# The Basic Factors in British Greatness

## Law & the Constitution, Economics, Britain & the Christian Faith

**Michael A Clark**
*Contributing Editor*
*based on the works of*
**Michael Young**
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**PART TWO**

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PART TWO

# Economics

When God gave the law to Moses, He laid it down that the Israelites were not to lend to usury (i.e., interest) to one another. The word usury means increase or interest. The modern tendency to confine its meaning only to what might be thought to be extortionate interest is merely one of the modern ways of dodging the truth.

The Koran does not allow Mahommedans to charge interest. In Britain, under Common Law, Christians were not allowed to charge interest, but non-Christians were, and by the time of Edward I, the non-Christian money-lenders had reduced the country to such a parlous state that, in 1290, he took the necessary steps to stop their financial activities.

Unfortunately, under Henry VIII, money was permitted to be loaned at a rate under 10%. Edward VI reversed this concession to usurers, but Elizabeth I renewed it. This was because money was, as now, not understood and gold and silver, which was regarded as almost the only real money, was being hoarded by individuals. With increasing trade requirements more money was required as a lubricant to facilitate exchange and the lending at usury was resorted to in order to tempt people to release their hoarded stocks of gold and silver. Some men began to realize that gold and silver were not the only money and the Bank of Venice was thoroughly successful in working a money system with irredeemable paper money. Left to themselves the British might well have worked out a paper money system based on a Goods Standard (like the Tithe system was always on a Goods basis until 1925) but the money-lenders were allowed back into the country again under Cromwell, and under William of Orange the National Debt racket was instituted, in 1693, to finance his continental wars and then, in 1694, the Bank of England was formed, with the result that Britain became an officially usurious nation and the slave of the Money Power racket.

If the British people do not make the very slight effort necessary to understand money and take the obvious steps required to correct the appalling mess into which we have allowed ourselves to be duped, we will soon be beyond recovery. This is very urgent because it is the criminal control of money by the Money Power which is the main means being used to force us into suicidal courses of which entry into the Common Market would have taken us past the point of no return.

Money is the simplest thing to understand. Therefore it is vital to the Money Power that people should not understand it, so a continuous stream of confusing smoke screens is poured out by its stooges, such as University Professors and City Editors in Fleet Street.

In simple societies exchange of goods was done by direct barter but as the variety of goods increased it became necessary to invent a standard and convenient means of exchange. Money was the answer. It provided a ticket for goods and services, the only requirement being that whatever was used as money should be legally recognized as such and acceptable to all. For a long time gold was used as money because it was a rare metal and therefore a small quantity of it could represent the price of a large quantity of goods. It was easy to handle, easy to hide from thieves and almost indestructible. But with the enormous increase in business activity in modern days there was not enough gold to cover requirements and we now use the cheque system and paper money, which is declared by the government to be legal tender and accepted by the people as such. Obviously, the money does not need to have any intrinsic value. It is a ticket entitling the possessor to goods and services of all kinds in the same way that a bus or train ticket entitles the possessor to a particular service.

It should be obvious that the quantity of money or credit available in a country at any time should be just the quantity necessary to balance the exchange of goods and services available and so that prices will remain constant. If too much money is allowed to get in circulation prices rise and, if too little, prices fall. It should also be clear that it should be the duty of the Crown to issue and regulate the quantity of money in accordance with the above requirements. By the formation of the Bank of England the Crown abdicated its duty and prerogative to a private company. The nationalization of the Bank of England which has taken place in recent years appears to have made no difference to the situation as our politicians are now completely under the control of the Money Power, being men who are completely unfitted for their responsible positions.

The erroneous ideas of John Locke, known as "the Philosopher of the Bank of England," have had an immensely evil influence on the economy of the modern world, because he not only withdrew economics from its proper subordination to politics but withdrew both politics and economics from the moral law. He stated that money was subject to natural laws, like the tides, instead of being, as St Thomas Aquinas taught, merely a medium of exchange, which "must keep the same value." The result of Locke's ideas is that money, which is now created by private individuals, instead of by governments, has become the master instead of the servant of politics and economics and all governments have come under the control of private financiers.

