

The Federal Reserve Cartel: A Financial Parasite

Part IV of a five-part series

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United World Federalists founder James Warburg's father was Paul Warburg, who financed Hitler with help from Brown Brothers Harriman partner Prescott Bush. [1]

Colonel Ely Garrison was a close friend of both President Teddy Roosevelt and President Woodrow Wilson. Garrison wrote in *Roosevelt, Wilson and the Federal Reserve*, "Paul Warburg was the man who got the Federal Reserve Act together after the Aldrich Plan aroused such nationwide resentment and opposition. The mastermind of both plans was Baron Alfred Rothschild of London."

The Aldrich Plan was hatched at a secret 1910 meeting at JP Morgan's private resort on Jekyll Island, SC between Rockefeller, lieutenant Nelson Aldrich and Paul Warburg of the German Warburg banking dynasty. Aldrich, a New York congressman, later married into the Rockefeller family. His son Winthrop Aldrich chaired Chase Manhattan Bank. While the bankers met, Colonel Edward House, another Rockefeller stooge and close confidant of President Woodrow Wilson, was busy convincing Wilson of the importance of a private central bank and the introduction of a national income tax. A member of House's staff was British MI6 Permindex insider General Julius Klein. [2]

Wilson didn't need much convincing, since he was beholden to copper magnate Cleveland Dodge, whose namesake Phelps Dodge became one of the biggest mining companies in the world. Dodge bankrolled Wilson's political career. Wilson even wrote his inaugural speech on Dodge's yacht. [3]

Wilson was a classmate of both Dodge and Cyrus McCormick at Princeton. Both were directors at Rockefeller's National City Bank (now Citigroup). Wilson's main focus was on overcoming public distrust of the bankers, which New York City Mayor John Hylan echoed in 1922 when he argued, "The real menace to our republic is the invisible government which, like a giant octopus, sprawls its slimy length over our city, state and nation. At the head is a small group of banking houses, generally referred to as the international bankers". [4]

But the Eight Families prevailed. In 1913 the Federal Reserve Bank was born, with Paul Warburg its first Governor. Four years later the US entered World War I, after a secret society known as the Black Hand assassinated Archduke Ferdinand and his Hapsburg wife. The Archduke's friend Count Czerin later said, "A year before the war he informed me that the Masons had resolved upon his death." [5]

That same year, Bolsheviks overthrew the Hohenzollern monarchy in Russia with help from Max Warburg and Jacob Schiff, while the Balfour Declaration leading to the creation of Israel was penned to Zionist Second Lord Rothschild.

In the 1920's Baron Edmund de Rothschild founded the Palestine Economics Commission, while Kuhn Loeb's Manhattan offices helped Rothschild form a network to smuggle weapons to Zionist death squads bent on seizing Palestinian lands. General Julius Klein oversaw the operation and headed the US Army Counterintelligence Corps, which later produced Henry Kissinger. Klein diverted Marshall Plan aid to Europe to Zionist terror cells in Palestine after WWII, channeling the funds through the Sonneborn Institute, which was controlled by Baltimore chemical magnate Rudolph Sonneborn. His wife Dorothy Schiff is related to the Warburgs. [6]

The Kuhn Loeb's came to Manhattan with the Warburgs. At the same time the Bronfmans came to Canada as part of the Moses Montefiore Jewish Colonization Committee. The

Montefiores have carried out the dirty work of Genoese nobility since the 13th Century. The di Spadaforas served that function for the Italian House of Savoy, which was bankrolled by the Israel Moses Seif family for which Israel is named. Lord Harold Sebag Montefiore is current head of the Jerusalem Foundation, the Zionist wing of the Knights of St. John's Jerusalem. The Bronfmans (the name means "liquorman" in Yiddish) tied up with Arnold Rothstein, a product of the Rothschild's dry goods empire, to found organized crime in New York City. Rothstein was succeeded by Lucky Luciano, Meyer Lansky, Robert Vesco and Santos Trafficante. The Bronfmans are intermarried with the Rothschilds, Loeb's and Lamberts. [7]

The year 1917 also saw the 16th Amendment added to the US Constitution, levying a national income tax, though it was ratified by only two of the required 36 states. The IRS is a private corporation registered in Delaware. [8] Four years earlier the Rockefeller Foundation was launched, to shield family wealth from the new income tax provisions, while steering public opinion through social engineering. One of its tentacles was the General Education Board.

