Lindbergh [15] that "the bill would establish the most gigantic trust on earth," and quoted Representative Gurney of Maine, a *Republican* on the *House Banking and Currency Committee*, that "This is an inflation bill, the only question being the extent of the inflation."

Congressman Lindbergh said on that historic day, to the *House*: "This Act establishes the most gigantic trust on earth. When the President signs this bill, the invisible government by the *Monetary Power* will be legalized. The people may not know it immediately, but the day of reckoning is only a few years removed. The trusts will soon realize that they have gone too far even for their own good. The people must make a declaration of independence to relieve themselves from the *Monetary Power*. This they will be able to do by taking control of *Congress*."

[15] Charles August Lindbergh Sr. (born Carl Månsson; January 20, 1859 - May 24, 1924) was a United States Congressman from Minnesota's 6th congressional district from 1907 to 1917. He opposed American entry into World War I, and the *1913 Federal Reserve Act*. Lindbergh was born Carl Månsson, in Stockholm, Sweden, to Lovisa Carlén, the 19-year-old mistress of Ola Månsson, a member of the Riksdag and a bank manager. When accused of bribery and embezzlement, Ola Månsson changed his name to August Lindbergh, left his wife and seven children, and fled to the United States with his mistress and their illegitimate infant son, Carl, in 1859. Lovisa became Louisa and little Carl became Charles August Lindbergh. They settled in Melrose, Minnesota, and had six more children. August worked as a farmer and a blacksmith for 26 years before marrying Louisa in 1885; he had become a widower in 1864 with the death of his first wife in Sweden. Charles August Lindbergh studied law at the *University of Michigan Law School*, graduating in 1883 and being admitted to the bar the same year. In 1887, Lindbergh married Mary LaFond, with whom he had two daughters, Lillian and Eva. Mary LaFond died in 1898. In 1901, Charles married Evangeline Lodge Land (1876–1954). They separated in 1918, their only child being the famous aviator Charles Lindbergh, who also became an antiwar leader. In 1913, Lindbergh wrote *Banking, Currency, and the Money Trust*, and in 1917 he wrote *Why is Your Country at War*?, accusing high finance for America's involvement in *World War I*. According to Eustace Mullins, plates of this book were confiscated and destroyed by Government agents. Also in 1917 Lindbergh brought articles of impeachment against members of the *Federal Reserve Board* including Paul Warburg. Lindbergh charged that the *Federal Reserve Board* members were involved "...in a conspiracy to violate the *Constitution* and laws of the United States..." Lindbergh died in Crookston, Minnesota of brain cancer.

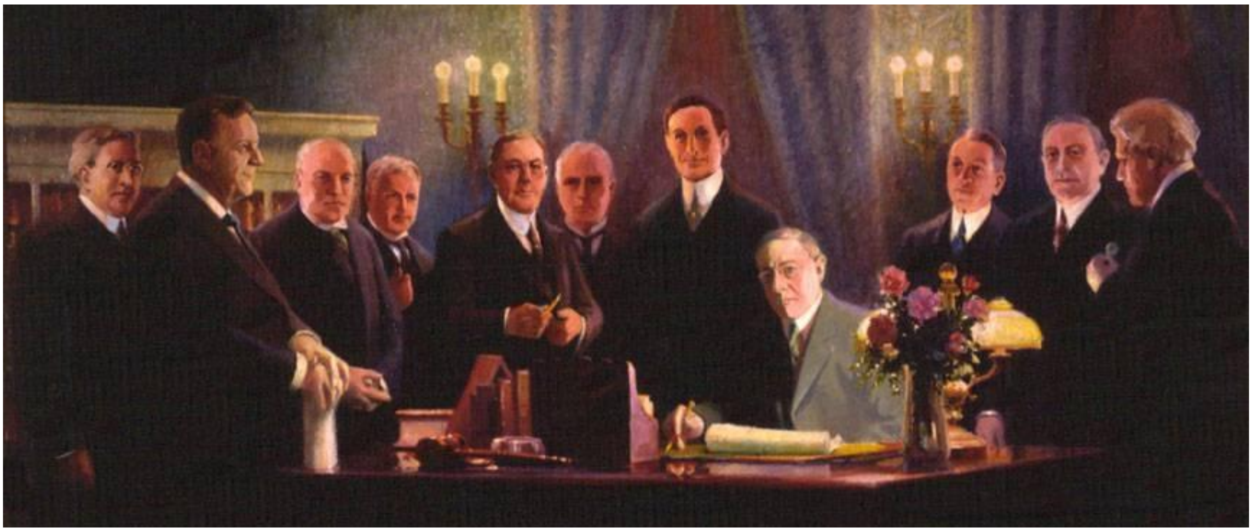
"*Wall Streeters* could not cheat us if you *Senators* and *Representatives* did not make a humbug of *Congress*...If we had a *People's Congress* there would be stability. The greatest crime of *Congress* is its currency system. The worst legislative crime of the ages is perpetrated by this banking bill. The caucus and the party bosses have again operated and prevented the people from getting the benefit of their own government."