Locke's ideas were first put into practice with the foundation of the Bank of England by a Scot, William Patterson, and a group of wealthy men who came from Holland to England with William of Orange. This private firm, known as "The Governor and Company of the Bank of England," came into existence "almost by the back door" (as stated in the *Encyclopædia Britannica*) for the purpose of lending money to the government, because, as Patterson stated, the "Bank hath benefit of interest on all moneys which it creates out of nothing."

The vast majority of people swallow blindly the idea that bankers are merely the custodians of their customers' money. The fact that bankers create and destroy money at will is probably not even realized by the majority of bank officials, let alone by the general public. The following quotations should be enough to convince anyone of the correctness of the fact:

In his *Elements of Banking,* H D McLeod, the Victorian economist, wrote:

> "When it is said that a great London Joint Stock Bank has perhaps 25 millions of deposits, it is almost universally believed that it has 25 millions of actual money to 'lend out' as it is called. It is a complete and entire delusion. These 'deposits' are not deposits in cash at all—they are nothing but an enormous superstructure of credit."

More than 50 years later, in 1951, this was confirmed by paragraph 74 of the "Report of the Macmillan Committee," set up by the Government to enquire into Finance and Industry. This said:

> "It is not unnatural to think of the deposits of a bank as being created by the public through the deposit of cash representing either savings or amounts which are not, for the time being, required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for, by granting loans,

> allowing money to be drawn on an overdraft or purchasing securities, a bank creates a credit on its books, which is the equivalent of a deposit."

In the 14th Edition of the *Encyclopædia Britannica* appears the statement:

> "Banks lend credit. They create the means of payment out of nothing." [*Confirmed by the 2016* ***Campaign for Positive Money****].

When a bank debtor has collected enough money in any form to repay a bank loan, the repayment wipes out the debt; and that amount of the banker's permits-to-use, which functions as money, goes out of existence. In other words, it is destroyed.

When a bank makes a loan it merely makes a credit entry in a ledger, but under the system this allows the borrower to put into circulation for his business purposes what is accepted as money although, as created by the bank, it has no backing and has cost the bank very little. There are some small costs to be met by the bank, such as printing notes and cheque books and the provision of a little coin. When the borrower returns the money the entry in the ledger is crossed out with the result that that amount of credit goes out of circulation. But the money returned by the borrower is real money in the sense that it represents the fruit of the labour of himself and of his employees. If the borrower fails to find the money to repay the loan he forfeits his business to the bank, which becomes the owner of the business by the mere process of having made an entry in one of its ledgers. But the bank does not merely issue this fictitious money; it also charges interest on it. But it only issues credit to cover the loan, not the interest.

Only the banks make money. The business world does not make money. It only produces goods and services and in the process tries to acquire as big a share as it can of the money in circulation from the banks. But it is clear that as the banking system does not issue the money to cover the interest payments only those businesses which succeed in grabbing enough to cover loan and interest remain solvent. The rest are bound to go bankrupt or resort to further loans from the banks. Under this system bank debt, looked at as a whole, is irredeemable and the inevitable result is that the banking system gradually, by means of the most criminal confidence trick imaginable, becomes the owner of us all.

By its power of issuing and withdrawing money the banking system can produce booms and slumps at will. In booms it wins at the expense of buyers and in slumps at the expense of sellers. The secret of its success lies in being able to vary prices at will.

Some more authoritative quotations:

> "Thus all money is bank indebtedness and it is this cardinal fact that gives to the banking system the power to expand or contract the quantity of money by increasing or diminishing the quantity of bank debts." (*Midland Bank Review,* Feb-March, 1934).

The Rt Hon Reginald McKenna, one time Chancellor of the Exchequer and for long the Chairman of the Midland Bank, said on January 25, 1924, to a meeting of the bank's shareholders:

> "I am afraid that the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing and decreasing deposits and bank purchases . . . And they who control the credit of a nation, direct the policy of Governments and hold in the hollow of their hands the destiny of the people."

In *Branch Banking,* July, 1938, appeared the following:

> "There are enough substantial quotations in existence to prove to the uninitiated that the banks do create credit without restraint and that they do create within themselves the means of repayment."

