

The Bank for International Settlements (BIS) and the final solution

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Today, the Bank for International Settlements (BIS) is behind most of the proposals aimed at saving "financial stability," including the worrying bail-in procedure that would allow banks to seize the assets of their depositors "for the sake" of the bank itself.

Based in Basel, Switzerland, this venerable institution, a private bank that calls itself "the central bank of central banks," avoids all forms of publicity like the plague. By reading this article, you will understand why.

Genesis

The genesis of the BIS dates back to the end of the First World War, when a defeated Germany, under the Treaty of Versailles of 1919, was forced to pay heavy war reparations. Initially estimated at 226 billion gold marks at the 1920 Spa Conference in Belgium, the final amount to be paid was set at the London Conference of 1921 at 132 billion gold marks.

Above all, the aim was to oblige Germany to pay the victors of the war (France, the British Empire, Belgium, Italy, etc.), who had themselves incurred heavy debts with private banks in the City of London and on Wall Street.



FIGURE 1 – In 1913, Jack Pierpont Morgan Jr. (here on the right) inherited the enormous fortune of his father, John Pierpont Morgan (center). He became the largest private creditor of the Allies, particularly France, during the First World War. In 1930, he, along with the Bank of France, was one of the nine shareholders of the Bank for International Settlements (BIS).

Two stooges serving the Morgan empire: Charles G. Dawes (right) and Owen D. Young (left). Each would lend his name to a plan to "rescue" the German economy, a plan that benefited banks and cartels.

In reality, due to the interconnectivity of the banking system, any default on German debt would have immediately triggered defaults in allied countries and a chain reaction of bankruptcies. Just as it was in 2008, intervention was therefore necessary to inject liquidity to "bail-out" the system.

Germany, the UK's second-largest trading partner, was simply, like French banks today, "too big to fail."

In 1924, trying to avoid the disaster, the Allies set up a committee of ten bankers from five countries, headed by U.S. Budget Director **Charles G. Dawes**. A former CEO of General Electric, Dawes was a Republican banker who owed most of his career to Morgan. He was assisted by another banker close to Morgan, **Owen D. Young**. Each would lend their name to a plan to rescue the German economy.

The "Dawes Plan," developed by the committee and signed in London in 1924, included several actions:

- Immediate withdrawal of French and Belgian troops;
- The first year will see a reduction in the annual payments to be made by Germany. These will increase gradually in subsequent years;
- The Reichsbank (German central bank) was to be reformed under the direction of the Allies, who demanded the appointment of Hjalmar Schacht, an executive at the Dresdner bank and founder of the Liberal Party. As a banker, Schacht had good relations with American and British financiers, and during a business trip in 1905, he had been able to speak directly with J.P. Morgan Sr. and President Theodore Roosevelt. Schacht's secret, often portrayed as that of a "great wizard of finance," was not his economic acumen, but his audacity, his extensive network of contacts, and his unparalleled accounting creativity. To put an end to hyperinflation, Schacht, at the head of the Reichsbank, created the Rentenmark, a currency backed by real estate. Admiring Schacht, Keynes, a staunch British imperialist, called the introduction of this new currency a "miracle."
- Confident that they had the upper hand in the situation, a cartel of American banks led by Morgan would grant a loan of \$800 million to the Reichsbank to prevent a German default.

Today (in 2013), at least on paper, the Dawes Plan seems far more intelligent than anything the Troika has proposed so far for the struggling Eurozone countries. The money loaned by American banks was to be invested in an economic recovery for Germany (industry, infrastructure, etc.). Thanks to increased tax revenue from transport and export levies, Germany would pay war reparations to France and the Allies. These countries would then use this revenue to purchase goods in the United States and repay their own debts to Anglo-American banks.

In practice, the money went primarily to select clients for whom post-1923 Germany was an El Dorado. Part of the loans was allocated by Schacht to the creation of supranational industrial cartels, of which the chemical cartel IG Farben, founded in 1926 and a partner of the Rockefeller family's Standard Oil (SO) cartel (also behind Chase Manhattan Bank), would become a prime example. That same year, a JP Morgan partner, **Thomas Lamont**, who considered himself a missionary for Italian fascism, arranged a \$100 million loan for Mussolini.

