

The School of Power #3—Money & Politics

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*The way to crush the bourgeoisie is to grind them between the millstones of taxation and inflation
~ Vladimir Ilyich Lenin*

*The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the
equal sharing of miseries.
~ Winston Churchill*

“In the last class I asked you to consider two questions: what motivates some people to acquire such huge amounts of money that they could never spend it all? What do they do with all of their money? The answer is that they typically use their money in a never-ending quest for more money and more control. Economic control leads to a desire for political control, and vice versa; money and power always go together because they need each other. Money is used to create and perpetuate political systems to increase the control that insiders have over others, to keep the outsiders poor and working for the benefit of the insiders. Political power, in turn, allows them to make more money, and so the cycle continues.

“As we have seen, socialism is the chosen method used for political control, because it allows the ruling elites to gain more and more power over ordinary people and over their money while at the same time confusing them and appearing to rule for their benefit. Having large amounts of money allows them to implement and maintain this control by ownership of the media, the government, and the educational systems so that people are kept in ignorance of their true goals.” Michel raised his hand.

“Sir, is it really true that only a few people control everything?”

“Not yet,” replied Dr. Quigley, “But insiders are working toward that goal, and you will be surprised at how far they have come.” He adjusted his glasses.

“The desire for a one-world government is ancient of course, and goes all the way back to the earliest days of human civilization, with Nimrod and the Tower of Babel. The Babylonian empire was the first and most successful attempt in history to dominate the entire world of its day. In an act of mercy on the human race, the languages of the peoples were confused, power was diffused, and the empire of Nimrod fell apart, but the lust for ultimate power has continued. Various rulers throughout history have desired this, and in an attempt to achieve total control, they founded empires, such as those of the Persians, Greeks, Romans, Mongolians, and Arabians. But all of these empires eventually petered out and faded without having achieved true world-wide dominance and no country or group has had anywhere near sufficient power to do so since the ninth century. Then in the eighteenth century when socialism was invented, people again began to dream of a one-world government and a revival of the Roman Empire. A group known as the *Illuminati* was formed in Germany to pursue that goal—the formation of a one-world socialist government which they refer to as the *New World Order*.

“It is with the *Illuminati* that conspiracy theories begin. People who see all politics as being conspiratorial think that the *Illuminati* have now expanded, and have interlocking families that control, or attempt to control, everything. Others pooh-pooh this notion as being crackpot and reactionary. There are two errors to be avoided here—the first error is to think that everything is under the control of only one or a few secret groups; the second error is to think that nothing is controlled by any groups. I have studied this carefully; the evidence is overwhelming and the conclusion is inescapable that there are a number of extremely wealthy groups, families, and individuals who seek world domination. Furthermore these groups are not truly secret. The specifics of their plans and some of their actions may be hidden, but it is impossible to exercise power on the scale envisioned by the NWO groups and still remain secret, because there are too many people involved. Retaining secrecy becomes impossible, and when exposure inevitably occurs, it makes the group a target. Therefore it is much better for a group to operate in the public sphere, but not allow the public to know the group’s true aims and actions.

“NWO groups are vying for power with each other as well as against other centers of influence, and the ultimate goal for each group is to create a one-world government directly under their control, or if that is not possible, to control as much of the world as they can. This is what is meant by the term New World Order. Therefore I shall use the acronym NWO to refer to these groups as a whole.”

“Is it really possible that one group could gain control of the entire world?” asked Michael.

“Yes, it is. Given our political climate and all of the current centers of power, it would be very difficult to achieve, but there are a number of extremely wealthy groups and individuals who are focusing incredible efforts toward achieving that goal. Furthermore, the term ‘one-world government’ does not necessarily mean that only one group would gain control of everything on the planet. A similar effect would be achieved if two or three different groups were able to split the world amongst themselves.”

“Who are these NWO groups? Do we know them?” asked Jean.

“I will be telling you about them as we go along, but let me identify the main ones right at the start. In America, they consist of the people behind the Democrat and Republican political parties; the Council on Foreign Relations; the Rockefeller, Carnegie, Mellon, J.P. Morgan and Kuhn, Loeb firms and tax-free foundations; and many people associated with these organizations in politics, media, and education. In Europe they consist of the European Union, the Round Table group in England, the Rothschild financial empire, the Bilderberger group, and other large financial entities. In Russia, China, and Southeast Asia it is the communist party and affiliates; in Japan it is the Zaibatsu and Keiretsu groups; in the Muslim world there is the Arab League and the Organization for Arab Unity, and there are similar organizations in Africa, South America, Southeast Asia and elsewhere. On the global scene there is the UN and all of its affiliated agencies and pressure groups. The director of the UN is beholden to Maurice Strong, who is very influential in Canadian NWO and socialist environmental initiatives, such as the Earth Summit.”

“Sir, what kind of society would the New World Order create if they were able to achieve their goal? How would we live?” asked Henri.

“That is unclear because these groups are all different from each other. It depends on which group or groups gains the upper hand and how repressive they are and become in the process of exerting and retaining their power. One possibility is that some NWO groups may have become happy with the current situation, or perhaps more realistically, have reached the furthest possible extent in their grab for power. For example, given the current cultural and political realities, it is hard to picture a scenario where America could effectively control Iran or vice versa. Therefore it is possible that the current political and economic milieu could remain more or less as it is now. But this is doubtful because there are members of these groups who are very serious and who have a vision of a one-world government where national sovereignty is continually reduced until it is eliminated. They are completely devoted to carrying this process out, even if it done slowly and takes a number of generations to fully accomplish. Therefore it may appear for a time that little or nothing is happening.