The following testimony by Marriner Eccles, head of the Federal Reserve System of the United States, was given before the House Banking and Currency Committee in 1941:

> **Congressman Patman**: "Mr Eccles, how did you get the money to buy those two billions of Government securities?"
> **Eccles**: "We created it."
> **Patman**: "Out of what?"
> **Eccles**: "Out of the right to issue money."

William Cobbett wrote in *The Political Register XVIII*, July 14, 1810:

> "I set to work to read the Act of Parliament by which the Bank of England was created (in 1694). The investors knew well what they were about. Their design was to mortgage by degrees the whole of the country . . . lands . . . houses . . . property . . . labour, the scheme has produced what the world never saw before – starvation in the midst of abundance."

Thomas Jefferson, the third President of the United States, about 1800, said:

> "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set

> the Government at defiance. The issuing power (of money) should be taken from the banks and restored to the Government and to the people to whom it belongs. If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the corporation that will grow up around them will deprive the people of all their property, until their children will wake up homeless on the land their fathers conquered."

Abraham Lincoln, United States President, 1861-65, in Senate Document No. 23, 76th Congress, page 91, said:

> "The Government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the consumers. The privilege of creating and issuing money is the supreme prerogative of Government, the Government's greatest creative opportunity."

During the Civil War, Lincoln made the following statement to Congress:

> "I have two great enemies, the Southern Army in front of me and the financial institution in the rear. Of the two, the one in my rear is my greatest foe."

It was the desire of the financial institution to gain control of the South which was the real cause of the Civil War. The slavery issue was only the propaganda smoke screen.

Gladstone once stated:

> "From the time I took office as Chancellor of the Exchequer (1852) I began to learn that the State held, in face of the Bank (of England) and the City, an essentially false position as to finance . . . The hinge of the whole situation was this; the Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned."

In 1916, President Woodrow Wilson said:

> "A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men . . . We have come to be one of the worst ruled, one of the most completely, controlled and dominated Governments in the civilized world—no longer a Government by conviction and the free vote of the majority, but a Government by the opinion and duress of small groups of dominant men."

Shortly before the above admission was made the Pujo Commission, which had been set by Congress to enquire whether or not there was a Money Trust in the United States, had reported that five New York banks controlled no less than 112 financial, insurance, industrial, producing and trading, transport and public utility companies with resources in capital totaling the prodigious sum of four and a half billion pounds. On the basis of its findings it reported that:

> "If, therefore, by a 'Money Trust' is meant an established and well-defined community of interest between a few leaders of finance, which has been created and is held together through domination over banks and industrial corporations and which has resulted in a vast and growing concentration of control of money and credit in the hands of comparatively few men, then your committee has no hesitation in asserting that the condition thus described exists in this country to-day."

There are in a country, ordinary banks like the "Big Five" in England with which the public deals, the Central Bank (in England, the Bank of England) and then there is the international Money Power. The ordinary banks are controlled in their activities of lending and withdrawing credit by the action of the Central Bank in altering their deposits in the Central Bank. The Central Banks are controlled by the activity of the international Money Power in moving credit and gold about from one country to another as necessary to serve the long-term Money Power purpose of bringing the world in complete subjection to it.

This international gang of money-lenders had their HQ in Amsterdam but when William of Orange came to England they moved their HQ to London for a couple of centuries, and during this century the HQ has been in New York.

These people corner gold and they have kept us on a gold standard by means of the Bretton Woods trap [July 1944] and the International Monetary Fund [December 1958]. They only have to arrange to move gold about from one Central Bank to another to produce booms or slumps in one country or another, keeping economies in a continual state of stop-go insecurity and gradually forcing everything to be owned by the banking system which they control.

If one stops to think for a moment it is impossible to see what gold need have to do with the economy. It is quite useful for some minor purposes, such as making wedding rings or stopping teeth, but that is about all. That being so it is amazing to think that if we want to build some roads or put up some factories in Britain, and we have available in the country all the necessary engineers, men, machinery and materials, that we should then say "No, we cannot do it," just because the Money Power has moved a lump of gold from London to Paris. It is quite remarkable that a great nation should submit to allowing its economy to be controlled by foreigners by means of this system of pure bluff. Obviously it is the duty of the Government to issue the credit necessary to enable any desirable work to be carried out.

