**PART 9 THE MONEY MATRIX: MEDIA**

**Control of the News, 1900-1939**

by Sue Peters

**Introduction**

“When a commercial bank makes a loan contract with a borrower, the bank CREATES the deposit in the borrower’s account.” Have you repeated this fact 15,000 times yet? Private banks CREATE what we use as money. This ‘money power’ can also be called Finance Capitalism or Wall Street. Those who control this ‘money power,’ have power over the entire society – they decide who gets loans – new bankmoney.

Private banks should not have the power to create our money and decide who gets it. When the banks create bankmoney (bank credit) out of debt, they are concentrating wealth in their hands and the hands of the elites.

This power should be in the hands of Congress. Congress should issue sovereign money, like the Greenbacks of Abraham Lincoln. When the Congress authorizes sovereign money as an asset, wealth is fairly distributed to the citizens. Here is Edward Kellogg in 1883: “The most fundamental law in any nation is that which institutes money; for money governs the distribution of property, and thus affects in a thousand ways the relations of man to man.”(1)

**Background**

This essay will begin to share information about the control of our media by the financial elites from 1900 to 1940. Their control has only gotten exponentially stronger today.

Towards the end of the 19th century, wealthy elites took over control of the economy, by creating financial-industrial cartels(1). Bankers and industrialists like J.P. Morgan, John D. Rockefeller, Andrew Carnegie, etc., used the ‘money power’ – the private banking system CREATING bankmoney in the account of a borrower – to do this. Here are the words of author William Engdahl: “At the dawn of the 20th century, some sixty ultra-rich families, through dynastic intermarriage and corporate, interconnected shareholdings, had gained control of American industry and banking institutions.”(2)

The most powerful of the investment banks was J.P. Morgan and Company, who formed cartel alliances with other investment banks and commercial banks.

**Analysis by Ferdinand Lundberg of Media and Banking Control**

In 1937, this well-respected journalist and author published the book, *America’s 60 Families*. In it, he gives an overview of the status of the U.S. press:

* The rural and small-town press: “ ‘Practically 75 per cent of the county press – the smaller papers of the country, are straight Republican. The remaining 25 per cent are Democratic’.”…derives a decisive portion of its revenue from the state and national political committees, and is attentive to the prejudices of the ruling families which finance the political parties…”(3)
* The middle layer of “independent” newspaper: “…neither very independent nor very numerous…”(4) “…has been the only socially wholesome feature of the American press. In this division belonged Joseph Pulitzer, the only successful metropolitan newspaper publisher who…consistently criticized the powerful and wealthy figures of all camps.(5) “…Since the World War … more and more newspapers from this “independent” stratum have gone out of business…nearly one thousand newspapers…”(6)
* Biggest metropolitan newspapers and great national magazines are owned or secretly controlled by the 60 families.(7)

On January 20, 1925, *The Wall Street Journal*, central organ of finance capital, wrote: “A newspaper is a private enterprise, owing nothing whatever to the public, which grants it no franchise.(8)” The author Lundberg comments: “The newspaper, in short, reflect actuality as does a convex mirror at Coney Island. The freedom of the press…constitutes merely the freedom to distort and to suppress news.”(9)

**Example of the ‘Money Power’ Suppressing the News -- Entrance of U.S. into World War/The Page Memo**

During the U.S. period of “neutrality” (August,1914–April,1917), Morgan had shipped $5 billion worth of war materials, the economy was booming, and the U.S. had become the leader of world finance. Morgan himself loaned a half billion dollars to the Allies. By the beginning of 1917, the Allies were desperate for more loans, but Morgan had reached his limit. On March 5, 1917, the U.S. Ambassador to Great Britain informed President Wilson that the Allies would lose the war unless they got more loans. Ambassador Page wrote: “If the U.S declared war on Germany, our government could extend such loans and the U.S. could continue to supply war materials. Our prosperity and trade would continue.”(10) On April 2, 1917, President Wilson asked congress for a declaration of war since “The world must be made safe for democracy.”

From Lundberg: “On October 14, 1934, the New York World-Telegram published the text of the cable sent by Ambassador Page to President Wilson in 1917… Although the sensational message had never previously appeared in the press, only three out of twenty leading metropolitan newspapers copied it... The United Press carried the text of the

Page message in its dispatches of the day, but newspapers…struck it out. The Associated Press, the International News Service (Hearst), and the Universal Service (Hearst) ignored the Page cable. Most newspaper readers today [1937] are still unaware that such a cable message exists.”(11)

**Example of the ‘Money Power’ Suppressing the News -- Controlling Book Reviews**

In 1922, Thomas Lamont, a Morgan partner, privately financed Henry Canby to found The Saturday Review of Literature, a weekly magazine reviewing books and containing editorials “which has for nearly two decades given J.P. Morgan and Company a strategic foothold in the book-publishing business.”(12) “The New York World-Telegram (April 7, 1936) revealed that Candy had admitted turning over to Lamont the proofs”(13) of a book that discussed war preparations and criticized J.P. Morgan and Company. Canby said he wished Lamont to suggest a reviewer. Lamont suggested Charles Seymour, a Yale professor and an associate with Lamont at the Versailles Peace Conference. Seymour attacked the book, and “has since promulgated far and wide the Morgan thesis that the [U.S.] was brought into the war by the German submarine warfare.”(14)

**Concluding Thoughts**

There are many, many other examples, in the first third of the 20th century, of the control of the press by the Money Power.

The Money Power has only gotten more powerful today. Do you really think we have a ‘free press’ today?

My high school history text taught me that a major reason the U.S. entered World War I was the German submarine warfare.

1. Kellogg, Edward. *Labor and Capital; A New Monetary System: The only mean of securing the respective rights of labor and property, and of protecting the public from financial revulsions.* Edited by his daughter, Mary Kellogg Putnam. New York, New York: John W. Lovell Company, 14 and 16 Vesey Street, 1883, p.17.

(2) F. William Engdahl. *Gods of Money: Wall Street and the Death of the American Century*. Wiesbaden, Germany: edition.engdahl, 2009, p.28.

(3) Lundberg, Ferdinand. *America’s 60 Families*. New York: The Citadel Press, 1946, p.246.

(4) Ibid., p. 279.

(5) Ibid., p. 246.

(6) Ibid., pp. 246-247.

(7) Ibid., pp. 247-279.

(8) Ibid., p. 289.

(9) Ibid., p. 291.

(10) Hendrick, Burton J. *The Life and Letters of Walter H. Page: Vol II*. Garden City, New York: Doubleday, Page & Company, 1923, pp. 269-271.

(11) Lundberg, *op.cit*., pp. 295-296.

(12) Ibid., p. 256.

(13) Ibid., p. 316.

(14) Ibid., p. 317.