“If socialization and the associated repression continues, one possibility is the type of society described by Aldous Huxley in his book *Brave New World*, in which people are controlled by pleasure and drugs, and are cloned to prepare them for specific tasks. This would be a contemporary and more sophisticated version of the old Roman ‘bread and circus’ method of keeping the people occupied with sex, alcohol, violent sports, and other diversions, while the power elite rules.

“Another alternative is some form of what George Orwell depicts in his book *1984*, in which the government rules in extremely harsh ways by physically crushing people. Whenever a repressive government encounters resistance, the typical response is to become even more repressive so as to destroy all rebellion, making this type of ‘boot-smashing-the-face’ scenario more possible. This may seem far-fetched but it is very feasible because it has been already been carried out in a number of countries in recent times, such as Russia under Stalin, China under Mao, Laos and Cambodia under Pol Pot, Germany under Hitler, and so on.

“If the Muslims were somehow successful in taking over a larger part of the world, they would probably rule using their system of laws which is known as *Sharia*. Anyone who is not a Muslim would be a second class citizen with little or no rights, have to wear special clothes, and restricted in many ways—like the Jews were under the Nazis in Germany.

“In all cases, the power elite would be the privileged few, and the government would have much more control over ordinary people, resulting in a society that probably would be more repressive than at present. What is scary about the NWO is that once such a government gains sufficient power there would be no one to rescue us.

“The NWO groups will, of course, typically deny this and will freely lie in order to maintain their cover until their vision of one-world government is a reality, because if they are exposed too early and the public comes to understand what is really happening, the reaction will be overwhelmingly negative. Therefore these groups operate largely in the shadows and rarely expose themselves, especially those in the money-related and banking families. For example, one almost never hears of the Rothschild family today, because they have assumed other names and put their money in many different banks and businesses. But if one follows the money trail all the way to the top, the same families are still there, and even more wealthy than before. The political side of the NWO must, of course, operate more visibly in the public sphere, but as we know, politicians are

notorious for saying one thing and then doing something else, especially if they are controlled by insiders. Like everyone in the business world, politicians work for whoever signs their paycheck and for the people who put them and keep them in power, so it is very hard to fight against entrenched groups that have very large financial resources and the political will to use them.” Dr. Quigley adjusted his glasses.

“The NWO groups hate and distrust each other. They compete and sometimes go to war against each other, but at times they cooperate in order to better achieve their own objectives, in the same way that countries sometimes fight and sometimes cooperate. However, they do not control everything—at least not yet, nor do they even seek control at every level. They typically limit their efforts to the federal and international levels and stay out of state and local politics because they wish to maintain control from a distance so that ordinary people do not become aware of their true motives and understand what is really happening. Furthermore, they seek to enhance federal power to the detriment of the state and local control so that there is less need for lower-level involvement.

“There have been long debates among and within various NWO groups as to strategy and tactics. Almost all of them are socialistic, but they differ in their methods of how worldwide socialism should be implemented. For example, communistic groups wanted to achieve a one-world government more quickly, and were prepared to use violent means to do so. Other NWO groups, such as the Fabian socialists in England, believed that violence is usually counterproductive and creates too much opposition. They understood that society can be dominated much more readily and thoroughly through control of money and economics than by military power, because the use of the military is too obvious; it creates resentment and hatred that can crystallize opposition. Control over money also reaches further into all corners of society, and it is much better to enslave people willingly and gradually using mechanisms like inflation that people do not understand, because the resentments and anger that will eventually be generated can then be more easily manipulated and redirected by skillful propaganda and control over the media. The Fabians are not opposed to using guns to enforce their will, and have no problem with killing and eliminating those who are against them if necessary. But to them the military is a cruder weapon—a meat axe, whereas monetary control is a surgeon’s scalpel. It takes longer and requires more patience, but the end result is a more placid and passive public that can be ruled and sheared more like sheep.

“The Fabians even enshrined this concept by using a turtle as one of the symbols for their organization. Thus the communists and the Fabians have employed different tactics, but their goal of a one-world socialist government is essentially the same, and in the last fifteen years or so the NWO groups have, in general, adopted the Fabian mindset. This is why the Russians have seemingly abandoned communism and why the Berlin wall fell so easily; they simply stopped calling themselves ‘communists’ which had become a dirty word and started calling themselves ‘Social Democrats’ instead. To use an analogy, when you want to cook a live frog, do not drop him in a hot frying pan; instead put him in a pan of cold water and slowly heat it.” Michel raised his hand.

“Sir, this is depressing. Is it really true that people want to do this to us? Why do people want this kind of power?”

“That is an excellent question. Ordinary people who are just raising their families and going about their lives often cannot comprehend this overweening desire for power,

and find it hard to understand how individuals like Hitler, Stalin, Mao, Pol Pot, and others could have become so power-hungry.”

“But Sir,” Michel responded. “Hitler and Stalin are dead, and there’s no one around like that now who is as power hungry as those men were.”

