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On the Bank of England and the Sun King's frail relatives

I am often asked what we are fighting for.
I can reply that you will find out once we
have stopped.

Winston Churchill

There are historical facts that are known practically to everyone. There are historical figures familiar to every pupil. Yet it is enough to probe just a bit deeper about one of these well-known events or personalities and it turns out that we are completely ignorant of that. Here is an incontrovertible fact — the French monarchs inherited crown from one another. For a very long time all of them were called Louis. The name remained the same — only the ordinal number of the king changed. The most famous Louis (and the most famous French king generally) was Louis XIV. It was he who bore the title of the Sun King and who built the famous series of palaces and gardens, Versailles. It was him, who Dumas described in his novels as having put an iron mask on his twin brother. It was him, who as a boy d'Artagnan and the three musketeers defended from the intrigues of the cardinal. And some years earlier these four protected his mother — Anne of Austria — from another cardinal — Richelieu.

He was the most 'branded' French monarch, to use the modern show-business parlance. He is featured in literature and cinema, his mistresses are talked about in TV programmes. Yet the real life of the Sun King was so exciting and unbelievable, that Dumas's stories are by comparison just

a collection of dull, bleak stories, and it is about this most exciting part of the monarch's life that historians and novelists are tight as a clam.

Museum guides on the other hand say a lot about the Sun King to their tourists, to everyone who visits the beautiful Versailles and wonderful Paris. So, what do they say?

The King lived in the lap of luxury and pursued invasive wars. Well, that does not say anything special about him, for in those times everyone fought wars and everyone tried to surround themselves with at least some luxury. Those who are better educated will make an obligatory remark, that Louis the XIV ruled for a very long time — for over 70 years. Even the reign of 'comrade Stalin' in comparison with Louis was nothing but a one-reeler. So, generations changed, children became parents, grandchildren were born, and the King remained on the throne, as an eternal and irremovable symbol of power. Here we should recall his famous maxim: **'L'État, c'est moi'** ('I am the state').

And now I am going to ask you a question, dear reader. What is the relation of Louis XIV to his immediate successor on the throne — Louis XV? I have presented this question to many people. So far, nobody has given me the correct answer. It would seem that no question could be easier. We all know this king, we know Versailles, and we have a general idea of the French history. The most common answer is that he was his son. Those who realise that there must be a catch in the question try to grope for the right track and reply 'grandson'. Wrong. Then one normally replies: 'Nephew'. Still wrong. Then, finally, they make a desperate guess — 'he is not related to Louis XIV'. And that is wrong, too.

The throne of Louis XIV, the politician, who established the most powerful state, the statesmen, who was in control of the country for seventy two years, was inherited by his great-grandson. And mind you, the Sun King was not childless, and neither were his children. Yet it was only one of his great grandsons who inherited the throne. What happened to all the in-between heirs? Why did nobody reflect about the reasons of such strange events?

I am very often surprised by the fact, that historians for some reason persistently refuse to understand the real springs of action that shape the discipline they study. They will not compare the dates of various events, to coordinate them, as criminologists do as they try to solve a case. I speak of motives, coincidences, indirect evidences. These are the three pillars that all criminal investigations are based on. And we are going to conduct such

an investigation right now. Let us study the history of that period and try to comprehend what happened to the family of the 'Sun King'. It is important, because the decline of his family coincided with the first, even if tentative blossom of the 'money printing device', which is now dominating nearly all over the world. And at those times this invention was just taking its first steps towards establishing worldwide hegemony. The monster had just hatched. And the family of Louis XIV was one of its first victims...

Money is power. Whatever your attitude towards money may be, you cannot deny the fact. And who could be more aware of the fact than those by nature of their occupation submerged in the world of jewellery and gold? In different times bankers existed under different names: in the ancient world they were called money changers, then jewellers and merchants. Let us call them bankers. Just like any other human beings bankers had a dream. They dreamed of obtaining a boundless source of power and wealth. Similar dreams captivated the alchemists and warlocks who desired to discover the secret of turning cheap metals into gold. In the end, they failed: the science of alchemy was abandoned as it brought no results giving way to modern chemistry. The warlocks were burnt at the stake while bankers happened to be luckier. They managed to get a true recipe of making gold out of nothing. As one cannot get around the laws of nature, the task was not to create gold itself but to endow some other things with the qualities of gold. Not only to use gold and silver as currency, but to elevate money to some extra value which is not the same as that of some metal. And — as a result — to substitute gold with paper money, that would be conceived by bankers themselves.