Socially, the Dawes Plan imposed massive restructuring and layoffs in the public sector. At best, in the very short term, the Dawes Plan provided a lifeline to the German economy, and it was even awarded the Nobel Prize in 1925.

JP Morgan and the Young Plan

Even if Germany would start repaying its debt, everyone knew that the amounts claimed by the banks were completely unrealistic. The Dawes Plan quickly proved ineffective, and by 1928, the Allies had decided to develop another rescue plan, this time under the direction of Owen D. Young, also a banker close to Morgan.

Discussions began in February 1929 at the George V Hotel in Paris. Schacht, who represented Germany, recounts in his autobiography that the United States was represented there directly by Owen Young and John Pierpont Morgan themselves!

Germany was certainly the largest creditor of the Allies. Negotiations progressed smoothly until October 1929, when the Wall Street Crash disrupted everything. Any idea of exporting European goods en masse to the American market was dashed. American banks, including Morgan, suffered enormous losses and sought to repatriate their capital to the United States as quickly as possible. All leniency towards Germany was abandoned; it was ordered to pay in cash immediately. Between 1929 and 1932, unemployment rose from 1.5 million to 6 million people.

And Schacht created the BIS

Schacht in his autobiography claims that it was him who convinced Young that the success of his plan would only be complete if future negotiations on war reparations were entrusted to an independent expert body with a status of total immunity and beyond the reach of any parliamentary control: the Bank for International Settlements (BIS).



This 1927 photograph, here hanging on the wall of Federal Reserve Chairman Ben Bernanke's office, brings together the central bankers considered to be the founders of the BIS: from left to right Hjalmar Schacht (German Reichsbank), Benjamin Strong (US Federal Reserve), Montagu Norman (Bank of England) and Charles Rist (Bank of France).

As suggested by the photo hanging in the office of the current [2013] Chairman of the Federal Reserve, Ben Bernanke, (see above), a strong synergy dominated their relationship.



**This 2007 BIS brochure features the key figures behind the venerable Basel institution.
The third from the top is Hjalmar Schacht,
appointed head of the Reichsbank by Adolf Hitler in 1933.**

It is interesting to note that the first president of the BIS was the American banker and Astor Foundation executive **Gates White McGarrath**, who resigned as president of the Federal Reserve Bank of New York to assume this new role.

McGarrah had been president of the Rockefeller family's **Chase National Bank** and was appointed by the Allies to head the board of the Reichsbank in 1923 when Schacht became its president.

The first two vice-presidents of the BIS were the Briton **Sir Charles Addis**, a former executive of the notorious Hong Kong and Shanghai Banking Corporation (HSBC), created to perpetuate the opium trade after the British opium wars against China, and the German **Carl Melchior**, formerly of the Warburg Bank of Hamburg. **Pierre Quesnay**, head of economic studies at the Bank of France, was appointed as managing director.

And between January 1940 and June 1946, the BIS President was the US banker **Thomas H. McKittrick**, a family friend of **John Foster and Allan Dulles**, at that time a US intelligence operative stationed in Bern, Switzerland.

During this period, John Foster Dulles, later Eisenhower's Secretary of State, was CEO of the largest Wall Street Law Firm **Sullivan and Cromwell (S&C)**, at which his brother, Allen, later Eisenhower and Kennedy's CIA chief, was a partner.

Foster structured deals that funneled U.S. investments to German companies like **IG Farben** and **Krupp**. Sullivan and Cromwell was at the center of an international network of banks, investment firms and industrial conglomerates that rebuilt Germany after WWI.

Even after Hitler took power in 1933, Foster Dulles continued to represent IG Farben and refused to shut down S&C's Berlin office until partners, tired of having to sign letters, "*Heil Hitler*," rebelled in '35. Throughout the war, Foster protected the U.S. assets of Farben and also Merck from confiscation as alien property. Arthur Goldberg, who served with Allen in the OSS, the CIA's forerunner, and later on the Supreme Court, claimed both Dulles brothers were guilty of treason.

