

LECTURE

By REV. CHAS. E. COUGHLIN

BANKS AND GOLD!

Sunday, February 26, 1933

4 P. M. EASTERN STANDARD TIME

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BANKS AND GOLD!

Broadcast by

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I

This afternoon may I continue the discussion regarding the moral-economic problem of money with which is associated the present world-wide distress.

Naturally I shall touch upon the Michigan Bank situation. But specifically, I shall address you on the question whether or not our nation and the nations of the world shall continue to permit the international bankers to control the gold of the world.

No financial or economic reform can be sound or remedial unless this problem is solved correctly.

To gain a further understanding of the money problem which up to this date has defied a logical solution, it will be well for us to scan rapidly the pages of the twentieth century history which preceded the Great War.

The student of this history first opens his book to study the facts associated with the Boer War which was fought in the year 1900. Economically speaking, it was by this war that England gained possession of the diamond and gold mines of South Africa.

From that date and traceable to that event our modern economic civilization underwent a significant change. From the year 1900 until this present moment more than half the commercial gold existing in the world was delved from the bowels of the earth.

More of this precious metal was mined during the last thirty-three years than had been brought to light during the thirty-three hundred years preceding them!

Thus, the beginning of this century became identified with England's unquestioned and transcendent control of financial

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✠ Bishop of Detroit

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power. She became the undisputed creditor of the world. Civilization became her commercial debtor.

Paralleling this stupendous increase in Great Britain's wealth as measured in money the historian observes Germany's rapid advance in trade and commerce.

Here, then, are the beginnings of a drama. The stage of this world was being set for a mighty, titanic contest.

I hold neither brief for Germany nor dislike for England. Nevertheless, it is apposite to remark that some one with a malignant mind originated the epithet "*war lord*" and persistently applied it to the German Emperor.

As a matter of fact his sword had remained sheathed from the time of his ascension to the outbreak of the Great War.

As a matter of fact they who had coined the word constantly kept their own swords unsheathed in defending the far-flung outposts of their empire.

Trouble was brewing! German thrift and industry were gradually draining the gold from English vaults. Under the leadership of Kaiser Wilhelm the German Empire began slowly but surely to threaten England's leadership in the commercial world.

Every student of history recognized that war was inevitable. Alliances were established. The drums of the nations were sounding the march of Mars. Armies were training. Battleships were multiplied. Ammunition reserves were piled up. While the facile fingers of propaganda were constantly at work spinning the web of destruction.

At last in the year 1914 the great contest for the commercial supremacy of the civilized world was set into motion. For three years the battles raged across the entire continent of Europe. It became apparent to all that victory was smiling upon the arms of the Fatherland.

Here in America we returned to office a President who had campaigned successfully throughout the nation on the strength of the slogan: "*He kept us out of war!*" Although the voice of the American people had spoken in terms that seemed to be the equivalent of a mandate, yet forgetful of election pledges, unmindful of mandates these same American people permitted themselves to be led by the halter of deceit into the very midst of a conflagration whose lurid scars never can be effaced.

Newspaper after newspaper was purchased by foreign gold to sell the wares of partisanship; to stir up hatred founded upon lies; to persuade an easily deceived people to take up arms for the defense of international investments made by American international bankers on foreign soil.

Finally, the last American dough-boy sacrificed his life for an ephemeral dream called democracy.

Then came the Treaty of Versailles. It was signed, sealed and delivered—that peace treaty which produced neither peace nor democracy but from whose adulterous loins was bred the abortion of depression.

Its stipulations were cruel, merciless.

Germany is forbidden the rights of trade and commerce with the rest of the civilized world. Every ounce of her gold which she possesses is confiscated. Nevertheless, a fine of 33-billion gold dollars is imposed upon her, although it is well recognized that there are only \$11-billion of gold held in the treasuries of the nations who had despoiled her!

That, my friends, is the beginning of our present sorrow.

Misery began to be multiplied. The prosperity of a world which had been predicated upon the worship of gold was suddenly turned into poverty and distress despite the blasphemous benedictions which the impotent idol of gold had promised.

Behold the fulfilment of its promises! Count its blessings!

Today the combined debts of Europe and America exceed \$500-billion. Our own national local and private debts payable in gold approximate \$235-billion.

It is only an idle dreamer who adheres to the opinion that these debts can be or will be paid. The \$11-billion of commercial gold in the world is not even sufficient to pay the interest on these debts for six months.