The December 23, 1913 *The New York Times* editorially commented, in contrast to Congressman Lindbergh's criticism of the bill, "The Banking and Currency Bill became better and sounder every time it was sent from one end of the Capitol to the other. Congress worked under public supervision in making the bill."

By 'public supervision', *The Times* apparently meant Paul Warburg, who for several days had maintained a small office in the Capitol building, where he directed the successful pre-Christmas campaign to pass the bill, and where *Senators* and *Congressmen* came hourly at his bidding to carry out his strategy.

The 'unprecedented speed' with which the *Federal Reserve Act* had been passed by *Congress* during what became known as "the Christmas massacre" had one unforeseen aspect. Woodrow Wilson was taken unaware; as he, like many others, had been assured the bill would not come up for a vote until after Christmas. Now he refused to sign it, because he objected to the provisions for the selection of the *Board of Directors.*

William L. White relates in his biography of Bernard Baruch that Baruch, a principal contributor to Wilson's campaign fund, was stunned when he was informed that Wilson refused to sign the bill. He hurried to the *White House* and assured Wilson that this was a minor matter, which could be fixed up later through 'administrative processes'. The important thing was to get the *Federal Reserve Act* signed into law at once.



With this reassurance, Wilson signed the *Federal Reserve Act* on December 23, 1913. History proved that on that day, the *Constitution* ceased to be the governing covenant of the American people, and handed their liberties over to a small group of international bankers. *(Photo above: Signing the Federal Reserve Act in December 1913)*

The December 24, 1913 *New York Times* carried a front page headline *'Wilson Signs the Currency Bill!'* Below it were two further headlines, *'Prosperity To Be Free'* and *'Will Help Every Class'*. Who would object to any law which provided benefits to everyone? *The Times* described the festive atmosphere while Wilson's family and government officials watched him sign the bill. 'The Christmas spirit pervaded the gathering,' exalted *The Times*. On December 24, 1913, Jacob Schiff wrote to Col. House: "Mr dear Col. House. I want to say a word to you for the silent, but no doubt effective work you have done in the interest of currency legislation and to congratulate you that on the measure that has finally been enacted into law. I am with good wishes, faithfully yours."

Representative Moore of Kansas, in commenting on the passage of the Act, said to the *House of Representatives*: "The President of the United States now became the absolute dictator of all the finances of the country. He appoints a controlling board of seven men, all of whom belong to his political party, even though it is a minority. The *Secretary of the Treasury* rules supreme whenever there is a difference of opinion between himself and the *Federal Reserve Board*. Only one member of the *Board* is to pass out of office while the President is in office."

The ten year terms of office of the members of the *Board* were lengthened by the *Banking Act of 1935* to fourteen years, which meant that these directors of the nation's finances, although not elected by the people, held office longer than three presidents.

While Col. House, Jacob Schiff and Paul Warburg basked in the glow of a job well done, the other actors in this drama were subject to later afterthoughts. Woodrow Wilson wrote in 1916, (*National Economy and the Banking*

System, Sen. Doc. No. 3, No. 223, 76th Congress, 1st session, 1939): “Our system of credit is concentrated in the *Federal Reserve System*. The growth of the nation, therefore, and all our activities, are in the hands of a few men.”