In Occasional Letter #1 the Board states, "In our dreams we have limitless resources and the people yield themselves with perfect docility to our molding hands. The present education conventions fade from their minds and, unhampered by tradition, we will work our own good will upon a grateful and responsive rural folk. We shall try not to make these people or any of their children into philosophers or men of learning or men of science...of whom we have ample supply." [9]

Though most Americans think of the Federal Reserve as a government institution, it is privately held by the Eight Families. The Secret Service is employed, not by the Executive Branch, but by the Federal Reserve. [10]

An exchange between Sen. Edward Kennedy (D-MA) and Fed Chairman Paul Volcker at Senate hearings in 1982 is instructive. Kennedy must have thought of his older brother John when he told Volcker that if he were before the committee as a member of US Treasury things would be much different. Volcker, puffing on a cigar, responded cavalierly, "That's probably true. But I believe it was intentionally designed this way". [11] Rep. Lee Hamilton (D-IN) put it to Volcker that, "People realize that what that board of yours does has a very profound impact on their pocketbooks, and yet it is a group of people basically inaccessible to them and unaccountable to them."

President Wilson spoke of, "a power so organized, so complete, so pervasive, that they had better not speak above their breaths when they speak in condemnation of it." Rep. Charles Lindberg (D-NY) was more blunt, railing against Wilson's Federal Reserve Act, which had cleverly been dubbed the "People's Bill". Lindberg declared that the Act would, "...establish the most gigantic trust on earth...When the president signs this act, the invisible government by the money power will be legitimized. The law will create inflation whenever the trusts want inflation. From now on, depressions will be scientifically created. The invisible government by the money power, proven to exist by the Money Trust Investigation, will be legalized. The whole central bank concept was engineered by the very group it was supposed to strip of power". [12]

The Fed is made up of most every bank in the US, but the New York Federal Reserve Bank controls the Fed by virtue of its enormous capital resources. The true center of power within

the Fed is the Federal Open Market Committee (FOMC), on which only the NY Fed President holds a permanent voting seat. The FOMC issues directives on monetary policy which are implemented from the 8th Floor of the NY Fed, a fortress modeled after the Bank of England. [13]

In the fifth sub-basement of the 14-story stone hulk lie 10,300 tons of mostly non-US gold, 1/3 of the world's gold reserves and by far the largest gold stock in the world. [14]

The world of money is increasingly computerized. With the introduction by the Eight Families of complicated financial instruments like derivatives, options, puts and futures; the volume of inter-bank transactions took a quantum leap. To handle this the fed built a superhighway eerily known as CHIPS (Clearing Interbank Payment System), which is based in New York and modeled after Morgan's Belgium-based Euro-Clear - also known as The Beast.

When the Fed was created five New York banks- Citibank, Chase, Chemical Bank, Manufacturers Hanover and Bankers Trust- held a 43% stake in the New York Fed. By 1983 these same five banks owned 53% of the NY Fed. By year 2000, the newly merged Citigroup, JP Morgan Chase and Deutsche Bank combines owned even bigger chunks, as did the European faction of the Eight Families. Collectively they own majority stock in every Fortune 500 corporation and do the bulk of stock and bond trading. In 1955 the above five banks accounted for 15% of all stock trades. By 1985 they were involved in 85% of all stock transactions. [15]

Still more powerful are the investment banks which bear the names of many of the Eight Families. In 1982, while Morgan bankers presided over negotiations between Britain and Argentina after the Falklands War, President Reagan pushed through SEC Rule 415, which helped consolidate securities underwriting in the hands of six large investment houses owned by the Eight Families: Goldman Sachs, Merrill Lynch, Morgan Stanley, Salomon Brothers, First Boston and Lehman Brothers. These banks further consolidated their power *via* the merger mania of 1980s and 1990s.

American Express swallowed up both Lehman Brothers-Kuhn Loeb - which had merged in 1977 - and Shearson Lehman-Rhoades. The Israel Moses Seif's *Banca de la Svizzera Italiana* bought a 7% stake in Lehman Brothers. [16] Salomon Brothers nabbed Philbro from the South African Oppenheimer family, then bought Smith Barney. All three then became part of Traveler's Group, headed by Sandy Weill of the David-Weill family, which controls Lazard Freres through senior partner Michel David-Weill. Citibank then bought Travelers to form Citigroup. S.G. Warburg, of which Oppenheimer's Chartered Consolidated owns a 9% stake, joined the old money *Banque Paribas*- which merged into Merrill Lynch in 1984. Union Bank of Switzerland acquired Paine Webber, while Morgan Stanley ate up Dean Witter and purchased Discover credit card operations from Sears.