There is not sufficient currency in America to pay the interest on our local and national debts for even part of a year.

Little wonder that there is scarcely any credit left in this nation! A persistent policy which unintelligently has destroyed the last shred of confidence, a system of government that has scorned aid and dole for the helpless and bestowed millions and billions of dole funds upon the guilty, industrial bankruptcies, a multiplication of bank failures—this assembly of realities together with the insuperable debts have prostrated the mighty nation of the United States.

We are gravitating into the chaos of national and personal financial ruin.

Yesterday we tied our hope to the star of the Reconstruction Finance Corporation. Today we discover that we had been holding fast to the tail of a meteor which is driving with increasing speed into the chasm of despairing chaos.

Reconstruction has devolved into destruction.

Moreover, the faith in our nation's financial institutions is perishing. Only an impractical mind could entertain hope for its revival as long as the fallacies and immoralities associated with both banks and bankers are permitted to survive.

Blush with shame as you read the startling record unfolded but last week!

Mr. Charles E. Mitchell, the trusted and revered chairman of the Board of the National City Bank and its affiliate, the National City Company of New York; the chairman of the board of one of the world's largest banks has written a crimson page in the history of finance at a most inopportune moment.

Dodging Federal income tax by surreptitiously transferring \$2,800,000.00 of bank stock to his relatives!

Fattening his fortune to the extent of \$3,500,000.00 over and above his salary by bonuses acquired from the sale of worthless South American bonds and other activities!

Associated with loaning \$2,400,000.00 of depositors' money to bank officers to cover up their loans following the crash of 1929 while at the same time his bank and its officers sold out mercilessly their customers whose collateral did not cover their margins!

What a shining example of integrity is Mr. Mitchell, the chairman of one of the world's greatest banking institutions!

Turning our attention from bankers to banks, read the record which has been written in Michigan this last few days.

It is a record associated with glaring illegalities. A State Governor exercising authority over national banks when it is almost universally admitted that he had no authority to exercise it!

National banks disbursing only 5 per cent of depositors' money when it is seriously questioned whether or not they have not gone beyond their rights!

It is a record of misinformation that is astounding.

Banking officials hiding behind half-truths which they sent to the public press!

Newspapers satisfied to sell this information daring not to print the truth as they knew it for fear of breaking confidence in secrets which were no secrets at all but which every depositor had a right to know!

Associated with this thought is the fact that I am personally aware that one great metropolitan newspaper received a truthful story of this whole affair and as yet has not printed it. The citizens are waiting for that publication.

In fine it is a record associated with "smart" money running into hiding and of the uninformed depositor holding the bag.

Now that the worst has happened it is apparent that the use of the truth would have been more efficacious; where courage would have been more wholesome than cowardice. No further damage can be done.

We of Michigan and the depositors in every State in the Union while we do not exonerate our local bankers, nevertheless, are willing to stand behind them foursquare in a crisis which for the most part can be blamed neither upon bankers nor depositors.

What are the facts associated with the failure of at least two large groups of banks in the fourth greatest city of this nation?

At least two great groups of banks have failed. That is the only useable word with which to describe the situation.

At the beginning of this year the First National Bank had deposits totaling approximately \$423,357,897.44.

By February 11th, these deposits shrunk to approximately \$360-million.

Here was a decrease of approximately \$63,358,000.00 in a few days. Practically 15 per cent of the money, "smart" money and much of it in large quantities knew that there was something rotten in the State of—Michigan. Therefore it went into hiding.

In the Guardian Group, a parallel case developed.

At the first of this year the deposits for this bank approximated \$138,385,000.00.

Forty-two days later, this sum decreased to \$104-million—nearly \$34-million being withdrawn.

As in the case of every bank failure, there is always a reason—a very definite and concrete reason.

As in the case of every bank failure, there is also a biblical goat selected by the sinners to bear their iniquities.

Of the goat and his identity silence is preferable.

Of the real reason why nearly \$100-million was so suddenly scared into hiding from these two banks, we need not search to discover it in the ranks of the common people.

Were the small depositors aware of the real reason, bank lines would have been as long as bread lines during these hectic forty-two days.

Turn to another set of figures to discover why the “smart” dollars, as they are called, ran into safety.

Well, on the 1st of January the First National Bank had \$108,585,000.00 approximately of cash and Government Bonds.