When he was asked by Clarence W. Barron whether he approved of the bill as it was finally passed, Warburg remarked, “Well, it hasn’t got quite everything we want, but the lack can be adjusted later by administrative processes.”

Woodrow Wilson and Carter Glass are given credit for the Act by most contemporary historians, but of all those concerned, Wilson had least to do with Congressional action on the bill. George Creel, a veteran Washington correspondent, wrote in *Harper’s Weekly*, June 26, 1915: “As far as the *Democratic Party* was concerned, Woodrow Wilson was without influence, save for the patronage he possessed.

It was Bryan who whipped *Congress* into line on the *Tariff Bill*, on the *Panama Canal Tolls Repeal*, and on the *Currency Bill*. Mr Bryan later wrote, “That is the one thing in my public career that I regret - my work to secure the enactment of the *Federal Reserve Law*.” [16]

On December 25, 1913, *The Nation* pointed out that “The *New York Stock Market* began to rise steadily upon news that the *Senate* was ready to pass the *Federal Reserve Act*.” This belies the claim that the *Federal Reserve Act* was a monetary reform bill. The *New York Stock Exchange* is generally considered an accurate barometer of the true meaning of any financial legislation passed in Washington.

Senator Aldrich also decided that he no longer had misgivings about the *Federal Reserve Act*. In *The Independent*, a magazine which he owned, he wrote in July, 1914: “Before the passage of this Act, the New York bankers could only dominate the reserves of New York. Now we are able to dominate the bank reserves of the entire country.”

H. W. Loucks denounced the *Federal Reserve Act* in *The Great Conspiracy of the House of Morgan*, “In the *Federal Reserve Law*, they have wrested from the people and secured for themselves the constitutional power to issue money and regulate the value thereof.” On page 31, Loucks writes, “The House of Morgan is now in supreme control of the policy making of the *Democratic*, *Republican* and *Progressive* parties. The present extraordinary propaganda for 'preparedness' is planned more for home coercion than for defense against foreign aggression.” [17]

The signing of the *Federal Reserve Act* by Woodrow Wilson represented the culmination of years of collusion with his intimate friend, Col. House, and Paul Warburg. One of the men with whom House became acquainted in the *Wilson Administration* was Franklin D. Roosevelt, *Assistant Secretary of Navy*. As soon as he obtained the *Democratic* nomination for a president in 1932, Franklin D. Roosevelt made a ‘pilgrimage’ to Col. House’s home in Magnolia, Massachusetts. Roosevelt, after the *Republican* hiatus of the 1920s, filled in the goals of *Philip Dru, Administrator*, which Wilson had not been able to carry out. The late Roosevelt achievements included the enactment of the graduated income tax to 90% of earned income.

House's biographer, Charles Seymour, wrote: “He was wearied by the details of party politics and appointments. Even the share he had taken in constructive domestic legislation (the *Federal Reserve Act*, tariff revision, and the Income Tax amendment) did not satisfy him. From the beginning of 1914 he gave more and more of his time to what he regarded as the highest form of politics and that for which he was particularly suited - international affairs.”

In 1938, shortly before he died, House told Charles Seymour, “During the last fifteen years I have been close to the center of things, although few people suspect it. No important foreigner has come to the United States without talking to me. I was close to the movement that nominated Roosevelt. He has given me a free hand in advising him. All the Ambassadors have reported to me frequently.”

A comparison of the *Federal Reserve Act* of 1913 as passed by the *House of Representatives* and amended by the *Senate* shows the following change: the *Senate* struck out, ‘To suspend the officials of *Federal Reserve* banks for cause, stated in writing with opportunity of hearing, require the removal of said officials for incompetency, dereliction of duty, fraud or deceit, such removal to be subject to approval by the President of the United States.’

[16] See The Last Stand of William Jennings Bryan by William Shepherd.
[17] H.W. Loucks, *The Great Conspiracy of the House of Morgan*, (privately printed 1916).