The idea was in the air. In the middle ages bankers stored gold of some, and lent this gold to others. Besides, they overtook — for a small reimbursement — another bank function: the payoff one. Gold does not necessarily need to be carried from one place to another. All one needs is just a bank-bill, i.e. the document reading that the presenter has the guarantee to get a certain amount of gold from the banker who issued the bank-bill. A piece of paper is more comfortable to travel around with than a sack of gold, is it not? All the more so as the world was rather volatile in those days. Having presented this document, one could get gold from the banker in the other town without risking precious metals. All you have to do is the following: you give your gold to the banker against a warrant, then you present this

warrant to the banker in the other town as a paying means for the goods you need. It is practical and secure.

And what the banker gained was a unique possibility to issue more 'gold warrants', than he could back by real gold in his storages.

Who could check how much he had altogether? Who could know how many depositors stored their gold with the banker, and how much gold he owned himself? Who could check how many borrowers had borrowed gold? How much was left? Miraculous opportunities revealed. Only one situation was to be avoided, and it is also catastrophic for any bank today. It is the situation when all the depositors at once come to take their money back. The bankruptcy is in this case inevitable because it would be clear at once that the banker had issued more warrants than he had real gold. That he simply cheated.

The more paper warrants that were given by the banker to his clients, the higher was the risk, the risk of being disclosed. Apart from this danger there was another one — the idea seemed to be far too simple and elegant. Someone else could be exactly as clever. And this mastermind could have begun 'cheating' himself, or, if his authority were sanctified, he could have beheaded the sly bankers and put up their shutters once and forever.

This genial gamble required some solid protection which was invented by an unknown banker. A force was needed that would defend and would stand up for bankers. As a matter of fact bankers, having invented such a simple method to create money out of nothing, entrenched upon the millennial foundations of economics, where the values had always been real. He tempted the soul of humankind. *He began to lend credence.* Credence in that some gold is reserved under a warrant, credence in that a banker can always meet a bill with the yellow metal. In reality this credence proved to be enough, it turned out that it is not necessary to have that much gold — it is enough to have faith that this gold is really there. Today's economics are based on this very principle. Have you not heard in major TV and radio news, the expressions 'investors trusted in the USA's economics' or 'traders trust in the fast recovery of the Eurozone'? What is that? That is faith, nothing more. With a helping hand of bankers modern economics has stopped being a science and turned into a religion. And in the Middle Ages it was dangerous to trifle with faith...

So, the 'inventors' of getting money out of nothing needed some armed shelter. The gains involved were enormous, the opportunities for the bankers

were far too tempting. Without the support of the state 'money changers' would never stay afloat. And they shared their idea. With whom? To clarify this question it is enough to check, where and when the idea of bankers was implemented on the state level.

The first organization to 'make money out of nothing' was the Bank of England. Let us do justice to the Englishmen — it was on their territory, where the first private currency issuing centre was created. It happened nearly 300 years before the US Federal reserve system was established. So, the bankers shared their idea with the Royal Family of England. Yet after the juxtaposition of facts and dates one gets an impression that the Albion became the cradle of private money issuing... not quite voluntarily.

'The Bank of England was founded in 1694 to act as the Government's banker and debt-manager.' This is written on the official website of the Bank of England. According to the official version, this is how it happened. Due to the numerous wars, the Royal Treasury was empty by 1690. In 1693 a Chamber of Commons Committee was established in order to find ways of obtaining extra money. At the same time, a certain financial expert from Scotland called William Paterson appeared out of nowhere and offered a solution for the financial deficiency problem¹. For this favour he did not ask for a soul as Mephistopheles would, but called for the establishment of the Bank of England, creating the first private issuing centre in the world which would not issue bank warrants but actual state money.

As you can see, bankers used mimicry and disguise from the very beginning. Even the first agency to make money out of nothing already bore a proud name which clearly referred to the governmental nature of the institution. But the Bank of England was private, and its shareholders were bankers and the King.² The budget deficiency was eliminated by issuing paper and not golden pounds sterling. 'A public subscription to a loan of 1,200,000 pounds was announced; subscribers formed a privileged company which was given control over negotiations regarding all the subsequent loans. The list of subscribers was filled within ten days.'³ It is this 'privileged company' that became the mysterious group of people that managed to gradually impose their rules on the rest of the world over the next several

¹ <http://www.2uk.ru/business/bus59>.

² Ibid.

³ *Green J. R.* History of the English people. IndyPublish, 2008.

centuries. Yet they could have failed. But for a start they guaranteed the new paper bills of the Bank of England and that they could have been exchanged for gold. However, if we look at the dates and the circumstances of establishment of the Bank of England more closely we might have doubts about it all happening smoothly and amicably.

