

# D Is For Dominance, Debt & Depression

*Sell dreams on credit, you'll make a fortune on the interest*

Often, at the end of a movie, clues once hidden become obvious and the reasons for the fall of the hero or heroine are evident. So, too, it is with history. It is at the end of eras that the causes behind the rise and fall of epochs can be seen.

We are at the end of an epoch and the signs are as disturbing as they are increasing in occurrence and severity. We now understand the industrial revolution has overheated the Earth to the point of disassembling its life support systems; and that oil, which fueled its rise and perhaps its demise, may be running out as well.

There is a persistent feeling that for many reasons our present world is unsustainable, that its end is perhaps near; that the apocalypse feared by religious fundamentalists may somehow prove to be true, though not necessarily in the form expected. Systems that previously promised to lead us to a better world have been found to be wanting.

Democracy, freedom's vaunted vehicle, has now shown itself as inept and as fallible as the Catholic Church during the Inquisition. Recently used as an excuse to invade Iraq, democracy's greatest moment now appears to have already occurred; when under the tyranny of kings democracy was hoped to be the solution to the world's ills. The answer is now known. It is not.

But the greatest failing of this epoch is still to come. The collapse of the world economies created by modern banking—built on a foundation of debt larger than ever imagined—is now about to occur. And, as this epoch ends, the role modern banking played in the coming collapse of the world economy is clear.

## MODERN BANKING

### THE CAUSE OF THE COMING ECONOMIC COLLAPSE

*It is what you cannot see that explains what you don't understand*

Modern banking, i.e. the issuance of debt as money, changed forever the face of commerce, first in the west and then in the east. In one fell swoop, the biblical admonition against usury, the charging of interest for the loaning of money, was put aside in the west and replaced with a system where usury formed the very basis of money and therefore commerce.

Prior to modern banking, in both east and west money was a medium of exchange, a unit of value either gold or silver or sometimes both. With the advent of modern banking, money was created by governments, issued in the form of debt; and usury, the interest rate, became the sole determinant of its rate of issuance.

How did this extraordinary change occur? The answer is clear, once the question is asked. Modern banking served the interests of those who created it—government and private bankers.

Turning usury into the only accepted form of world commerce could not have been accomplished had the Catholic Church maintained its power in the west. But the Church's power waned after the Dark Ages and secular forces in the form of monarchial governments and private bankers quickly took its place.

Whereas the intent of the Church had been to subjugate the minds and souls of men, the intent of governments had been to subjugate the lands of others and now with the assistance of private bankers it was possible.

Wars could now be fought on the come and giving private bankers the power to issue money only in the form of debt was the price willingly paid by governments to those who enabled their imperialist aims.

USURY  
ONCE THE BAIN OF MANKIND  
NOW THE KEY TO CONQUEST AND EMPIRE

Public money controlled by private bankers may in fact be the first act of privatization, the act of privatizing a heretofore government function for the purpose of private profit. Governments gave up the power to coin money in exchange for the apparently greater ability to wage war. But the cost to government is now becoming obvious.

In retrospect, the price—at least for governments—was high. For as we enter the 21<sup>st</sup> century, it is clear that bankers got the better of the bargain. With governments and their citizenry now burdened with increasingly unsustainable levels of debt, private bankers are benefiting as never before and bankers, not governments, have the upper hand

*Permit me to issue and control the money of a nation and I care not who makes the laws*  
Mayer Amschel Rothschild, founder of the  
Rothschild banking dynasty, 1790

But in the early days of the marriage between government and private bankers, it appeared otherwise—at least to the governments. England, the birthplace of both modern banking and the industrial revolution parlayed this relationship into the greatest empire the world has ever seen.

With the ability to finance its military and navy with future debt, not past savings, England parlayed this advantage into a world empire. Imperialism, the name given to the west's monetary, industrial and military domination over the non-industrialized world benefited England as no other.

The year 1850 marked England's dominance and its apogee as a world power. But twenty years later, England's balance of trade turned negative and a constant and growing trade imbalance in combination with the cost of maintaining a worldwide military presence

drained the British treasury of its gold. By the end of the century, England's grip on world power was over.