This was changed by the *Senate* to read 'To suspend or remove any officer or director of any *Federal Reserve Bank*, the cause of such removal to be forthwith communicated in writing by the *Federal Reserve Board* to the removed officer or director and to said bank.'

This completely altered the conditions under which an officer or director might be removed. We no longer know what the conditions for removal are, or the cause.

Incompetency, dereliction of duty, fraud or deceit no longer matter to the *Federal Reserve Board*. Also, the removed officer does not have the opportunity of appeal to the President.

In answer to written inquiry, the *Assistant Secretary of the Federal Reserve Board* replied that only one officer has been removed 'for cause' in thirty-six years, the name and details of this matter being a 'private concern' between the individual, the *Reserve Bank* concerned, and the *Federal Reserve Board*.

On January 6, 1914, *The New York Times* reported that the *Organizing Committee of the Federal Reserve System* had met in New York, and had conferred with Paul Warburg.

"Mr. Warburg is regarded as the leading authority among local bankers on the problems involved in the new banking and currency system. He agreed with the tentative ideas of the committee."

On January 7, 1914, Morgan met with the *Organizing Committee* in New York. He informed them there should not be more *than seven regional districts in the system.*

(Photo left: Churchill Addresses Congress 1931)

This committee was to select the location of the 'decentralized' reserve banks. They were empowered to select from eight to twelve reserve banks, although J.P. Morgan had testified he thought that not more than four should be selected.

Much politicking went into the selection of these sites, as the twelve cities thus favored would become enormously important as centers of finance. New York, of course, was a foregone conclusion. Richmond was the next selection, as a payoff to Carter Glass and Woodrow Wilson, the two Virginians who had been given political credit for the *Federal Reserve Act*. The other selections of the *Committee* were Boston, Philadelphia, Cleveland, Chicago, St. Louis, Atlanta, Dallas, Minneapolis, Kansas City, and San Francisco. All of these cities later developed important 'financial districts' as the result of this selection.

These local battles, however, paled in view of the complete dominance of the *Federal Reserve Bank of New York* in the system. Ferdinand Lundberg pointed out, in *America's Sixty Families*, that "In practice, the *Federal Reserve Bank of New York* became the fountainhead of the system of twelve regional banks, for New York was the money market of the nation. The other eleven banks were so many expensive mausoleums erected to salve local pride and quell the Jacksonian [18] fears of the hinterland. Benjamin Strong, *President of the Bankers Trust* (J.P. Morgan) was selected as the first *Governor of the New York Federal Reserve Bank*.

Strong for many years manipulated the country's monetary system at the discretion of directors representing the leading New York banks. Under Strong, the *Federal Reserve System* was brought into interlocking relations with the *Bank of England* and the *Bank of France*.

Benjamin Strong held the position as *Governor of the Federal Reserve Bank of New York* until his sudden death in 1928, during a *Congressional* investigation of the secret meetings between *Federal Reserve Governors* and the heads of European central banks which brought on the *Great Depression* of 1929-31. [19]

Strong had married the daughter of the *President of Bankers Trust*, which brought him into the line of succession in the dynastic intrigues which play such an important role in the world of high finance. He also had been a member of the original Jekyll Island group, the *First Name Club*, and was thus qualified for the highest position in the *Federal Reserve System*, as the Governor of the *Federal Reserve Bank of New York* which dominated the entire system.

[18] Arthur Schlesinger, Jr., *The Age of Jackson* (Little, Brown and Company; First Edition 1945; ISBN-13: 978-0316773430).
[19] Ferdinand Lundberg, *America's Sixty Families*.