<https://therealnews.com/loyal-to-their-class-unhinged-from-democracy>

In any case, the BIS "Constitutive Charter", dispels any doubt about its true nature: it was a matter for the creditors (Morgan and company) to appoint an insolvency practitioner or liquidator (a trustee of the central banks constituting the BIS) responsible for honoring the claims of an unpayable war debt.

<https://www.bis.org/about/charter-en.pdf>

Although it presents itself as "the central bank of central banks," the BIS, at Schacht's request, was established as a private bank (a Swiss public limited company). It had a substantial reserve fund and charged a small fee on each transaction.

According to Article 3 of its statutes (updated in 2005), "*The objects of the Bank are: to promote the co-operation of central banks and to provide additional facilities for international financial operations; and to act as trustee or agent in regard to international financial settlements entrusted to it under agreements with the parties concerned.*"

<https://www.bis.org/about/statutes-en.pdf>

To succeed in this delicate task, the BIS, which is accountable to no parliament or legislation, has granted itself, through a specific agreement between the Swiss Federal Council and the BIS, a status of absolute legal and diplomatic immunity. The bank and its officials are exempt from all taxes. Due to its special status, the BIS, de facto, emerged as one of the first tax havens, with a large capacity

of money laundering. As proof that it is a “state within a state”, no agent of the Swiss public authorities can enter its headquarters, as the bank exercises control and policing within its premises.

Article 55 of the statutes states:

1) The Bank shall enjoy immunity from jurisdiction, save:

(a) to the extent that such immunity is formally waived in individual cases by the Chairman of the Board, the General Manager, the Deputy General Manager, or their duly authorised representatives (...)

(2) Property and assets of the Bank shall, wherever located and by whomsoever held, be immune from any measure of execution (including seizure, attachment, freeze or any other measure of execution, enforcement or sequestration), except if that measure of execution is sought pursuant to a final judgment rendered against the Bank by any court of competent jurisdiction pursuant to subparagraph 1(a) or (b) above.

(3) All deposits entrusted to the Bank, all claims against the Bank and the shares issued by the Bank shall, without the express prior agreement of the Bank, wherever located and by whomsoever held, be immune from any measure of execution (including seizure, attachment, freeze or any other measure of execution, enforcement or sequestration)

The initial shareholders were the central banks of six countries (this number had grown to 55 by 2013): Belgium, France, Germany, the United Kingdom, Italy, and Japan. Each bank held 16,000 shares that it could place with its clients.

The Federal Reserve **did not join the BIS**. Instead, three American banks each acquired 16,000 shares: JP Morgan, First National Bank of New York, and First National Bank of Chicago. Thus, in the 1930s, up to 30% of the shares were held by private shareholders, who were also comfortably protected from any confiscation of their assets.

Article 10 of the Constitutive Charter (see Annex 1) expressly states: *"The Bank, its property and assets and all deposits and other funds entrusted to it shall be immune in time of peace and in time of war from any measure such as expropriation, requisition, seizure, confiscation, prohibition or restriction of gold or currency export or import, and any other similar measures.."*

<https://www.bis.org/about/charter-en.pdf>

In retrospect, for all those who have studied the Nazi economy, two passages take on a singular importance here: *"in time of peace and in time of war"* and immunity from *"prohibition or restriction of gold or currency export or import."*

A world government of bankers

The BIS, by its very nature, will give exorbitant power to central bankers at the head of so-called "independent" central banks, that is, banks managed by private interests. The American historian **Carroll Quigley**, in *Tragedy and Hope* (MacMillan, 1966), states that:

"In addition to these pragmatic goals, the powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by

secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations."