“Not true at all,” replied Dr. Quigley. “Consider Kim Il Jung, the dictator of North Korea, and Saddam Hussein of Iraq. All of those men started as cute babies in their mother’s arms—how did they go wrong? In our last session I mentioned Jean-Jacques Rousseau. He was the eighteenth-century French philosopher who developed the idea of the ‘Noble Savage,’ by which he meant that man is basically good in his natural state. So if man is good, then why is there so much evil and the world, and where does evil come from? According to Rousseau, evil comes from the surrounding society which corrupts people. This idea was adopted by socialists and communists who taught that capitalism and the profit motive were the source of evil; if only we could construct a society with no private property, and where everyone was equal and shared everything that would be utopia—heaven on earth. Unfortunately, Rousseau’s theory is completely wrong because people are not inherently good. Every parent understands this—you don’t have to teach a child to do wrong; they are naturally selfish and by nature will do wrong things, and part of the parents job is to correct the child and have them instead do what is right. The true answer is that the capacity for evil lies inside each one of us, and just needs the right set of circumstances and temptations to come out. These men were corrupted by the desire to gain and hold power over others, and by their attempts to overcome others who were competing against them. Each of you boys come from a good family and are reasonably moral; when you have a chance read William Golding’s book, *Lord of the Flies* which is about a group of reasonably moral boys like you who were plane-wrecked on a deserted island, and eventually began killing each other in a struggle for power. Lord Acton said, ‘All power corrupts, and absolute power corrupts absolutely.’

“Therefore the communists and socialists have built their theories on a lie, which explains why every truly socialistic and communistic society in the history of the world has been a failure, and will always be so. People are not naturally good, nor are they naturally equal, and socialism has simply served as a way for clever and power-hungry rulers to use those lies to dominate others. The truth is that the societies with the most freedom and the highest standard of living are those in which the power of government is limited, where power is disbursed, and where ordinary people can empower themselves through entrepreneurial capitalism.”

“Then why is it that all we hear about is about the evils of American capitalism? Why don’t we hear about the problems of socialism?” asked Michael.

“Because much of the media is controlled, and it is largely a mouthpiece for leftist politicians and spokesmen. Don’t be naïve to think that the media is fair or balanced—newspapers and television channels will focus on the stories that appeal to them and will ignore other, and they will attempt to shade and spin stories according to their own biases. Furthermore, people in power conceal their actions and desires, and often control the media so that they can also control what people will hear and think about them. Usually we do not find out how bad such leaders were until after they have been deposed. For example, we did not discover how truly depraved Hitler and his henchmen were until the Allied soldiers liberated Auschwitz, Dachau, and the other prison camps, and saw the ovens and the gas showers. It also took a long time for the West to learn that Stalin was

the sole dictator of Russia and had killed millions of his own people, because he was able to conceal those facts for many years. An even more significant point is that many of the NWO people have not done anything worthy of such condemnation—yet. The problem is not necessarily what they have done, but what they could do if they were able to achieve their goals.

“Let us now consider how NWO groups gained control of the world’s banking system. The Bank of England was the first central bank to be created. From the perspective of English politicians the real purpose for the Bank of England was to give them the means of creating large amounts of paper money to fund war against France. Napoleon, the French ruler of the early 1800s, had no large sources of funds, and there was no French central bank at that time capable of creating acceptable paper money because the French had recently gone through a paper money disaster. Therefore the bankers were smug in the assurance that Napoleon would have to come to them for his war funding. They were so confident that one group of bankers came to him with a proposal for a joint British and French invasion of America—England would get the northern industrial states, which had most of the wealth, and France would get the southern states. To appeal to Napoleon’s ego, they offered to name him King of America. But Napoleon had already done a deal with the Americans, selling them the Louisiana territories for £3 million, and with those resources he prepared for war.

“The Rothschild family skillfully played both the English and the French sides without committing themselves to either, performing services for Napoleon while at the same time setting up a courier service through France to supply General Wellington’s British army, and making substantial sums on smuggling operations everywhere because their vessels and couriers were allowed by both sides to pass through. There is an interesting story about Nathan Rothschild, the head of the London branch and the leader of the family. During the Battle of Waterloo, the final stage of the war, everyone at the London Stock Exchange waited with bated breath for information on the progress of the battle. If Napoleon won, French stocks would climb and English ones would plummet, whereas if Napoleon lost, the opposite would occur. Nathan got the news of Napoleon’s defeat long before anyone else in London knew. The other brokers were all watching him, and knowing this, it was said that he began to sell his English bonds, leading others to think that Napoleon had won. Panic set in and English securities were dumped on the market at pennies on the dollar. Rothschild secretly bought the securities back at very low prices, and when the actual news of the battle became known, Nathan had made a huge market killing. This story has been disputed, but is entirely in keeping with the character of Nathan Rothschild.

“These actions illustrate the Rothschild formula for creating wealth through banking. The elements of the formula are as follows: first they made loans to governments in order to gain influence over them and obtain inside information; then they took advantage of war as a means of stimulating the demand for government loans. War is especially good for central bankers because survival is one of the strongest human motivators—everything else is of secondary importance, and people at war surrender many freedoms in order to survive and pay for the war. War also creates huge demands on the government for money and for the production of war materials. The banks who provide the money, as well as the companies who produce the military equipment, are thus in position to control this production and to benefit from it. In summary, the interests

of the large bankers and the population in general are in opposition to each other—what is good for the central bankers is usually bad for the people.” Jean raised his hand.

“Are you saying that bankers cause war?”