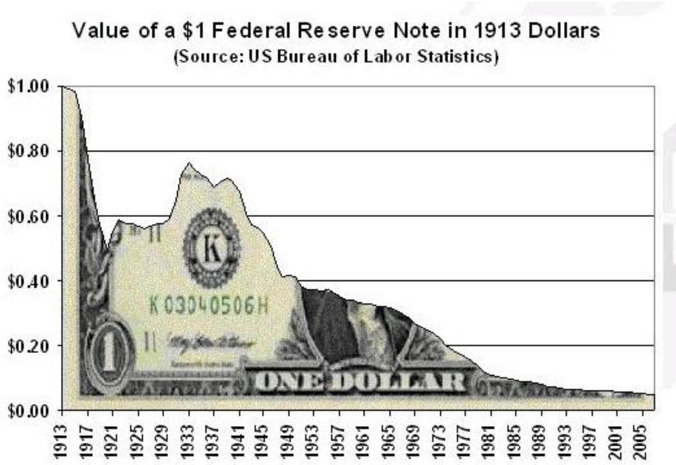
Afterword

The *Federal Reserve Bank of New York* sets interest rates and directs open market operations, thus controlling the daily supply and price of money throughout the US. Hence its directors control the entire system.

The Federal Reserve Bank of New York issued 203,053 shares, with the large New York City banks taking more than half.

National City Bank (Rockefeller and Kuhn Loeb) took 30,000 shares. *First National Bank* (J.P. Morgan) took 15,000 shares. When these merged in 1955, they owned almost one fourth of the shares in the *Federal Reserve Bank of New York*, which controlled the entire system

National Bank of Commerce of New York City took 21,000 shares. *Chase National Bank* took 6,000 shares. *Marine National Bank of Buffalo*…a bank owned by the Schoellkopf family which controlled *Niagara Power Company* and later known as *Marine Midland*…took 6,000 shares.



The shareholders of these banks which own the stock of the *Federal Reserve Bank of New York* are the *Rothschilds* of Europe, *Lazard Freres* (Eugene Meyer), *Kuhn Loeb Company*, *Warburg Company*, *Lehman Brothers*, *Goldman Sachs*, the *Rockefeller* family, and the *J.P. Morgan* interests. These interests have merged since 1914, so that control is concentrated. *National Bank of Commerce* is now *Morgan Guaranty Trust Company*; *Lehman Brothers* has merged with *Kuhn, Loeb Company*; *First National Bank* with *National City Bank*

Bank	***Shares †***	***percent***	***cum***
Citibank	1,090,813	15 %	15 %
Chase Manhattan Bank	1,011,862	14 %	29 %
Morgan Guaranty Trust	655,443	9 %	38 %
Chemical Bank	544,962	8 %	46 %
Manufacturers Hanover	509,852	7 %	**53 %**
Bankers Trust Company	438,831	6 %	
Bank of New York	141,482	2 %	
European American Bank & Trust *	127,800	2 %	
National Bank of North America *	105,900	2 %	
J. Henry Schroder Bank & Trust *	37,493	½ %	**66 %**

* subsidiaries of foreign banks

† Shares held by New York banks in the *Federal Reserve Bank of New York* on July 26, 1983.

In the other *Federal Reserve Districts*, these share holders indirectly own or control shares in those banks, with the other shares owned by the leading regional families who own or control the principal industries.

By 1983 shares in the *New York Federal Reserve* had increased from the original 203,053 to 7,005,700.[20] The developments following the passage of the *Federal Reserve Act* proved every one of the allegations [21] made by Thomas Jefferson had against a central bank in 1791. The new banking monopoly had the power to make laws, paramount to the laws of the states, so state legislatures were no longer responsible to the people. [22]

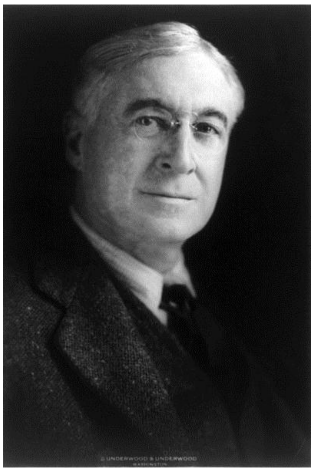
[20] Section 5 of the *1913 Act* required member banks to hold stock in the district bank equal to 6% of its capital and surplus.