The king who agreed to establishment of the Bank of England was William III, Prince of Orange. The thing is that he ended up on the English throne as a result of a coup d'état¹ which took place six years before the Bank was founded. While still ruling over the Netherlands, in 1688 William received a secret letter (!) from England with an offer to overthrow James II and take the throne². On the 5th November 1688 he disembarked on the shores of England together with an army and set off to London³. These were hired warriors and they consisted entirely of foreigners with the exception of some English ex-pats. William III became the king almost effortlessly. Dethroned James II fled to France while the new king started negotiations with those who, most likely, sponsored him to hire his army.

The money also served to pay for the sudden loyalty of the leaders of the English army. As a matter of fact, the invading troops were immediately joined by the nobleman who was in command of James's army. One of this man's descendants became one of the most distinguished politicians in the world history — his portrait with a cigar in his mouth is familiar to everyone. This heir and descendant is Sir Winston Churchill⁴. No one is going to say that the title of the Duke of Marlborough, proudly carried by

¹ In English history this coup d'état is known as the Glorious Revolution.

² Another detail — by that time the Netherlands where William of Orange ruled had become the centre of world trade and banking. The 'Scottish' bankers might have been from there. There is different information on the nationality of the bankers who came up with the idea and created the first money printing machine. They could have been Scottish, English, Dutch or Jewish — there are different opinions. One thing is certain — in a very short period of time the bankers entered the elite of the English society and became tightly interwoven with the British royal authorities.

³ http://www.allmonarchs.net/uk/william_iii.html.

⁴ Winston Churchill himself did not bear the title of the Duke of Marlborough as it was given to the eldest son in the family. And Winston was a descendant of the younger son, and, what is more, his mother was American. His uncle became the Duke and after that the title was conferred to a different branch of the Churchill family tree.

the Churchills today, was conferred to their ancestor for a betrayal. It turns out, however, that John Churchill who was commanding James's troops changed sides and joined William Prince of Orange and, thus, determined the future of the country. It is from the new king that he got his title — the Duke of Marlborough. Can we be quite sure that he did not get anything else as a reward?¹

The new king started a new period of economic growth in England. Here we should ask ourselves one thing: why was it during this new reign that the British economy started to prosper? The people had been working like mad before but their living standards were not any different from the rest of Europe. In the middle of the 17th century, for example, England produced 4/5 of all the European coal. Metallurgy developed a lot during the period. So did shipbuilding, potter trade and hardware manufacturing. But production of fabrics turned out to be a real national craft for England. Export of fabrics accounted for 80% of the total export.² Britain also went as far as prohibiting export of wool which had been exported before and thus became a country which supplied external markets with finished woollen goods.³

These goods, however, did not make the English rich. The country's economy was just another economy at the time. And all of a sudden there came prosperity. Contemporary British historians and politicians like William III a lot. And they tell us that it was during his reign that the Bill of Rights was passed which became the basis of the new political system of the country. This is a typical trick used by demagogues and manipulators — in order to prove a certain statement they simply omit some of the facts. They need to demonstrate that it is the Parliament and the system of elections and nothing else that brought prosperity to the Albion. People of today have a modern image of elections and they cannot picture them in a different way. And when they find out that back in 1690 England already had a democrati-

¹ Betrayals of top military officers and their participation in takeovers normally have very firm material basis which works perfectly with personal dislike of the person to be taken over and secret grudges. John Churchill, in his youth, was a page-boy of the heir to the throne. Later on, the heir became James II and John Churchill became a general and a baron. And then betrayed his benefactor.

² World History // English Revolution. M.: AST, 2000. P. 8–9.

³ This practice of the English should be actively used. As even now, at the beginning of the 20th century Russia still has not dared to act as decisively in certain sectors of its economy where unprocessed raw materials are still exported.

cally elected parliament they immediately realise that Russia was lagging behind by centuries. But actually we have nothing to worry about. Those who are trying to manipulate our opinions choose not to mention that there was no such thing as universal elections of a democratic parliament — only those who had at least 200 pounds in money or real estate had the right to vote.¹ And the country with a population of 20 million people had only 250 thousand who met the requirement. These were the gentlemen who voted, and a lot of those people made their fortunes by trading slaves and owned 'talking cattle,' as slaves were called back then, themselves. Women were not to take part in the elections at all.²

What other good things are normally mentioned about King William? It was during his reign that the English East India Company was founded which later became an instrument of conquering and looting of colonies. But the English will turn to looting their colonies later, gold and diamonds from dependent lands will flow into the Empire later. But the country's prosperity started before all that. So, what was the economic miracle that took place in Britain?