“No, they don’t directly cause it, but at times they and the associated military providers have encouraged war so that they could profit from it.”

“But isn’t war bad for banks too? Wouldn’t they be destroyed in a war?”

“Yes, and to be fair to the bankers, they have often tried to avoid war. For example, it was said of the Rothschilds that they were essential in keeping the long European peace between 1870 and 1914. War it is bad for business, just as it is bad for people in general. Stock and bond prices decline because war creates uncertainty in the markets. Therefore financiers often oppose war, but if it comes, they still make money on war loans made to the government, and on the sale of the war material.

“Sir, you haven’t talked about religion at all. Isn’t religion the cause of war?” asked Jean.

“Religion has played a part in many wars—you have to look at them on a case-by-case basis. But the most frequent causes of war are: a desire for to take something from others, a desire for revenge on others, and the egotism and ambitions of the leaders. Thus religion is usually an excuse or a smokescreen for the real reasons. Islam is the most militant and belligerent of all religions because Muslims are commanded to fight non-believers until the latter are killed or subdued. But even in the case of Islam, clever leaders have often used *jihad* as a means of establishing their own power and an excuse for killing or subjugating their enemies.

“The real strength of religion is that it functions as a unifying factor. The countries of Islam form their own power block. The religion of the American and European NWO groups is not Christianity; rather it is Secular Humanism—the worship of man and self, which includes Spiritism, New Age, and a smattering of Christian and eastern religious concepts. It is a flexible, roll-your-own religion that allows morality to be redefined and modified to suit the desires of those in power. Secular Humanism is one of the major factors that unite Western groups and provides shared goals and visions. However, I believe that money and power override all considerations of religion. In today’s world, with the exception of Islam, religion plays only a small part in war.

“The real prize for the central bankers was control of America, the biggest potential plum of them all. From here to the end of the class we shall primarily concern ourselves with the development and exercise of power in America, because it is the wealthiest and most democratic country in the western world and therefore requires the most sophisticated approach from insiders in order to gain and hold power. If America can be taken over by NWO forces, then any other country can as well using the same principles.

“Throughout the 1800s several attempts were made to create a central bank, and all of them ultimately were rejected because the insiders did not yet have sufficient control of American politics and media. But by the early 1900s many of the significant newspapers were owned by NWO groups, and political control had been tightened. John D. Rockefeller founded the Standard Oil Company in the 1870s, dominated the oil business, and then muscled his way into financing by buying several of the largest New York banks. The other major banking power in the United States was J.P Morgan, who ran the largest banking operation on Wall Street in New York City. Morgan was in turn

largely financed by the Rothschild family of Europe. There were others as well, but at the time these two were the largest, and in the spirit of Rockefeller's aversion to competition, they worked together to better achieve their goals. The immense financial resources of these groups were then in a position where they could be brought to bear in order to create a central bank in America.

"In 1910 a secret and very significant meeting was held on Jekyll Island off the coast of Georgia at an estate owned by J.P. Morgan. The meeting was attended by seven men from the Rockefeller, Morgan, and Rothschild groups, and was led by Paul Warburg, a Kuhn-Loeb and Rothschild man from Europe. He was later parodied in the Orphan Annie cartoons as Daddy Warbucks, as well as possibly being the mustachioed banker wearing the top hat in the board game Monopoly. The result of this meeting was a plan for creating a central bank in America very similar to the Bank of England. It was to be controlled by insiders, but in order to avoid arousing suspicions it was not called a bank. Over the next few years they tried to sell this plan to the American people as a means of protecting the public's money from banking failures, but the real goals of the system were, first, to control the banking industry and suppress competition; second, to use public money to bail out insider banks if necessary and to prevent them from failing; and third, to eliminate the gold standard and remove the requirement that paper money must be backed by gold, allowing the bankers to create fiat money so that there would be no limits on their power to inflate the money supply." Henri raised his hand.

"Sir, please explain what you mean by fiat money."

"Sure. Remember the example from the prior class of the goldsmith who had the bright idea of creating more receipts than there were gold bars and then using the receipts for his own purposes? Fiat money is paper currency that is created out of nothing by the government. It has no tangible backing—no gold or silver to back it up—and therefore there is no limit to the number of paper receipts such as dollar bills and euros that can be created. All the government needs is a printing press. The first step on the road to fiat money is fractional currency, meaning that the paper is still partially backed by gold. But the temptation to print and spend more and more paper is irresistible, and eventually the quantity of paper bears no relationship to the amount of gold or other tangible things of value that are supposed to back it up. Fiat money allows those who control the system to have the power to create as much paper money as they want.

"There are, however, consequences to fiat money. You cannot get something from nothing; the more pieces of paper that are created, the less that each one is worth. Inflation is the insider's best way of taxing the public and sucking the value out their money without the public realizing what is happening, because it works by gradually reducing the buying power of each piece of paper.