"Each central bank, in the hands of men like Montagu Norman of the Bank of England, Benjamin Strong of the New York Federal Reserve Bank, Charles Rist of the Bank of France, and Hjalmar Schacht of the Reichsbank, sought to dominate its government by its ability to control Treasury loans, to manipulate foreign exchanges, to influence the level of economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world."

https://ia800707.us.archive.org/16/items/TragedyAndHope_501/CarrollQuigley-TragedyAndHope.pdf

The failure of the Young plan

At the Hague Conference in the Netherlands in January 1930, the Young Plan was adopted. Germany, placed under supervision, obtained a significant reduction of its debt to the Allies and payment extensions; it was now "only" 112 billion gold marks (equivalent to \$107 billion in 2013!) and payable over 59 years (until 1988), that is, over three generations!

But the creativity of JP Morgan and Schacht knew no bounds. The repayment installments, now paid not in marks but in foreign currency and fixed by a precise schedule, were to serve as instruments for issuing bonds. To manage the debt and place the German bonds, the BIS, which was assuming the functions previously performed by the General Agent in charge of war reparations in Berlin, was the indispensable intermediary. The issuance of these bonds was an additional guarantee of timely payment, since any suspension of service on the securities thus issued would directly damage Germany's creditworthiness.

Schacht declared that no German debtor could evade their obligations, but that each debtor, when the due date arrived, would pay their debt to the conversion fund. The payments thus made would be available to creditors who, of course, could only use them within Germany. In this way, along with the principle of autarky, the stability of the Reichsmark would be safeguarded.



In 1930, banker Hjalmar Schacht (right) invented the Bank for International Settlements (BIS). In 1933, immediately after his election, Hitler appointed him head of the Reichsbank (German central bank). Here, at the opening of a new bank building.

Schacht, who knew that following the 1929 stock market crash the Young Plan was doomed to failure and would provoke the ire of the German population, initially gave his approval, then resigned while immediately denouncing the plan, which Hitler called the "Diktat of Versailles."

The Young Plan was so repugnant that it drove many Germans into the arms of the National Socialist party.

After the 1932 elections, in which the Nazi party NSDAP won more than a third of the seats in Parliament, Schacht organised a meeting to raise 2 million marks to bail out the Nazi party and launched an appeal signed by the great industrial leaders asking President Hindenburg to appoint Hitler chancellor.

Having done this, Hitler, in turn, appointed Schacht to head the Reichsbank on March 17, 1933. Schacht considered the pogroms carried out by rank-and-file Nazis to be stupid but even worse, ineffective, and proposed to Hitler "more effective" methods to confiscate the value of their assets. For Schacht, Jews should be allowed to leave Germany, but exclusively under the condition of handing over all their possessions to the Reichsbank.

Like the Dawes Plan, the Young Plan quickly failed, and Hitler stopped paying war reparations while using the BIS for the wide range of facilities it offered. Owen Young then tried his luck again by running for the Democratic presidential nomination against Franklin Roosevelt in 1932; unsuccessfully. Since then, the BIS's official role supposedly has been to serve simply as a privileged venue for central bankers to talk at regular intervals during meetings held in Basel.

The headquarters of the BIS, the bunker of a world government



**The Hotel Savoie-Univers (now Euler),
opposite Basel's central station,
secretly hosted the first meetings of the BIS from 1930 onwards.**

In 1930, while waiting for proper offices, central bankers met at the Hotel Savoie-Univers (now named Hotel Euler), just opposite Basel station. There was no sign indicating that it was the BIS and to access it the bankers first had to go through the Frey chocolate shop.

This anecdote inevitably brings to mind the **European Stability Mechanism (ESM)**, which enjoys total immunity and is housed in an anonymous office in a tax haven called Luxembourg. There's little doubt that the BIS served as its model!

According to **Edward Jay Epstein**, one of the few journalists to have entered the premises, the BIS headquarters in Basel has a nuclear fallout shelter, more than thirty kilometers of underground archives and a triple fire suppression system to prevent any unwelcome visits from the fire brigade... Since 1977, in the interest of transparency, an eighteen-story tower has been hosting the prestigious guests of the BIS.