The story of William's way to the English throne is rather dubious. He was helped by money and the betrayal he bought with it. Who could give him the required amount? Back then kings borrowed money from people whom these days we would call bankers. So, once in power, the King signed the Bill of Rights, a legislative act designed primarily not to grant universal and equal voting rights but to restrict the King's authority. It was not about freedom and democracy for everyone. British bankers and slave owners thought about no one but themselves. This was their protection against the King potentially changing his mind. Since, if we go deeper we can find information on the number of bankers who took part in the project called 'The Bank of England.' 'In 1694 forty merchants found the Bank of England.'³ The number of partners is minimal and the temptation is great. Throughout

¹ In those times annual income of 20 pounds was considered very high. Therefore the Bank of England did not issue bank notes with a value of less than 20 pounds (not to waste any effort on change). The majority of the population did not use the products of the Bank of England and did not even come across it.

² In France women voted for the first time in 1945. And what about Russia? It happened earlier. The Bolsheviks made the right to vote universal.

³ <http://velikobritaniya.org/istoriya-velikobritanii/istoriya-anglii-v-xvi-xix-veka.html>.

the course of English history people were executed frequently and in big numbers. Forty merchants together with their relatives would not be a big problem. A plot is discovered, people are beheaded and their property is confiscated. And if there is no plot, it is just an insignificant detail. Three hundred years later historians would say that those were difficult times. There are conspiracies everywhere. Similarly, the founders of the new Bank were sent by the Catholic party and the French king in order to weaken England during the fight with its rivals.¹ And the king simply had to take severe measures...

However, history is indeed written by the victors. And the 'printing machine' has been striding successfully around the world for three hundred years since it was first used. And it has its own heroes. For example, American president Woodrow Wilson, who signed the decree on establishment of the American Federal Reserve System, is portrayed on the bill with the highest value in the world of 10,000 dollars. Contemporary British historiography likes William III too, for the fact that during his reign bankers achieved agreement with the royal power. He got funds for fighting for the throne and a share in the 'money printing machine' whereas they got a private emission centre in Britain. It was the first printing machine in the history of mankind that enabled its owners to conquer the world using its amazing features. And then, having conquered the world, to write history and make heroes out of those who made creation of such a machine possible. And dead heroes are always easier to deal with than living ones — they can be spoken for, explained for and they will put up with everything and remain silent. Similarly, King William III, apart from this dark story of coming into power, has a dark story of passing away. His death was just so well-timed...

But we will come back to it later. I would like to draw your attention, dear reader, to one particular fact. Great Britain remained the leading sea power for centuries until the baton was taken by another Anglo-Saxon nation — the USA. Incidentally, at the times when the Bank of England was founded Britain's military capabilities were lower than those of its primary rival. 'French marine forces in 1689 and 1690 exceeded those of England and

¹ Back then the front line was defined by religion. France and Spain supported Catholics who were being exterminated in England. England, in its turn, supported Protestants all over Europe.

Holland altogether.¹ That means that Britain was far from being the Ruler of the Seas — back at the end of the 17th century this title rightly belonged to France. French Corsairs based in Dunkerque ruined English trade completely.² Their English counterparts did not manage to achieve such results. In 1690 during the Battle of Beachy Head, the French defeated the English fleet having sunk twelve of their ships. Twenty ships more were exploded by the English crews themselves. Who remembers this defeat today? Instead, everyone remembers the greatest victory achieved by Admiral Nelson near Cape Trafalgar. How many ships did the heroic Brits sink in that epic battle? Just one!³ And seventeen more ships — led by French Admiral Villeneuve — surrendered. History is written by the victors...

And yet the English did take the lead in the size and capacity of the fleet. And it happened exactly at the beginning of the 18th century. So, what was it that helped them? Let us remember what was required back then in order to build a great number of latest ships. Just as today, money was everything. A fleet is obviously an expensive thing to maintain. The cost of its construction exceeds the cost of developing land forces by many times. The exhausted English economy 'all of a sudden' found the enormous amounts of money required to build a fleet. Where from? It is the money derived from issuing paper money and using the secret bankers' know-how that was engaged to obtain military supremacy for the country where the printing machine took roots.

It is in that period that the main principles of the British policy were established — not to let another strong power appear in Europe and try to use others to fight. A lot has been written about it. *But you will not find the main principle of the British policy in any reference books — not to let there be another strong emission centre.* Always follow the same standing rule — your currency should be stronger, more reliable, more convenient, more in-demand than any other currency in the world. As early as the end of the XVII century the founders of the Bank of England understood something that everyone realised to be right only today. It is not a strong economy

¹ Mahan A. T. The Influence of Sea Power Upon History, 1660–1783. Dover Publications Inc., 1988.

² Green J. R. History of the English people. IndyPublish, 2008.

³ Vorobyevsky Y. Judas Order. Betrayal does not cancel victory. Moscow: Rossiysky pisatel, 2009. P. 95.