"Fiat money has a long history of failure. The Venetians and the Dutch had both been damaged by banking crashes caused by fiat money and so for a number of years they did not allow their banks to make loans; every bank note had to be backed by the stated amount of gold which was literally kept in the bank vault. Trade blossomed until this discipline was relaxed. The United States had horrible problems with fiat currency in colonial days. The governments of Connecticut, Massachusetts, Rhode Island and other colonies printed bank notes that had no gold backing, and soon afterward they became completely worthless even though the government required them to be accepted as legal tender. Businesses collapsed, people were put out of work, the government fell into

disrepute, and currency was largely abandoned and replaced by tobacco leaves. In other words, society returned to a barter system using an item of intrinsic value in place of paper money. These bad experiences were burned into people's minds which helps to explain why America became so successful and for a long period of time resisted attempts to create a powerful central bank. In fact, the Republicans and the Democrats, the two major political parties in America today, were both founded on the issue of the prevention of central banking and fiat money. The original Republican Party was formed in the 1790s and led by Thomas Jefferson, who opposed the central banking ideas of Alexander Hamilton. The Democrat Party was founded in the 1820s by Andrew Jackson who opposed the central banking powers of Nicholas Biddle; Jackson's picture on the US twenty dollar bill is perhaps an insider joke—he was against central bankers and paper money, but now his picture has been co-opted in support of it. Later generations forgot those painful lessons, especially during times of war, when the government needed huge sums to support armies. Fiat money has been the cause of virtually all of the banking disasters throughout history.

“As we indicated before, the central bankers and the politicians need each other, because politicians always want to spend more money, and bankers need the protection and force of government to keep the whole system from falling apart. Socialism needs fiat money because it requires large amounts of government spending. This explains why socialists and NWO groups hate the gold standard and always argue against returning to it.” Dr. Quigley adjusted his glasses.

“From the Jekyll Island meeting came what is now known as the Federal Reserve System in America. Like the Bank of England it is not a part of the government—it is owned and controlled by the member banks, especially the money-center banks in New York City which are owned by the groups that designed the system. Then the gold standard was eliminated by President Roosevelt and US money became purely fiat, with no backing or guarantee.

“Eventually this led to huge bailouts of insider banks and companies where public money was created by the Federal Reserve and pumped in to prop up failing insider-owned banks and corporations. For example, Penn Central Railroad, which was owned by Morgan and Chase, one of the Rockefeller banks, was bailed out in 1970—it was turned into Amtrak and has since consumed over \$21 billion in public funds; Continental Illinois Bank failed in 1982 and was bailed out with \$4.5 billion; but the all-time giant was the Savings & Loan Crisis of the 1980s which eventually cost taxpayers around \$500 billion dollars. But even these bailouts paled in comparison with the tax increases and the amount of fiat money that was created to fund the welfare state and the Vietnam War in the days of Presidents Kennedy, Johnson, Nixon, Ford and others. The socialist turtle started crawling around the track.

It is in the international arena where many of NWO-sponsored financial activities are happening, and this is taking place primarily through two international organizations—the International Monetary Fund, known as the IMF; and the World Bank. These were created in 1944 at a conference in Bretton Woods, New Hampshire, and we shall refer to them as International Funding Organizations—IFOs. As with the Federal Reserve System, the publicly stated goals for these organizations were noble-sounding. The purpose of the World Bank was to serve as a funding source for loans to poor third-world countries to alleviate poverty and disease, whereas the purpose of the

IMF was to work with financially troubled countries, and to require them to adapt plans to improve their economy and eliminate corruption and waste. However, these organizations also seem to have hidden purposes and goals, as we shall see.” Several boys raised their hands.

“Is this the same as foreign aid?” asked Jean.

“Not exactly. Foreign aid is usually a grant, and is provided directly by one country to another, rather than through an international organization.”

“Is foreign aid corrupt?”

“Like the IFO funding it is a mixed bag. Some foreign aid has truly gone to help people, especially where grants have been made directly to food distribution groups and hospitals rather than to governments, but often a part of it gets kicked back to the insider individuals providing the aid. They get perks from the recipients in target country, in the form of cash, entertainment, women, vacations, cars, real estate, and so on. Occasionally corruption is exposed and prosecuted, but most of it you never hear about. However, even in cases of corruption, there is a trickle-down effect where the general population usually derives some benefit, like the Oil-for-Food program in Iraq. It is necessary that some funds make it through to the populace in order to justify the process and to mask the corruption. However, almost all of the serious money is provided in the form of loans rather than grants, which then can be used to control the target country, as I shall explain.”

“Where does the money come from? Who provides it?” asked Claude.

“Good question; the IFOs are funded by member countries, with the largest portion coming from the United States. But even more significantly, the US and other western countries have sometimes guaranteed the loans made by international lenders, so that in the event that the borrower fails to repay, the lender will get its money back from the taxpayers in America, France, England, and other western countries.”

“Are you saying that these IFOs are just giving our money away for bad debts?”

“Let me explain how it works: the World Bank makes loans to countries for a variety of purposes—dams, electrical plants, roads, etc.—whereas the IMF makes loans to bail out countries in financial problems. These loans are always made to governments, which is actually the worst way to stimulate a country because most of the money does not benefit the economy or the ordinary people. Instead it benefits the rulers, who typically siphon off a portion for their own use and make sure that their cronies are rewarded. In this manner, much of the funds are wasted in bureaucratic rat holes. As you study IFO actions it becomes clear that in many cases the loans were not made to truly benefit the people, but rather to buy influence with contractors who would later be a source of kickbacks, and to gain influence over the target government. In some cases countries have gotten large loans for completely unspecified purposes, and the rulers used the IFO loans as their own personal piggy bank.” Dr. Quigley adjusted his glasses.

