

**On Ezra Pound:
“Usury destroying the abundance of nature”.**

P330.

(A perfect example, according to Pound, of how bankers were dishonouring the spirit and grace of the American Founding Father’s Constitution. Below, purported circular 1863, (unconfirmed), issued by a New York law firm outlining the “benefits” to its clients of investing in national banks, now that the currency was being “re-organized” under the new U.S. National Banking Act).

1863 Circular On The Benefits of the New National Banking:

1. Any number of persons, not less than 5, may organize a National Banking Corporation.
2. Except in cities having 6,00 inhabitants or less, a national bank cannot have less than \$1,000,000 capital.
3. They are private corporations organized for private gain.
4. They are not subject to the control of state laws, except as Congress may from time to time provide.
7. To start a national bank on the scale of \$1,000,000 will require the purchase of that amount (par value) of U. S. Government bonds.
8. U. S. Government bonds can now be purchased at 50% discount, so that a bank of \$1,000,000 capital can be started at this time with only 500,000.
9. These bonds must be deposited with the U.S. treasurer at Washington, as security for the national bank currency, that on the making of the deposit will be furnished by the government to the bank.
10. The U.S. government will pay 6% interest on the bonds, in gold, the interest being paid semi-annually. It will be seen that at the present price of bonds, the interest paid by the government, will of itself amount to 12% in gold, on all the money invested.
11. The U.S. Government, under the provisions of the national banking act, on having the bonds aforesaid deposited with its treasurer, will on the strength of such security, furnish national currency to the bank depositing the bonds to the amount of 90% of the face of the bonds, at an annual interest of only ONE PER CENT PER ANNUM. Thus the deposit of 1,000,000 will secure the issue of \$900,000 in currency.
13. The demand for money is so great that this currency can be readily loaned to the people across the counter of the bank at a discount at the rate of 10% at 30 to 60 days time, making about 12% interest on the currency.

14. The interest on the bonds, plus the interest on the currency which the bonds secure, plus the incidentals of the business ought to make the gross earnings of the bank amount to 28% to 33 ½ per cent. The amount of the dividends that may be declared will depend largely on the salaries the officers of the bank vote themselves, and the character and rental charges of the premises occupied by the bank as a place of business. In case it is thought that the showing of profits should not appear too large, the now common plan of having the directors buy the bank building and then raise the rent and the salaries of the president and cashier may be adopted.

15. National banks are privileged to either increase or contract their circulation at will and, of course, can grant or withhold loans as they may see fit. As the banks have a national organization, and can easily act together in withholding loans or extending time, it follows that they can by united in refusing to make loans, cause a stringency in the money market and in a single week or even in a single day cause a decline in all the products of the country. The tremendous possibilities of speculation involved in this control of the money in a country like the United States, will at once be understood by all bankers.

16. National banks pay no taxes on their bonds, nor on their capital, nor on their deposits. This exemption from taxation is based on the theory that the capital of these banks is invested in U.S. securities, and is a remarkable permission of the law.

Source:

“Ezra Pound: Poet

A Portrait of the Man & His Work Vol. II”.

A. David Moody.

Oxford University Press, 2014.

Christopher M. Quigley

Dublin, Ireland.

19th. August 2016.