Forty-two days later this figure had shrunk to \$45-million.

Deposits of \$360-million of that same date were now depending upon \$45-million.

As far as the Guardian Bank is concerned it had \$56,731,000.00 approximately in cash and Government Bonds.

Forty-two days later this amount had melted to nearly \$22-million.

In this case we find deposits of \$104-million depending upon 22-million actual dollars.

Reason and blame!

Shall we in Michigan or you scattered throughout this nation, now grown accustomed to bank failures, rave and rant at local bankers for having created this perilous predicament?

I appreciate, my friends, that banking business cannot be conducted unless the officers of these organizations invest in mortgages, in reliable real estate, in sound municipal and industrial bonds. I appreciate that if today the only ready valuable assets of these banks of Detroit and similar banks are the cash on hand and the Government Bonds, this sad condition of affairs exists because bankers have been victimized as well as

have the rest of us even though they were the most notorious supporters of a treacherous, devastating policy which persisted in breeding idleness, and, therefore, in destroying tax income, mortgages and second class securities and values of every description which are wall paper at this moment.

Both bankers and their depositors are paying the penalty for practicing pagan principles in matters of finance and economics.

Nevertheless, it would be interesting, indeed, to discover who in the first forty-two days of this year in Detroit made the heavy withdrawals from these two institutions and brought them down to their knees.

The day has arrived for constructive truth. The day has arrived when our Federal Government must establish its own banks throughout the nation for the purpose of safeguarding depositors' money just as securely as does the Federal post office protect the citizens' mail.

Why temporize? Why re-establish banks to duplicate ten years hence what is happening today?

Why pour our national money down ratholes through the funnel of the Reconstruction Finance Corporation when it is possible to expend that same money in creating a nationally owned banking system as sound as our army and as honest as our post office?

A system, it will be, purged of truckling tricksters!

The only system of finance in which we dare place in the future a modicum of confidence.

My friends, I only ask you to cast your eyes upon the record which this nation has written during the past three or four years. Despite its most intemperate optimism, its wide-spread propaganda of fallacy and fancy, its fanatical perseverance, the inevitable is happening under your very eyes.

II

I introduced these remarks, my friends, by recalling to your minds the fact that over half the gold in the commercial world was mined since the year 1900. I associated this thought with the basic cause of the Great War. And finally I emphasized the fact that the so-called depression, with its bank failures, is traceable to the inordinate, impossible debts payable in gold—debts which came into being and were multiplied as a result of the war.

Payable in gold!

What a tragedy is associated with that phrase!

More truthfully one should say: "Payable in the river of tears which have streamed down the cheeks of countless men and women who have been ruthlessly lashed at the pillar of poverty!"

Payable in gold!

Preferably we should say: "Payable in the millions of farmlands which are confiscate in this nation!"

"Payable in heartaches of those 12-million wanderers who like felons have been chained in the dungeon of idleness."

No wonder the prophet Isaias exclaimed in holy anger against those who made gold more precious than men.

"For this," said he, "I will trouble the heaven: and the earth shall be moved out of her place: for the indignation of the Lord of Hosts, and for the day of His fierce wrath.

"A man shall be more precious than gold; yea a man than the finest of gold." (Isaias xiii, 13:12).

Thus spoke this sainted leader as he prophesied the destruction of Babylon of old.

The Babylon which had enslaved the Jewish people!

The pagan Babylon which had set up its god of gold in the desert place for all to worship!

The doomed Babylon which had been weighed in the balance and found wanting!

God knows, my friends, we have had enough of these Babylonian policies. Formerly we were religious enough to print upon our coins *"In God We Trust."* If we had not been hypocrites we would have erased these words and substituted for them the phrase *"In Gold We Trust."*

On former occasions logic and science and argument met to discuss temperately this topic.

More eloquent than words are the sorrows of an oppressed people.

Long enough we have listened to the vapid mouthings of those who raise aloft the cry of *"Give us the Barabbas of gold and crucify the brothers of Christ!"*

Long enough have we quaffed of the vinegar of impious propaganda regarding the false sacredness of commercial contracts specified in gold, when the divine contract made between God and man Who has given him this earth and the fruits thereof to be his sustenance, has been trampled under foot by Babylonian ingenuity.