“Here are some examples: in India, the World Bank funded the construction of a dam that displaced two million people, flooded 360 square miles, and wiped out 81,000 acres of forest cover. In Brazil it spent a billion dollars to develop a part of the Amazon Basin and fund a series of hydroelectric projects. This resulted in the deforestation of an area half the size of Great Britain and caused great human suffering. In Kenya an irrigation scheme caused such desolation that twenty percent of the native people had to abandon the land. Nigeria and Argentina are drowning in debt, but meanwhile millions

from the World Bank have gone to build lavish new capital buildings to house government officials and the ruling elite. Political leaders in Mexico and the Philippines have become billionaires from World Bank loans. In the Central African Republic, IFO loans were used to stage a coronation for its emperor. A number of IFO loans were made to the former Soviet Bloc countries of Eastern Europe, and the loans were touted as improving their economy and showing the people a better way of life. But the economies did not improve and the people received no benefits, because the money went to the governments, which for the most part used it to tighten their control over the people.

“It is also interesting to see the results of these loans. The economy of Argentina is an excellent example; it once had the highest standard of living in Latin America, but under Juan Perón the country was socialized and the economy ruined with the help of IFO loans. Private companies were forced into bankruptcy, unemployment and welfare payments soared, and productivity nosedived. Hyperinflation set in and by 1989 it was at five thousand percent and later in the year it topped out at one million percent. People were rioting in the streets for food, and the government blamed shop owners for raising prices. Similar situations occurred in Brazil and Mexico. In many cases World Bank loans have been like crack cocaine—they addicted the leaders to what seemed to be free cash and left their countries poorer and more damaged than they were before. The Mexican government was finally bailed out with a \$50 billion IMF loan.

“But it gets worse; in a number of cases rulers have used IFO loans and Western taxpayer money to enslave their own people. A number of cruel and repressive communist and socialist dictatorships have been funded, including the Sandinistas in Nicaragua; the Ba’ath party in Syria; and the communists in Poland, Vietnam, Laos, China, and Russia. Julius Nyerere used IFO loans to collectivize the economy of Tanzania, as we discussed before. With this money he equipped his army so that the Tanzanian people could be forcefully rounded up and brought to collective farms where they were made to work. Robert Mugabe, the socialist dictator in Zimbabwe used IMF loans to nationalize his country; in other words, he confiscated farms from white settlers, gave the best parcels to his cronies, and then turned the rest into state-run collective farms where the blacks were forced to work. In 1991, despite the total failure of the existing collective farms which were leading to the starvation of his people, Mugabe wanted to nationalize and confiscate even more land for more collective farms and forced labor. Therefore he sought additional loans from the IMF to do so. The IMF representative at the time was Michel Camdessus, the Governor of the Bank of France, and a former finance minister to François Mitterrand, the socialist President of France. After being apprised of the purpose of the plan, Mr. Camdessus arranged for another IMF loan to Mugabe of 42 billion rand to extend Mugabe’s power. Since 1988, life expectancy in Zimbabwe has declined from 62 to 38 years, the country has the world’s highest rate of inflation, unemployment is around eighty percent, and over twenty percent of the population is infected with HIV/AIDS.

“One of the worst cases was the Marxist government of Mengistu Haile Mariam in Ethiopia who used IFO money to make war on his own country and to prop up his own government. Massive resettlement programs forced hundreds of thousands of people from their lands in the north into collective farms and concentration camps in the south. In the famine of 1984 and 1985 thousands were allowed to starve to death; this was all part of Mengistu’s plan for seizing control and forcing the people into submission. The

entire process was funded by IFOs with taxpayer money from America and other western countries. Much of the IFO funding was sent to the Ethiopian Ministry of Agriculture, which was Mengistu's agency in charge of the resettlement program. IFO loans have thus taken the assets of productive people and have used them to finance tyranny and failure. As Lenin said about establishing communism in Russia, 'You can't make an omelet without cracking a few eggs.'" Dr. Quigley picked up a book and opened to a marked page. "Graham Hancock in his book *Lords of Poverty* had this to say about the IMF:

Corrupt Ministers of Finance and dictatorial Presidents from Asia, Africa, and Latin America are tripping over their own expensive shoes in their unseemly haste to "get their share." For such people, the money has never been easier to obtain than it is today, with no complicated projects to administer and no messy accounts to keep. The venal, the cruel, and the ugly are literally laughing all the way to the bank. For them the IMF structural adjustment loans are like a dream come true. All they have to do—amazing, but true—is *screw the poor*, and they've already had plenty of practice at that.

"But Sir, don't the people at the IFOs know that these things are happening?" asked Michel.

"It is important to be realistic and not paint everything with a totally black brush. Everyone has a natural tendency to simplify situations and to think in terms of black and white. Everyone wants to know—who are the good guys and who are the bad guys? Unfortunately, things are more complex and nuanced than that. Many IFO staffers care about people and they came out of organizations such as the Peace Corps and others which were dedicated to providing assistance to third world countries. However, lower-level staffers are not allowed to make judgments on the politics of the country, and those in the field are carefully guided and controlled by the top people in these organizations—the lower echelon cannot make loans without following orders and getting approval from the top. Furthermore, the IFOs themselves are controlled by the countries providing the money. America, being the biggest contributor, calls many of the shots. This leads people to blame America for supposedly trying to take over the world through the IFOs. But there are also some people in government who are trying to do the right things and are in positions to force the IFOs to do the right things as well, so what is actually accomplished often comes from a mixture of motives and political forces. For example, the World Bank provided poverty relief, agricultural subsidies, and jobs for Indonesia in the 1990s. Much of the money found its way into government pockets, but the Indonesian people also were helped. If an organization was totally bad it would never survive—you have to look at each of these situations on a case-by-case basis."