[21] Here is the full text of Thomas Jefferson's *Opinion on the Constitutionality of the Bank* dated February 15, 1791: “The bill for establishing a national bank in 1791, undertakes, among other things, (1) To form the subscribers into a corporation; (2) To enable them, in their corporate capacities, to receive grants of lands; and, so far, is against the laws of mortmain; (3) To make alien subscribers capable of holding lands; and so far is against the laws of alienage; (4) To transmit these lands, on the death of a proprietor, to a certain line of successors; and, so far, changes the course of descents; (5) To put the lands out of reach of forfeiture, or escheat; and, so far, is against the laws of forfeiture and escheat; (6) To transmit personal chattels to successors, in a certain line; and, so far, is against the laws of distribution; (7) To give them the sole and exclusive right of banking, under the national authority; and, so far, is against the laws of monopoly; (8) To communicate to them a power to make laws, paramount to the laws of the states; for so they must be construed, to protect the institution from the control of the state legislatures; and so probably they will be construed. I consider the foundation of the *Constitution* as laid on this ground - that all powers not delegated to the United States, by the *Constitution*, nor prohibited by it to the states, are reserved to the states, or to the people (12th amend.). To take a single step beyond the boundaries thus specially drawn around the powers of *Congress* is to take possession of a boundless field of power, no longer susceptible of any definition. The incorporation of a bank, and the powers assumed by this bill, have not, in my opinion, been delegated to the United States by the *Constitution*.”

[22] In a curious final paragraph to an appendix on psychological warfare in the 1991 edition of *Federal Reserve Secrets*, Mullins remarks that “It was the Marquess of Tavistock, 12th Duke of Bedford, whom Rudolf Hess flew to England to contact. Tavistock was worth $40 million in 1942. In 1945, his wife committed suicide by taking an overdose of pills.”

Selected Biographies (20)

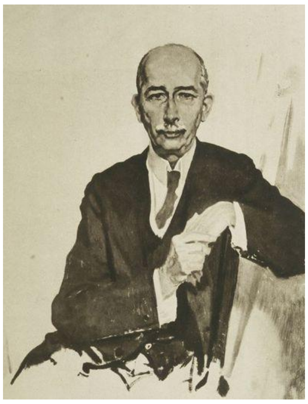
Nelson Aldrich (1841-1915)
Senator from Rhode Island; head of *National Monetary Commission*; his daughter Abby married John D. Rockefeller, Jr.; he was grandfather of Nelson Aldrich Rockefeller, David Rockefeller and Laurence Rockefeller.



Bernard Baruch (1870-1965)
In 1901 Bernard Baruch and his brother Herman formed the firm of *Baruch Brothers*, bankers, in New York. After US entry into World War I, Woodrow Wilson turned the government over to a triumvirate of his campaign backers: Paul Warburg, Bernard Baruch and Eugene Meyer. To all intents and purposes, Baruch was the *War Industries Board*, which handled all allied purchases during *WWI,* spending ten billion dollars a year of taxpayers' money. Representative Mason from Illinois told the *House* on February 21, 1921 that Baruch made more than $50 million trading copper during the war. Baruch testified to holding three investments during the war: *Juneau Gold Mining*, *Texas Gulf Sulphur* and *Atolia Tungsten Mining.* Personal friend of Winston Churchill, whom he saved from bankruptcy in the *Crash of 1929*…see Mr Churchill and Mr Baruch by William Shepherd. *(Photo left - Bernard Baruch)*

William Jennings Bryan (1860-1925)
Woodrow Wilson's *Secretary of State*, three times losing presidential candidate of the *Democratic Party* in 1896, 1900 and 1908, and head of the *Democratic Party*…see *The Last Stand of William Jennings Bryan* by William Shepherd.

Clarence Dillon (1882-1979)
Born in San Antonio, Texas. By 1957 he was one of the richest men in the US with an estimated fortune of $150-$200 million. In *World War I*, Baruch asked Dillon to be assistant chairman of the *War Industries Board*. Dillon was director of *American Foreign Securities Corporation*, set up in 1915 to finance French purchases of munitions in the US. In 1920 Dillon took over Wall Street bond broker *Dillon Read & Company*. His right-hand man, James Forrestal, became *Secretary of the Navy*, later *Secretary of Defense,* and died under mysterious circumstances at a federal hospital.