Long enough we have been the pawns and chattels of the modern pagans who have crucified us upon a cross of gold. Through politeness only have we dignified them with the term of international bankers. In fairness, my friends, I am not referring here to our local bankers.

International bankers and their gold standard!

The gold standard—as if it were more important, more sanctified, more precious than the human standard!

The filthy gold standard which from time immemorial has been the breeder of hate, the fashioner of swords, and the destroyer of mankind.

No wonder that Jesus Christ lashed unmercifully the sanctimonious pharisees who strained at a gnat and swallowed a camel with these stinging words of rebuke: *"Which is more sacred, the gold or the temple"*; the gold or the living temples of the Holy Ghost, Christ's brothers and His sisters?

III

Last Sunday afternoon I advocated a reform which is essential for the well being of our economic life; a reform without which it will be impossible for the vast majority of the citizens both of this country and of the entire world, as far as that is concerned, to free themselves from the cross of gold.

Briefly I am advocating that every ounce and every grain and every coin of gold held by private international bankers shall henceforth belong to the Government and to the Government alone.

I am advocating that these few individuals who hold in abject control the millions of so-called free citizens be stripped summarily of their medium of control.

But, I am advocating likewise that no injustice be perpetrated in accomplishing this act.

Let injustice remain in their hands—justice in ours!

To these international bankers shall be traded the coin of the

realm, the currency dollars, which you and I use in our daily commerce and trade.

We take the gold!

The Government already has set the precedent by confiscating the gold in the earth. Every raw ounce that is mined must be turned over to the Federal Treasurer in return for which \$20.67 is returned to the miner. What holds good for the nation in the miner's case should hold good for the nation in the banker's case.

My friends, are you aware that all the currency and debts or credit of our nation are builded upon gold? Need I instruct you, that they who control the gold, therefore, can likewise control either the expansion or contraction of currency; either the rise or the fall of the stock market; either that wheat be \$2.00 a bushel or 20 cents a bushel; either that a dollar shall contain 100 pennies or 170 pennies; either that you are able or unable to pay your debts; either that local banks remain open or are compelled to close; either that you starve and shiver and fold your little children to empty breasts, or that you can live and smile and partake of the bountiful earth and the fruits thereof which a beneficent God has bestowed upon us?

Once and for all banish from your minds the erroneous superstition that our Government controls the gold resident in this nation. It does not. The gold upon which our commerce, our industry, our homes, our securities, our food, our peace, our very lives depend is controlled by a handful of grasping, greedy international bankers.

How much gold do the Central Banks in the United States hold or control in their possession? That is a fair question.

The answer:

According to the latest figures published in December, 1932, the Central Banks of the United States control \$4,038,000,000.00 of gold.

The English Central Banks, according to the figures published by their Government in November, 1932, control \$583-million.

The French Central Banks, according to the official report published December, 1932, control \$3,254,000,000.00.

So the lurid figures tell the unbelievable story of high finance which has been and is being enacted in every nation of the world where gold controls and where the handle whip is held in the grasp of those who lash you at the pillar of poverty.

There is scarcely need for my pausing to define for you that money is the medium of trade. Through the agency of money wheat and corn, beef and dairy products are brought from the fields to your tables.

In our complicated social life it was money that quarried the stones, sawed the timber, fabricated the glass, manufactured the hardware and every other material which erected your home and your factory.

Money moved the shuttles of the loom which spun your clothing.

Money printed the books and compounded the drugs which your physician employs to save your life.

Money has become the hand-maid of learning without which neither schools nor churches can function in our complicated civilization.

Money is a universal and a national necessity of far more importance than are our highways, our waterways, our railroads, our public utilities. Money is more essential than all of them taken together.

And what has happened to this money?

First of all through trickery and subterfuge, as I have pointed out in previous lectures with facts that cannot be denied, all our currency and all our credit money was built upon the foundation of gold. Silver was outlawed. By acts of Parliament and decrees of Congress, they who selfishly had aimed to gain control of civilization had set a fictitious price upon gold over which they hoped to gain complete control because of its scarcity.

All values were predicated upon it.

All human activities became anchored to it.

Birth and life and death itself became dependent on it.

In their innocence and confidence and childish simplicity our forefathers were unconscious of the scheming and successful efforts of a few international bankers who ultimately did gain control of practically every ounce of commercial gold in this world and, therefore, control of the world itself.

Thus, in their hands they hold our destiny. At their whim and nod the products of our labor rise or fall upon the Babylonian market.