"Why can't people in Western countries demand that this process be stopped?"

"Most of the public is completely unaware that these things are even happening, and those that are aware are told that the money is being used to help the poor and needy. Raising objections to charity makes you sound like a selfish miser. The people in government who control these funds are also in a position to benefit from them. It is the taxpayer's money, not theirs, so the incentives run entirely in one direction—for them to give it away in order to buy influence for themselves. Furthermore, there are many non-governmental organizations—NGOs—formed as pressure groups to support the IMF and World Bank, and to call for even more aid and more loans to promote causes such as

poverty relief, environmental protection, woman's rights, family planning services to issue condoms and provide abortions and so on. They are continually pressing donor countries for more money."

"You talked about countries being ruined by IFO money. I don't understand—why would they spend money to ruin countries?" asked Michel.

"Many of these projects were huge mistakes, but none of them were intended to ruin countries, even though that was often the result. As I said before, these loans were made for influence peddling—as a means of supporting corporations owned by insider friends who could then be the source of jobs, kickbacks, and other favors, as well as gaining control over the target government. Here is an example of how the system has worked in the past: IFO loans were made to Ecuador in the 1980s to build electrical power plants. In order to justify the power plant construction, they first hired an insider American consulting firm to perform studies to determine the local demand for electricity. Inflated and fraudulent numbers were given in the reports in order to proceed with the project. After the loan was approved the cash went directly to insider American engineering companies such as Bechtel and Stone&Webster, who did the work. Many of these firms have ex-government people working for them to make sure that they get whatever business is available; for example, Bechtel's management included George Schultz, former US Secretary of State, and Caspar Weinberger, former US Secretary of Defense. But don't ever accept the lie that America is the only country that has done this. Other European countries are much worse, especially France, because in France the government has much more direct control over business. Therefore France as well as the European Union are inherently much more corrupt than America. Jacques Chirac is an excellent example of this—his power and political career were largely funded by the insider deals that he made with Saddam Hussein in Iraq.

"Furthermore, when loans are made to benefit the rulers of a country, and especially loans that cannot be repaid, the IFOs and the banks have the country by the short hairs, and will use their influence to demand concessions. The concession may involve getting to select people for certain government positions; influencing the way the country votes in the UN or other world bodies; the assignment of the country's mineral or timber rights which the bank can then sell to oil, mining or lumber companies so that the resources of the country can be taken; or anything of value in the country that could be exploited. The insiders also have ways of dealing with countries and leaders that refuse to cooperate with them. For example, Presidents Jaime Roldos of Ecuador and Omar Torrijos of Panama both died in suspicious airplane crashes, and a number of governments have been overthrown and the leaders replaced, such as in Cuba, Guatemala, Panama, and Iran." Henri raised his hand.

"Sir, if they are loans, don't they have to be paid back?"

"Good question; as I said, the IFOs and other banks provide loans, not grants. But many of these loans are never fully repaid because the countries have essentially squandered the money and therefore they do not have the means to repay the loans even if they wanted to. When the country complains about the payments, the IFO then loans the country even more money so that they can at least pay the interest on the loan. The loan is thus rolled over and a new loan is created for a larger amount. Eventually the country may reach the point where it is unable to repay even the interest, and threatens to default. It is at this point that the loan guarantees made by the western governments come

into play. Sometimes the debt is extended further in the future, but at other times it is forgiven and written off. However, the banks themselves do not lose because they are bailed out by western taxpayers, and the debt is monetized; in other words, it is paid for by the US government, which simply creates a lot of new fiat money to pay off the banks. In the 1980s a number of Latin American countries threatened to default on their debt. Bailouts for all of these loans were arranged at a total cost in inflation to western taxpayers in the range of three hundred to five hundred billion dollars. As part of resolving the Mexican debt crisis, the authority of the US Federal Reserve System was expanded so that it could bail out American banks that had made loans to other countries, so that the US Treasury can now directly participate in this bailout process.”

“Do the IFOs run out of money?” asked Michel.

“Yes, sometimes they do, and they have to get more from the funding countries. Many of the large IMF bailouts used loans from various sources—the IMF itself, other banks, the US Treasury, and other countries. But it is also important to understand that unlike a typical bank, the IFOs do not pay interest on the monies that are deposited with them. Therefore, when countries pay interest back to the IFOs, all of this is essentially profit for them.” Henri raised his hand again.

“I have heard that the IMF imposes rules on countries as a condition for getting bail-out loans. Is that true?”

“Another excellent question. The IMF has often tried to impose discipline on a country as a condition for granting a loan. But the rules in each case are negotiated, and the country can later ignore or get around them, because the IMF does not have any direct authority over the country. There have been cases where the IMF refused a subsequent loan to a country because the country had reneged on one of the original loan conditions, but in other cases the IFOs have continued to loan countries more money regardless of what happens. Furthermore, these conditions make a convenient scapegoat for local politicians, who can then deflect blame for the misery of the country from themselves to the IMF and the big, bad capitalists in America. Through these lies and deceptions free enterprise is often given a black eye. As we shall see later, this is also part of the NWO strategy for making America and the West appear evil, so that other nations will resent the West, and will celebrate if and when it finally falls.