Another remarkable example of brain-washing is the communist-inspired Trade Union war against employers, or Capitalists, as they call them. It must be remembered that there are two kinds of capitalists. There are the big money-manipulators of the Money Power, like the Rothschilds, Morgans etc., who deal in money itself, as a commodity. Essentially they are money-lenders and they do no productive work. All they do is suck the blood out of mankind. Then there the men, like Nuffield and Handley Page, who put up factories and employ large numbers of men to manufacture something required by the public. These men are called Capitalists and are raved against by the Communists, and the trade unionists are brain-washed into looking upon their employers as enemies. The result is chaos in industry. It is perfectly obvious that management and men must pull together in the interests of everyone connected with the factory, and of the public. It is also obvious that all the difficulties of management and men stem from the manipulations of the big money-lenders, but the latter are never mentioned, so much so that the uninitiated would think that they did not exist. It is essential to the success of the Money Power that people should be ignorant of its activities and that is why they put up the money to get the London School of Economics going in order to use it to brain-wash the public. The Communists never mention the Money Power, but then it was the New York Money Power which financed the Russian Revolution in 1917, and after the revolution fastened an orthodox banking system on Russia making it into a “Capitalist” country, in spite of its “Socialist” theories.

That is how it is that the Money Power comes to control both the American and the Russian Governments and is using them to produce chaos in the world. That is why they got Roosevelt and Churchill to follow the criminally lunatic policy of “Unconditional Surrender” so as to force the Germans to fight to the last and reduce Europe to chaos and hand it over to Communism. That is why since the war the Americans and Russians have been used, although apparently strongly opposed to each other, to break up the British and other West European Empires. It will be noted that as all the parts break off they are promptly brought into slavery to the Money Power by being brought into irredeemable debt to it. At the same time Communist control increases in all the parts. Such organizations as the United Nations are purely Money Power inventions and as the Congo has shown so glaringly the organization is used purely to further Money Power ends.

It will be noticed that nationalism is being strongly encouraged in non-Christian parts of the world as a means to destroy the power of the West European and British Empires, while at the same time all the propaganda in the civilized Christian nations is aimed at making nationalism a dirty word, so that their people will be duped into agreeing to the destruction of their power to resist the forces of evil, bent on subjecting them to the anti-Christian world domination in preparation.

A very graphic illustration of how the Money Power has made Britain, as Hilaire Belloc said, "dependent upon America" was given by Thomas Johnston, Lord Privy Seal in a Labour Government, when he stated:

> "Twenty men and one woman – a British Cabinet – waited one black Sunday afternoon in a Downing Street garden for a final decision from the Federal Reserve Bank of New York . . . The City, the financiers and the money-lenders in New York . . . refused to put up credits in support of a balanced budget. They demanded a cut in unemployment benefit."

What a tragic farce, because the whole thing is just a gigantic confidence trick being played by the Money Power. And no wonder Disraeli said that:

> "The world is governed by very different personages to what is imagined by those who are not behind the scenes."

It might be asked why the Press is so silent on the subject of the Money Power. In his book, *The Root of All Evil*, Sir Reginald Rowe explained:

> "The Press is hugely capitalized, must pay interest on its capital, and has to finance itself on the large scale which is so dear to the heart of the Money Power. In the present state of public ignorance no important newspaper dare affront and challenge the Money Power for fear of the consequences. Our credit-makers, the banks, serving in their turn 'big money,' could easily by a twist of the credit-screw check any such revolt."

It is surprising that no one has ever stopped to think how we got on without a National Debt until the end of the seventeenth century. It is just a colossal swindle designed to bring us into complete slavery to the Money Power. It is obvious that wars, etc., are paid for at the time by the blood, effort and materials used. It is the duty of the Government to provide the necessary exchange lubrication by the issue of debt-free money and credit, as Abraham Lincoln was doing in the American Civil War by the issue of Government debt-free money, known as "Greenbacks." It was because he intended to continue to finance US loans in the future on a similar debt-free basis, and to pursue a policy of reconciliation with the Southern States, that he was assassinated and the Money Power was then able to stop his ideas being carried out and to clamp the bankers' debt system firmly on the country, and to pursue for a dozen years a policy of the utmost repression in the Southern States, in order to ruin them and bring them in complete subjection to the Money Power.