Kuhn Loeb-controlled First Boston merged with Credit Suisse, which had already absorbed White-Weld, to become CS First Boston- the major player in the dirty London Eurobond market. Merrill Lynch - merged into Bank of America in 2008 - is the major player on the US side of this trade. Swiss Banking Corporation merged with London's biggest investment house S.G. Warburg to create SBC Warburg, while Warburg became more intertwined with Merrill Lynch through their 1998 Mercury Assets tie up. The Warburg's formed another venture with Union Bank of Switzerland, creating powerhouse UBS Warburg. Deutsche Bank bought Banker's Trust and Alex Brown to briefly become the world's largest bank with \$882

billion in assets. With repeal of Glass-Steagal, the line between investment, commercial and private banking disappeared.

This handful of investment banks exerts an enormous amount of control over the global economy. Their activities include advising Third World debt negotiations, handling mergers and breakups, creating companies to fill a perceived economic void through the launching of initial public stock offerings (IPOs), underwriting all stocks, underwriting all corporate and government bond issuance, and pulling the bandwagon down the road of privatization and globalization of the world economy.

A recent president of the World Bank was James Wolfensohn of Salomon Smith Barney. Merrill Lynch had \$435 billion in assets in 1994, before the merger frenzy had really even gotten under way. The biggest commercial bank at the time, Citibank, could claim only \$249 billion in assets.

In 1991 Merrill Lynch handled 26.8% of all global bank mergers. Morgan Stanley did 16.8%, Goldman Sachs 16.3%, Lehman Brothers 16.1% and Credit Suisse First Boston 14.5%. Morgan Stanley did \$60 billion in corporate mergers in 1989. By 2007, reflecting the repeal of Glass-Steagal, the top ten NMA advisers in order were: Goldman Sachs, Morgan Stanley, Citigroup, JP Morgan Chase, Lehman Brothers, Merrill Lynch, UBS Warburg, Credit Suisse, Deutsche Bank and Lazard. In the IPO stock underwriting field for 1991 the top four were Goldman Sachs, Merrill Lynch, Morgan Stanley and CS First Boston. In the arena of global privatization for years 1985-1995, Goldman Sachs led the way doing \$13.3 billion worth of deals. UBS Warburg did \$8.2 billion, BNP *Paribas* \$6.8 billion, CS First Boston \$4.9 billion and *Paribas*-owner Merrill Lynch \$4.4 billion. [17]

In 2006 BNP *Paribas* bought the notorious *Banca Nazionale de Lavoro* (BNL), which led the charge in arming Saddam Hussein. According to *Global Finance*, it is now the world's largest bank with nearly \$3 trillion in assets.

The leading US debt underwriters for the first nine months of 1995 bore the same familiar names. Merrill Lynch underwrote \$74.2 billion in the US debt markets, or 15.3% of the total. Lehman Brothers handled \$52.5 billion, Morgan Stanley \$47.4 billion, Salomon Smith Barney \$45.6 billion. CS First Boston, Chase Manhattan and Goldman Sachs rounded out the top seven. The top three municipal debt underwriters that year were Goldman Sachs, Merrill Lynch and UBS Paine Webber. In the euro-market the top four underwriters in 1995 were UBS Warburg, Merrill Lynch, Deutsche Bank and Goldman Sachs. [18] Deutsche Bank's Morgan Grenfell branch engineered the corporate takeover binge in Europe.

The dominant players in the oil futures markets at both the New York Mercantile Exchange and the London Petroleum Exchange are Morgan Stanley Dean Witter, Goldman Sachs (through its J. Aron & Company subsidiary), Citigroup (through its Philbro unit) and Deutsche Bank (through its Banker's Trust acquisition). In 2002 Enron Online was auctioned off by a bankruptcy court to UBS Warburg for \$0. UBS was to share monopoly Enron Online profits with Lehman Brothers after the first two years of the deal. [19] With Lehman's 2008 demise, its new owner Barclays will get their cut.