“The total outstanding debt of the third world now stands at the amazing figure of around \$2.5 trillion and requires payments of \$375 billion per year in interest alone. This is profitable for the insider banks that, along with the IMF, are making these loans, and therefore it is essential that the game be kept going.” Dr. Quigley ruffled through his papers, and pulled a piece out that he was looking for.

“I would like to read you some notes taken by James Watt, the US Secretary of the Interior during the Reagan presidency, who recorded the following about a meeting he attended in 1982:

Treasury secretary Donald Regan was explaining the inability of those destitute countries to pay even the interest on the loans that individual banks such as Bank of America, Chase Manhattan, and Citibank had made. The President was being told what actions the United States “must” take to salvage the situation.

After the Regan and budget director David Stockman briefings, there were several minutes of discussion before I asked, “Does anyone believe that these less developed countries will ever be able to pay back the principal on these loans?” When no

one spoke up, I asked, “If the loans are never going to be repaid, why should we again bail out the countries and loan even more money for them to pay the interest?”

The answer came from several voices at once, “If we don’t arrange for their interest payments, the loans will go into default, and it could put American banks in jeopardy.” “Would the customers lose their money?” “No,” came the answer, “But the bank’s stockholders might lose dividends.”

In amazement, I leaned back in my chair, only two seats from the President of the United States. I realized that nothing in the world could keep those high government officials from scrambling to protect and bail out a few very large and troubled American banks.

“And so we come to the second result of these international organizations, which is even more insidious and controversial. As I explained, Western taxpayers have paid the bill for defaulted and forgiven third-world loans and corrupt foreign aid through the inflation of their currencies and the corresponding reduction in their buying power. Implementing the New World Order in the Western world would be much easier if the population is poorer and less informed about history, economics, and current events. Inflation is an excellent way to accomplish this by reducing Western living standards. The people of America and much of the West would never willingly surrender their sovereignty to third-world dictators or to international socialists who are trying to destroy them, but through the methods described above that is exactly what is happening. A back door has been opened in order to steal the resources of the West and over time to impoverish and enslave it. When you look at these actions in the light of what the NWO hopes to achieve, then this strategy becomes understandable.”

“Sir,” asked Henri, “this is incredible!”

“Yes it is. It took a long time for me to come to the place where I finally understood and was able to accept and admit it myself. But let me give you several quotes from NWO leaders so that you can hear it directly from them:

The United States must be prepared to make sacrifices which would level off inequalities of economic opportunity with respect to nations.

Said by John Foster Dulles, Secretary of State and CFR member.

Some international cooperation has already been achieved, but further progress will require greater American sacrifices.

Said by Zbigniew Brzezinski, National Security Advisor to President Carter and CFR member.

The standard of living of the average American has to decline... I don’t think you can escape that.

Said by Paul Volker, Chairman of the Federal Reserve System and UN Official and CFR member.

“But with all of these bad results, why aren’t they stopped?” asked Michel.

“The IFOs are not stopped because, as I said before, they operate under the pretense of helping the third world. Arguing against them is made to sound like rich people complaining about giving charity to the poor. World bodies such as the UN, as well as liberal political groups such as the NGOs, which I mentioned before, are

continually accusing America of greed and generating a constant drumbeat of negativity about free enterprise and fiscal conservatism. These calls are echoed by socialistic groups within each western country, resulting in continual political efforts to take more away from richer people and redistribute it. This political pressure makes it hard to accomplish any systemic reform, because before any serious reform is possible, people must be educated and brought to the place where they understand what is truly happening. Until criticism of the IFOs becomes broad-based, the few voices crying out against them can be dismissed and made to sound like radical conspiracy kooks. The NWO plans are truly brilliant and very well-crafted.”

“Sir, you said before that America is the biggest contributor and calls most of the shots at the IMF and the World Bank. Is America therefore trying to create a global empire?”

“That question goes to the heart of what the NWO is all about. The American people are entirely against this sort of thing, or would be if they truly understood what is happening. American wealth and power, along with that of other western countries, is being tapped and used by insiders to establish the New World Order without the knowledge of and against the will of the American people. The control of this potential one-world government is the brass ring—the prize of power that the best and the brightest around the world are seeking to grab for themselves.” Jean raised his hand.

“What about France? We all know that America is bad, but have we done anything here like this?”

“In this class we won’t have time to get into France’s international involvement, but as I said before, France is much worse and much more corrupt than America. It is a sad thing, but you will be ashamed if and when you are able to study the true politics and history of your own country.”

“How can that possibly be?” demanded Jean. “All we hear about in the news is Amercian corruption.”

“The reason you don’t hear as much about French corruption it because most of the people in the media are leftist liberals and their main efforts are spent on embarassing and attacking America and conservatives rather than France, because France is much more leftist and liberal than the US.”

“So, does any of this affect us directly?” asked Henri.

“Given the fact that we live in France, and that all of you come from wealthy families and have not yet had to work for a living, this has not affected you personally—at least not yet. And if you come from an insider family you may have even benefited from it.” A pang of doubt flashed through Henri as he realized that his family was probably one of them.

“Today we have seen how the most powerful people in the world, the NWO groups, have used the financial resources of others in an attempt to gain control of various parts of the world. The socialist turtle has indeed crawled a long way around the track.