Alan Greenspan (1926-)
Chairman of the *President's Council of Economic Advisers* (1974). Partner in J.P. Morgan Co. (1977). Chairman of the *National Commission on Social Security* (1981-1983). Chairman of the *Board of Governors of the Federal Reserve System* (1987), representing an unbroken line at the *Federal Reserve* by firms present on Jekyll Island in 1910, where Henry P. Davison, right hand man of J.P. Morgan, was a key figure in the drafting of the *Federal Reserve Act*.

Colonel Edward Mandel House (1858-1938)
Son of a Rothschild agent in Texas. Succeeded in electing five consecutive governors of Texas. Became Woodrow Wilson's advisor in 1912. Cooperated with Paul Warburg to get the *Federal Reserve Act* passed by *Congress* in 1913…*see footnote Nr.13.*

(Photo right - Colonel House)

Robert Marion LaFollette (1855-1925)
Served in Senate from Wisconsin 1905-1925. Led agrarian reformers in opposing Eastern bankers and their plans for the *Federal Reserve Act.* Ran for President in 1924 on *Progressive-Socialist* ticket.

Charles Augustus Lindbergh, Sr. (1860-1924)
Congressman from Minnesota (1907-1917) who led the fight against the *Federal Reserve Act*. Served until 1917 when he resigned to run for *Governor of Minnesota* after failing to be elected Senator in 1916. The *New York Times* attacked him and Federal agents burned his books, papers and office in Little Falls, Minnesota …*see footnote Nr.14*.
(Photo left - Charles Linbergh Snr & Jnr.)

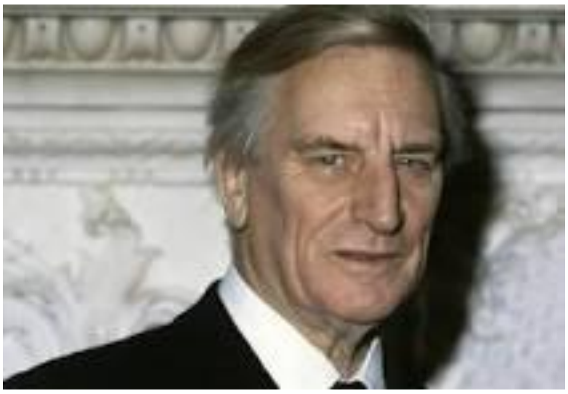
Louis T. McFadden (1876-1936)
Congressman and Chairman of the *House Banking and Currency Committee* (1927-1933); courageously opposed the manipulators of the Federal Reserve System in the 1920's and 1930's. Introduced bills to impeach *Federal Reserve Board of Governors* and board officials. After three attempts on his life he died mysteriously.

John Pierpoint Morgan (1837-1913)
Dominant American financier at the turn of the 19/20th century. *Who's Who* claimed Morgan controlled over 50,000 miles of railroads in 1912. Organized *US Steel Corporation.* Became representative of House of Rothschild through his father Junius S. Morgan, who had become London partner of *George Peabody & Company*, later *Junius S. Morgan Company*, a Rothschild agent. John Pierpoint Morgan Jr. succeeded his father as head of the Morgan empire.

David Wiley Mullins (1946-)
Born in Memphis, Tennessee. Professor at *Harvard Business School* after BS from *Yale* and PhD from *MIT*. Head of the *Brady Commission* into *Black Monday* (October 19, 1987). Resident intellectual on the *Federal Reserve Board of Governors* from appointment by President H.W. Bush in 1990 until surprise resignation in 1994 to join Nobel laureates Robert Merton & Myron Scholes at one of the earliest hedge funds: *Long Term Capital Management,* which collapsed in 1998.

Wright Patman (1893-1976)
Congressman and Chairman of the *House Banking and Currency Committee* (1963-1974) who led the fight in *Congress* to stop the manipulators of the *Federal Reserve System* from 1937 to his death in 1976.

Sir Gordon Richardson (1915-2010)
Governor of the *Bank of England* (1973-1983). Chairman of *J. Henry Schroder Wagg*, London (1962-1972); director of *J. Henry Schroder Banking Corporation*, New York; *Schroder Banking Corporation*, New York; *Lloyds Bank*, London; and *Rolls Royce*.