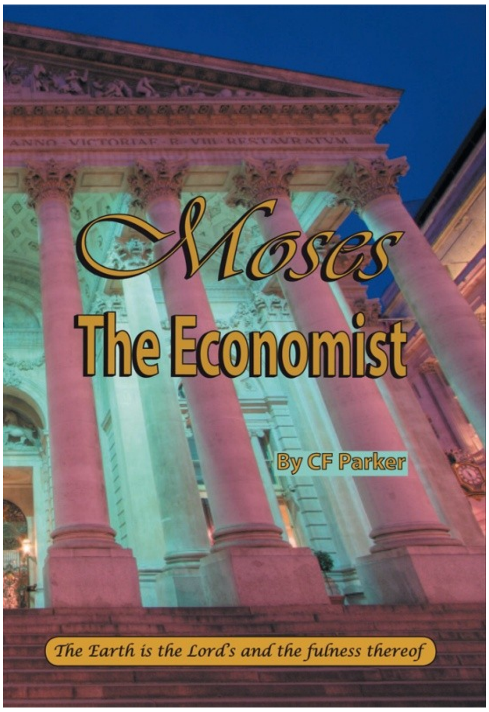
It must be realized that a vast proportion of the National Debt is owned by the banking system and that the banks, in "lending" the money, parted with nothing. They just made entries in a ledger and then forever afterwards by this criminal confidence trick hold the country in terrible subjection.

History shows that all societies with a usurious money system have collapsed in time. There were banking systems in ancient Greece and Babylon. Rome was destroyed by the same means as those by which we are now being destroyed, as is clearly brought out in Guglielmo Ferrero's *The Greatness and the Decline of Rome.*

In his book, *Human Ecology*, Dr Thomas Robertson explains that a study of history shows that the world is an organism suffering from a disease with a wide variety of symptoms which always appear in a definite order. They appear in every part of the globe, except its "uncivilized" parts, and irrespective of race, nationality, climate or position. The symptoms are the whole range of social disorders, the main ones being poverty amidst plenty, civil and political disorder, frustration, loss of liberty and strife of every kind, finally ending in war. They appear under every condition except one, being found in countries on the gold standard or off it, in ones with blocked currencies, managed currencies or on barter; in countries with free trade or on tariffs, in countries full of gold or those with none, in those with access to all raw materials and those with very little, in industrial and in agricultural societies and in countries which chiefly export and those which do not. Also they appear with equal indifference under all political systems, in monarchies (constitutional or not), in plutocracies and democracies, under dictatorships of race or proletariat, under Conservatism, Liberalism, Socialism or Communism, or any other kind of politics so far tried, and also under every religion or none. They also appear under Federal Union.

An examination of the factors present in these various cases shows that there is only one which is common to all and that is financial credit—the international money system, which has almost escaped notice. The money system must therefore be the basic cause of all the troubles. This is proved to be true by the fact that where the money system is the most powerful the disease is the worst and by the fact that the only communities free from the symptoms are the "uncivilized" ones which have not been fully corrupted by the money system.

If we had gone into the Common Market we would have placed ourselves under the control of foreigners completely in the Money Power grip and would soon have found ourselves impotent to oppose Money Power requirements should we, as a nation, have become alive to the need to do so [*Since Britain's entry into the* then *EEC in 1973, except for the fact that entry into the single euro currency was mercifully averted, the country has struggled to maintain its financial and trading independence*].

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**The 2016* ***Campaign for Positive Money*** *is stating that the time for a public inquiry on money, finance and their effects on society in the 21st century is fast approaching. The last time the British government established a commission to investigate whether the banking and financial system was helping or hindering the British economy was in 1929, after the 1929 stock market crash which caused the Great Depression.* **www.positivemoney.org**

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