The top floor, home to a luxury restaurant, offers panoramic views on three countries: Germany, France, and Switzerland. The other floors house BIS staff or contain suites and private offices for central bankers. A system of dedicated, encrypted telephone lines allows them direct access to their respective countries. In addition, the club boasts one of the most modern computers, a professional team of several hundred secretaries, translators, drivers, and skilled researchers, and kitchens, tennis, and golf facilities befitting its distinguished guests.

Schacht takes control of the German depots

In 1934, Schacht staged a grand demonstration of financial sorcery by reviving an old technique proven during the French Revolution. Based on the future sales of church property they had confiscated, the French revolutionaries paid their service providers with securities called "Assignats." Guaranteed by the state, these securities could then be used by the service providers to settle their own expenses. When it became clear that these were merely promises and could never be turned into real money, the assignat pyramid collapsed.

For its part, the Reichsbank under Schacht, along with the Ministry of Defense and the four largest arms manufacturers, set up a shell company, the **Metal Forschungsinstitut GmbH (Mefo)**, a limited liability company known as "*Metal Research Institute*," which served as the legal basis for bills of exchange drawn, for the most part, by army suppliers. These suppliers no longer paid their suppliers in Reichsmarks, but in vouchers or "Mefo bills," the acceptance of which was guaranteed to the Reichsbank by the Reich itself.

Mefo bills always matured in three months but could be extended for up to five years. The Reichsbank undertook to discount the bills at any time if they were presented within three months of their issue date. If the drawer needed cash sooner, they could sell the bill to a bank or a third party. Banks readily accepted these bills because of their guaranteed convertibility with the Reichsbank. Thus, Mefo bills could replace cash reserves and mobilize funds that would otherwise have remained idle. This prevented any increase in the currency in circulation. On the other hand, the creation of Mefo bills was limited to certain limits, and issuance had to be within the framework of short-term credit available on the market.

Soon, the Hitler government forced savings banks and commercial banks to invest up to 30% of their deposits in Mefo notes! For municipalities, it was 90%, and similar ratios were imposed on public and private insurance companies! This is roughly what just happened this year [2013] with Bankia's preferred shares in Spain!

It became theorized with the new policy of "bail-in" aimed to complement the "bail-out" by Quantitative Easing.

With this "magical" trick, Schacht was able to contain inflation. The money supply increased by only 33% between February 1933 and February 1938. But at the same time, from 1934 to 1938,

12 billion Reichsmarks were created in MEFO bills (not included in the money supply). One can imagine what inflation would have been like if this money had been purely monetary. The fundamental question then arises: how can this empire of paper assets be maintained since arms production, while creating employment for a time, in no way generates the means to multiply future wealth creation...?

This is where, in order to obtain something tangible in exchange for what amounts to mere tokens that are easily multiplied inside a casino, armed men and a dictatorship are needed to enforce their acceptance outside the casino, that is, in the real world. It is precisely here that Schacht will apply to Germany a policy of self-cannibalization which, through its infernal logic, will lead to the extermination camps for "useless mouths" and "excess" populations, as well as to wars of territorial conquest dictated primarily by the need for resources (Austrian and Czechoslovakian gold, Polish coal, Norwegian heavy water, etc.), which the military-financial complex sought to seize. All in the name of geopolical "Lebensraum" (Vital space)

Although in September 1939 the BIS, cloaking itself in neutrality, ceased organizing meetings between central bankers, it continued, in the name of the imperative need to preserve "financial stability," to facilitate very high-level transactions between countries at war. It should be underscored that the Nazi regime, for its foreign purchases, used not marks, but Swiss francs supplied by the BIS, presided by an American.

After entering Prague, Hitler demanded and obtained from the BIS the return of Czechoslovak gold deposits to Germany, which had just annexed the country. In the spring of 1939, Pierre Mendès France, who had closely studied the formation of the BIS, deplored the fact it had capitulated to Hitler. Pessimistic about the future of peace but determined to oppose Hitler, he concluded on this subject:

"The problem with the BIS is therefore not a legal or financial one. It is one aspect of current European policy. The BIS is merely one of the arenas in which the great white war, which has been raging for many months and seems destined to continue, is being waged. To wage this white war in some areas while neglecting the available means of action in others is an unforgivable failing."