Following the Lehman Brothers fiasco and the ensuing financial meltdown of 2008, the Four Horsemen of Banking got even bigger. For pennies on the dollar, JP Morgan Chase was handed Bear Stearns and Washington Mutual. Bank of America commandeered Merrill Lynch and Countrywide. And Wells Fargo seized control over the reeling #5 US bank Wachovia.

Barclays got a sweetheart deal for the remains of Lehman Brothers.

Former House Banking Committee Chairman Wright Patman (D-TX), declared of Federal Reserve Eight Families owners, "The United States today has in effect two governments. We are the duly constituted government. Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress by the Constitution". [20]

Since the creation of the Federal Reserve, US debt (mostly owed to the Eight Families) has skyrocketed from \$1 billion to nearly \$14 trillion today. This far surpasses the total of all Third World country debt combined, debt which is mostly owed to these same Eight Families, who own most all the world's central banks.

As Sen. Barry Goldwater (R-AZ) pointed out, "International bankers make money by extending credit to governments. The greater the debt of the political state, the larger the interest returned to lenders. The national banks of Europe are (also) owned and controlled by private interests. We recognize in a hazy sort of way that the Rothschilds and the Warburgs of Europe and the houses of JP Morgan, Kuhn Loeb & Co., Schiff, Lehman and Rockefeller possess and control vast wealth. How they acquire this vast financial power and employ it is a mystery to most of us." [21]

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Notes

[1] *Behold a Pale Horse*. William Cooper. Light Technology Press. Sedona, AZ. 1991. p.81

[2] *Dope Inc.: The Book that Drove Kissinger Crazy*. The Editors of *Executive Intelligence Review*. Washington, DC. 1992.

[3] *Democracy for the Few*. Michael Parenti. St. Martin's Press. New York. 1977. p.67

[4] *Descent into Slavery*. Des Griffin. Emissary Publications. Pasadena 1991

[5] *The Robot's Rebellion: The Story of the Spiritual Renaissance*. David Icke. Gateway Books. Bath, UK. 1994. p.158

[6] The Editors of *Executive Intelligence Review*. p.504

[7] Ibid

[8] Ibid

[9] Ibid. p.77

[10] "Secrets of the Federal Reserve". Discovery Channel. January 2002

[11] *The Confidence Game: How Un-Elected Central Bankers are Governing the Changed World Economy*. Steven Solomon. Simon & Schuster. New York. 1995. p.26

[12] Icke. p.178

[13] Solomon. p.63

[14] Ibid. p.27

[15] *The Corporate Reapers: The Book of Agribusiness*. A.V. Krebs. Essential Books. Washington, DC. 1992. p.166

[16] The Editors of *Executive Intelligence Review*. p.79

[17] "Playing the Middle". Anita Raghavan and Bridget O'Brian. *Wall Street Journal*. 10-2-95

[18] Securities Data Corporation. 1995

[19] CNN Headline News. 1-11-02

[20] *The Rockefeller File*. Gary Allen. '76 Press. Seal Beach, CA. 1977. p.156

[21] *Rule by Secrecy: The Hidden History that Connects the Trilateral Commission, the Freemasons and the Great Pyramids*. Jim Marrs. HarperCollins Publishers. New York. 2000. p.77

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Big Oil & Their Bankers In The Persian Gulf: Four Horsemen, Eight Families & Their Global Intelligence, Narcotics & Terror Network

by **Dean Henderson**

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Big Oil... pulls back the covers to expose a centuries-old cabal of global oligarchs, whose control over the global economy is based on hegemony over the planet's three most valuable commodities: oil, guns and drugs- combined with ownership of the world's central bank. Henderson implicates these oligarchs in the orchestration of a string of conspiracies

from the Kennedy Assassination to 911. He follows the trail of dirty money through the interbred Eight Families who- from their City of London base- control the four Horsemen of Oil, the global drug trade and the permanent war economy. "Big Oil... is an extraordinary expose of the powers and events that are exacting a heavy toll on us, the people".- Nexus New Times Magazine, Australia. "Big Oil... is hair-raising and a masterpiece which deserves not less than the Pulitzer Prize in Journalism. This book should be a requisite for every American to study."- Dr. Carlos J. Caggiano, M.D., Juana Diaz, Puerto Rico



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