A President can boast that he kept us out of war. A conference of international bankers with the aid of their puppets of propaganda can lead us to the slaughter.

The flow of their gold opens or closes factories, cuts wages, breeds poverty, destroys values and crucifies Christ once more upon the cross between two thieves!

For one hundred and fifty years we have borne the persecution of this damnable control.

How long, O Lord! How long must it endure?

IV

What, then, shall I advocate to this audience? Is it something revolutionary?

Call it so if you will. It will be more justified than the revolutionary thoughts that were nursed within the minds of Washington and his compatriots.

I prefer to call it Christianity. I prefer to describe it as the doctrine of *"live and let live."*

I absolutely prefer to regard men as more precious than the *"finest gold"* as said the prophet Isaias—gold that has been used as the instrument of greed, as the whip of torture in the hands of the Pontius Pilates who persist in perpetuating the passion of Jesus Christ upon His helpless brethren.

What would be your judgment if the army and navy and air force upon which depend our protection from foreign invasion were handed over in their entirety to the control and manipulation of the United States Steel Corporation?

How loud would be your protest if the United States post-office department along with those of England and France and of the rest of the world became the private property of an international bureau of advertisers?

Army, navy, air force and postoffice systems by their very nature are of such public importance and are designed for such public use that it were the suicide of civilization to permit them to become the pawns of private profiteers.

Although you add all their importance together, yet they are of less importance than is this greater public necessity, the gold upon which the commerce of the world is based, the gold upon which the values of our nation have been predicated, the gold

without which in our modern civilization we can neither eat nor sleep nor live!

One hundred and fifty years ago when men first began to suffer from this greatest social injustice that was ever inflicted upon an organized society, the extreme Socialist advocated the nationalization of all industry. To this radicalism the Christian Church could never agree because without the right to private ownership the moral law of God eventually would become an idle gesture. But the Christian Church from its earliest days has advocated, if I may quote exactly the words of Pius XI that:

"It is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large."

Fortified with this single utterance I have dared not only to suggest to you but to implore you to organize legally and peacefully against the Morgans, the Kuhn-Loebs, the Rothschilds, the Dillon-Reeds, the Federal Reserve banksters, the Mitchells and the rest of that undeserving group who without either the blood of patriotism or of Christianity flowing in their veins have shackled the lives of men and of nations with the ponderous links of their golden chain.

We have had enough of their leadership. Too deeply have they pressed down the thorns of servitude upon the fevered brow of a worried world. Too patiently have we writhed upon the cross transfixed by the nails of slavish control.

And now as the clouds of depression gather overhead while in the distance there rumble the thunders of discontent, they who have crucified us walk before their victims to deride them with the challenge, *"If Thou be the Son of God come down from the cross!"*

My friends, the sunset of this gruesome day of challenge is sinking into a grave from which it shall never rise.

But we who suffer—we will come down from the cross, cost what it may!

Soon, soon, shall the dawnlight of a new morning break upon us—a new morning of resurrection, when we shall rise glorious to triumph with the Prince of Peace. This is the hope of the new day and the *"new deal."*

There will be ringing in the ears of President Roosevelt and his associates the whining of these high priests of international

finance who are opposed to this. They will object by repeating the heresy of the ages "*If thou release this man thou are not Caesar's friend!*"

As if they cared for Caesar! They who had prostituted their citizenship, betrayed their leadership and made out of the temple of the Most High God a common market place filled with the dung of animals, crowded with the slaves of gold!

Caesar or no Caesar, we are through with it all!

Friends we will be, but friends of the Christ Who drove from the temple those who made of it a den of thieves.

The trumpets are sounding from India to England!

Trumpets not calling to war, but silver-tongued trumpets proclaiming anew the second birth of the Prince of Peace.

Let us trade our gold for our God! Bloody wars for blessed peace! Cunning greed for Christian love! God, peace and love! These three are one!

One, though they slumber at the breast of the Madonna of Bethlehem! One, though they sleep on the cross of Calvary!

To commemorate this day on which I dared attack the godless error of gold control in order that the sweet benedictions of peaceful prosperity may descend upon an oppressed world, may it be my privilege to send to each one of you a bronze pocket crucifix, the symbol of suffering, the promise of resurrection and the pledge of prosperity.

It is yours for the asking, be you Catholic or not.