The transfers of Austrian and Czechoslovak gold, authorized in 1939 by the Bank of England then headed by Montagu Norman, caused a scandal. Was it really necessary to offer Hitler financial assistance to preserve "financial stability"?

<https://www.theguardian.com/business/2013/jul/31/bank-of-england-and-nazis-stolen-gold>

From financial capitalism to financial fascism

It was only at the end of the Second World War that it was "discovered" that the gold supplied by Germany to the BIS actually came from gold reserves in Belgium and the Netherlands looted by the Nazis. This is not surprising, since the BIS was riddled with enthusiastic supporters of the Hitler regime.

It's worth remembering that it was at Hitler's request that Schacht became president of the Reichsbank again in 1933, a position he held concurrently with that of Minister of Economics from 1934 onwards. (Really? I thought ministers had nothing to do with the BIS Board of Directors...)

Until 1936, Hitler gave Schacht free rein. In January 1937, he was made an honorary member of the Nazi Party and awarded the Golden Swastika. However, facing competition from Göring, Schacht resigned from his ministerial post in 1937 and from the Reichsbank in 1939, believing that

excessive military spending would reignite inflation and ruin German finances. Schacht remained a minister without portfolio until 1943. From that point on, any intelligent person knew that the regime was doomed and some, like Schacht, “joined the Resistance”. This is undoubtedly why the BIS brochure from 2007 still proudly displays his portrait...

The final solution

In 1939, Schacht and other members of the board of the Reichsbank send a memo to Hitler warning him that *“the unlimited increase in government expenditure defeats every attempt to balance the budget, brings the national finances to the verge of bankruptcy despite an immense tightening of the taxation screw, and as a result is ruining the central bank and its currency. There exists no recipe, no system of financial or monetary techniques – however ingenious or well thought-out – there is no organisation or measure of control sufficiently powerful to check the devastating effects on the currency of a policy of unrestricted spending. No central bank is capable of maintaining the currency against an inflationary spending policy on the part of the state.”*

Hitler didn’t care about inflation. Hitler was convinced that Germany, adopting a policy of autarky, could be entirely self-sufficient. As he had already explained to Schacht *“the first cause of stability of our currency is the concentration camp: the currency stays stable, when anyone who asks higher prices is arrested.”* (NOTE 1)

Walter Funk, Hitler's Minister of Propaganda in 1933 and Minister of Economics of the Third Reich from 1938-1945, succeeded Schacht as head of the Reichsbank in 1939. Schacht remained Minister of State without portfolio. As a German central banker, Funk sat *ex officio* on the board of the BIS. Also the Reichsbank vice-president in charge of gold transfers, **Emil Puhl**, was a member of the board of the BIS.



Heinrich Himmler, head of the SS, and Rudolf Hess, admiring the model of the Dachau concentration camp.

In 1942, Funk made a deal with Himmler, head of the SS and one of the architects of the Holocaust: possessions, money, securities, jewelry, and even dental gold recovered from Jews and all those sent to death camps would be transferred to the Reichsbank.

The Reichsbank would then sell them and deposit the money into a special account under the fictitious name of "Max Heiliger" (NOTE 2), thus enabling the SS to finance itself and expand the death camps. Funk and Puhl were convicted by the Nuremberg Tribunal.

Among the other BIS directors during this dark period was **Hermann Schmitz**, the head of the chemical cartel **IG Farben**. This company, producer of **Zyklon B** gas used to eliminate dissidents and people deemed "inferior," had lucrative deals with the Rockefeller family's oil cartel, Standard Oil, and operated the Auschwitz plant, of which the infamous concentration camp was merely an appendice.

The banker and Baron **Kurt von Schröder**, director of the Stein Bank in Cologne, the Gestapo's bank, was also a BIS director, as evidenced by the BIS's 1944 annual report.