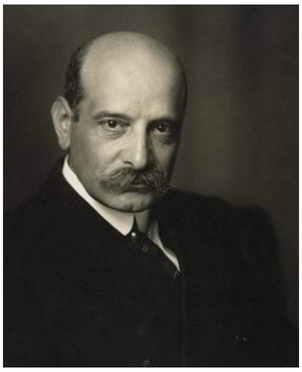
(Photo right - Sir Gordon Richardson)

Jacob Schiff (1847-1920)
Born in Rothschild house in Frankfurt, Germany. Emigrated to the US, married Therese Loeb, daughter of Solomon Loeb, founder of *Kuhn, Loeb and Co.* Schiff became senior partner in *Kuhn, Loeb and Co*. and as representative of Rothschild interests gained control of most of railway mileage in the US.

Baron Kurt von Schroder (1889- 1966)
Adolf Hitler's personal banker; advanced funds for Hitler's accession to power in 1933; German representative of the London and New York branches of *J. Henry Schroder Banking Corporation*; SS Group Leader; director of all German subsidiaries of *ITT*; Himmler's *Circle of Friends*; advisor to board of directors of the *Deutsche Reichsbank*. Tried by a German court after WWII for crimes against humanity, found guilty and sentenced to 3-months imprisonment.

Frank Vanderlip (1864-1937)
Assistant Secretary of Treasury (1897-1901); won prestige for financing *Spanish-American War* by floating $200 million in bonds during his incumbency for what is known as *National City Bank's War*. President of *National City Bank* (1909-1919). No mention of his key role at Jekyll Island in 1910 in his extensive obituary in *The New York Times* in 1937.

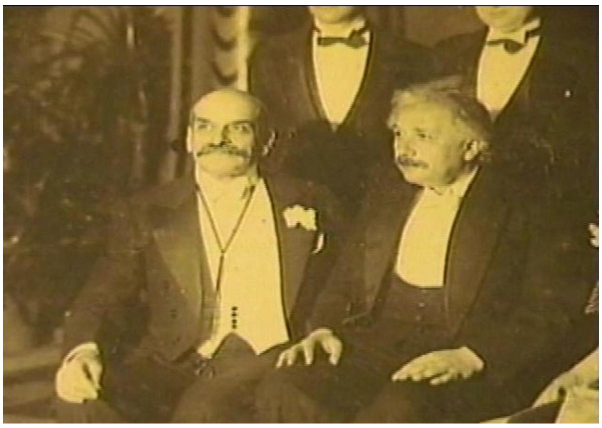
George Sylvester Viereck (1884-1962)
Author of *The Strangest Friendship in History, Woodrow Wilson and Col. House*. A leading poet of the early 1900's reviewed on the front page of *The New York Times* and known as the leading German-American citizen of the United States.



Paul Volcker (1927-)
Educated at *Princeton, Harvard* and the *London School of Economics*; *The Federal Reserve Bank of New York* (1952-1957); *Chase Manhattan Bank* (1957-1961); *US Treasury Department* (1961-1974); President of *The Federal Reserve Bank of New York* (1975-1979); Chairman of *The Federal Reserve Board of Governors* (1979-1987); Chairman of the *President's Economic Recovery Advisory Board* (2009-2011).

Paul Warburg (1868-1932)
Widely recognized as the principal author of the plan for a US central bank. Emigrated to the US from Germany in 1904; partner in *Kuhn, Loeb and Company*, Bankers, New York; naturalized 1911. Member of the original *Federal Reserve Board of Governors* (1914-1918). President of the *Federal Advisory Council* (1918-1928). Brother of Max Warburg, head of the *German Secret Service* during World Wear I, and who represented Germany at the *Peace Conference* (1918-1919), while Paul was chairman of the *Federal Reserve System*. *(Photo left - Paul Warburg)*

Sir William Wiseman (1885-1962)
Partner of *Kuhn, Loeb & Company*; head of *British Secret Service* during World War I. Worked closely with Col. House dominating the US and the UK.



Warburg & Einstein

Churchill & Baruch