England reached its peak in 1850; one century later the US was to also achieve the same. In 1950, like England one hundred years before, the US was the world's most powerful nation and possessed 75 % of the world's monetary gold, the largest amount owned by any nation in history. However, just as with England, circumstances were to soon change.

By the 1970s, the US balance of trade had turned negative and the 21,775 tons of gold the US had possessed in 1950 was almost gone, sold to finance America's worldwide military presence and the overseas expansion of its corporations.

By the end of the century, the US, once the world's richest nation was now the world's largest debtor. In 2006, the St Louis Federal Reserve Bank issued a report stating:

*The gap between future US receipts and future US government obligations now totals \$65.9 trillion, a sum that is impossible for the US to reconcile, which means the US is now technically bankrupt.*

Such government indebtedness would have shocked the Founding Fathers. The revolt against England's rule in 1776 had much to do with debt and taxation as it had to do with liberty and freedom.

Thomas Jefferson had already observed the effects of England's pact with private bankers on its citizens:

*If we run into such debts as that we must be taxed...as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, and give the earnings of fifteen of these to the government for their debts and daily expenses;*

*And the sixteenth being insufficient to afford us bread, we must live, as they do now, on oatmeal and potatoes, have no time to think, no means of calling the mismanagers to account; but be glad to obtain subsistence by hiring ourselves to rivet their chains around the necks of our fellow sufferers;*

*And this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second, that second for a third, and so on 'til the bulk of the society is reduced to be mere automatons of misery, to have no sensibilities left but for sinning and suffering...*

*And the forehorse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression.*

PUBLIC DEBT  
TAXATION THEN  
WRETCHEDNESS AND OPPRESSION

In 1913, America made the very same “bargain” with private bankers as had England in the 1700s. Realizing that England’s days of empire were numbered, private bankers moved quickly to institute the same system in America that had benefited them so well in England.

In 1913, with the creation of the Federal Reserve Act, the US government transferred its power to issue money to private bankers—thereby forever indebting the US government and its citizens to a future of increasing debt at the hands of its new creditors.

Private bankers had convinced President Woodrow Wilson the Federal Reserve Act would benefit all Americans, not just the bankers. Too late, President Wilson realized his horrific mistake:

*I am a most unhappy man. I have unwittingly ruined my country. 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 free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of a small group of dominant men.*

With the creation of the US Federal Reserve Bank, Thomas Jefferson’s fears had been realized. Private bankers now controlled the issuance of money in America and debt replaced savings as America’s method of commerce; a method that would increase America’s indebtedness in direct proportion to the profits of bankers; and today in 2007, Jefferson’s fears are coming true:

*If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, (i.e., the "business cycle") the banks and corporations that will grow up around them will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered.*

Jefferson’s words are especially relevant in 2007 as America’s historic housing bubble collapses and banks foreclose on loans made to the vulnerable and unwitting; thereby depriving *the people of all property until their children wake-up homeless on the continent their fathers conquered.*

DOMINANCE & DEBT  
DEPRESSION  
IS NEXT

Today, the US economy is a “dead man walking”, a term used to describe those condemned to death but still alive. Like in the movies, the scene has now been set, events have transpired that will determine the outcome, and although the exact ending is not yet known, the end itself is unavoidable.

The amount of debt owed by the US government and its citizens can never be repaid. In today's modern banking system, debt-money is constantly fed into the system until debt levels reach such heights debts cannot be serviced or retired. At that point, the system will begin to collapse. This is where we are today.

The coming collapse may be triggered by a run on the US dollar, once backed by gold but now an irredeemable piece of paper whose only value is determined by speculators, or it may be triggered by the failure of an over-leveraged hedge fund or the inability of a large money-center bank suddenly unable to meet its obligations.

But irregardless of what triggers the coming collapse—the collapse will result from our worldwide modern banking system, a system whereby governments allow private bankers to issue debt as money in order to further the insatiable ambitions of those who govern.

*...deep down in our hearts, we have been accomplices in doing something terrible and unforgivable to our wonderful country. Deep down in our heart, we know that we have given our children a legacy of bankruptcy. We have defrauded our country to get ourselves elected.*

US Senator John Danforth 1992

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