Charles Higham, in *Trading with the Enemy*, notes that *"the BIS was an instrument of Hitler, but its existence was supported by Great Britain, even after that country entered the war against Germany, and the British director of the BIS, Sir Otto Niemeyer, as well as Montagu Norman, remained in office during the war."*

For Higham, the BIS had become *"a means of funneling British and American funds into Hitler's coffers."*

Roosevelt wanted to liquidate the BRI



Dexter White (left), Franklin Roosevelt's envoy to the Bretton Woods Conference, and the imperialist economist John Maynard Keynes, disagreed on almost everything. While White wanted to abolish the BIS as quickly as possible, Keynes considered it a very useful instrument for the future of the British Empire.

At the last session of the Bretton Woods conference in 1944, Norway officially proposed that the BIS be "*liquidated as quickly as possible*".

The motion was violently opposed by the British imperialist economist John Maynard Keynes and the US State Department (weren't several presidents of the BIS Americans...?).

On the other side, **Henry Morgenthau**, the US Secretary of the Treasury, and Dexter White, representing Franklin Roosevelt, completely opposed Keynes, and backed the Norwegian motion. They also backed the final resolution of the Bretton Woods agreements which called for "*the liquidation of the BIS as soon as possible*." Morgenthau, in the *New York Herald Tribune* of March 31, 1946, reflecting Roosevelt's views, stated: "*At that time I wanted to transfer the financial center of the world from Wall Street and the City of London to Washington*." Unfortunately, Roosevelt died in 1945.

Meanwhile, the bankers resumed their major meetings in Basel, and in 1948, thanks to Harry Truman, the motion to shut down the BIS was officially revoked.

It's up to us to finish the job!

NOTE:

1) **James, Harold** (1999) 'The Reichsbank and the Economics of Control', in *Fifty Years of the Deutsche Mark: Central Bank and the Currency in Germany since 1948*, edited by the Deutsche Bundesbank, Oxford University Press, 1999, p. 35.

2) Excerpt from **Xavier Riaud's** article "*Nazi Dental Gold*." : "*The Reichsbank opened a special account in the name of Max Heiliger in 1942, following a phone call from SS General Frank to the Reichsbank's vice-president, Emil Puhl. Shortly afterward, Albert Thoms was required to acknowledge receipt of deliveries of SS loot, the estimated value of which was credited to the non-existent Max Heiliger account. It was merely a pseudonym. With the German collapse, part of this account was allocated to the NSDAP's economic department, headed by Bormann's man, Erich von Hummel.*" It was at Bormann's request that Puhl agreed to this transfer, Bormann having deciphered the secret of the mysterious account in early 1944. Thoms's interrogation report, dated May 8, 1945, details the Reichsbank's organization: "*SS Brigade Commander Frank informed me that the deliveries would be made by truck, under the direction of an SS officer named Melmer. I was to issue him a provisional receipt for the delivered crates. Melmer was to tell me later which account the amount for the goods should be credited to. Upon delivery, the goods were inventoried and distributed to the corresponding departments of the Reichsbank. Subsequently, a proper list of the delivered goods was drawn up, and a final receipt was handed directly to Melmer. He informed me that the amount for the deliveries was to be paid into Max Heiliger's account.*" I reported this by telephone to Patzer, the head of accounts at the Ministry of Finance, who approved the transaction, which I then confirmed to Melmer on November 16, 1942. On August 26, 1942, Melmer, dressed in

civilian clothes and accompanied by two uniformed SS sentries, transported the first shipment: sealed containers that were opened at the Reichsbank's precious metals department. One of the first indications of the containers' origin was the stamping of some crates with the names of the concentration camps from which they came, notably Lublin and Auschwitz. The tenth shipment, in November 1942, included dental gold for the first time. Subsequent shipments contained significant quantities, increasing unusually rapidly. Transports generally took place at night, from the WVHA [SS Logistics Organization] buildings in Berlin to the Berlin Reichsbank.”

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