# JOHN PHILLIPS' SUBMISSION TO THE NZ GOVERNMENT TAX WORKING GROUP:

## WHY THE FOREIGN BANKERS' RORT OF THE NZ ECONOMY MUST BE URGENTLY REFORMED TO MAKE THE TAX SYSTEM FAIRER

**[APRIL 2018]**

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# INTRODUCTION

Firstly, I must emphasize that, as a Christian, my submission is prepared in support the fundamental view that the financial and banking laws outlined in the King James Bible (KJV), if closely followed, guarantee the most reliable, equitable system of wealth creation, prosperousness, the elimination of poverty and fairness in the tax system for all governments and nations of the world.

Unfortunately, however, today both apostate Jews and the vast body of the Christian Church have largely repudiated these elementary laws and given us the corrupt, global ***Fractional Reserve Banking System*** that we have today being forced upon us.

Sadly, this corrupt, incredibly unfair, *Fractional Reserve Banking System* allows international banks in collusion with central reserve banks, to create credit and interest bearing debt out of thin air – and therefore, excessive currency depreciation which creates inflation in asset prices, transferring the wealth generated by workers and producers to asset-owners, the majority of which are now owned not by ordinary hard-working citizens – but by the international bankers themselves.

Left to itself, unless soon stopped, by divine intervention or some other radical intervention, this corrupt system of Fractional Reserve Banking will ultimately confiscate and transfer the entire assets of the earth to just one corporation, bank or person through *mort-gage* debt (from French Jews in London: *mort* 'death' and *gage* 'bond' = death bond) – enslaving the whole world under a giant web of debt bondage.

This is in sharp contrast to the basic financial and banking laws given to Israel in the Bible, (now meant to be followed by all Jews and Christians, which sadly aren't) where all tithes (modern taxes) were limited to maximum 10% to fund the government and care for the poor.

This was a system which allowed all loans to the citizens of Israel to be raised at <u>NO</u> INTEREST, with loans to strangers and foreigners only carrying nominal interest. To keep the Levites and bankers who were in charge of this system honest, all outstanding short-term loans every 7 years had to be written off for those who had difficulty in repaying them. All long-term loans outstanding had also to be written off completely at the beginning of the Year of Jubilee, every 50th year, when any land or assets taken as security had to be returned to the original owners.

In this way, the provision of credit to the nation was provided by the Levitical priestly bankers to ensure the nation became prosperous, yet without having the bankers grow rich by extortion and blackmail (as is the case today), in lining their own pockets at the expense of everybody else, forcing the public into a continual spiral of debt bondage and impoverishment.

I also realise, probably more than most, that what I am going to write, may be extremely unpopular in many banking or financial circles, and I am probably very much a lone voice crying in the wilderness or simply blowing recklessly in the wind.

Nevertheless, if for no other reason than for posterity itself, I thought I should take the time and effort to contribute my two pennies' worth, in the real hope that the majority of people might be awakened, or at least those in power who have the intellectual ability to understand what I'm advocating. In the ultimate aim our government here in New Zealand might lead the world in long overdue meaningful economic and taxation reforms – to hopefully make the place a much fairer and better country for all citizens.

Not just for a privileged banking minority, as is the case at present who, regrettably at this time in history, largely do not even reside in this country at all – and are not even included as the primary focus in The Tax Working Group's *Future of Tax: Submissions Background Paper* report, which to say the least, is quite remarkable.

While I do quote from OECD statistics to illustrate some pertinent points to be consistent with the NZ Treasury's and Reserve Bank's format, it should be sharply pointed out that I believe the OECD, contrary to general opinion, is simply an organisation at the top run by Anglo/American bankers. Indeed, the OECD originated out of the reformed Organisation for European Economic Cooperation (OEEC) founded in 1948 to help administer the Marshall Plan, to aid in European recovery after WW2, funded by the Rockefeller Foundation. In 1961, the OEEC was reformed into the Organisation for Economic Cooperation and Development (OECD) that has continued to the present day.

It is important to understand that the Marshall Plan was created by the Committee for the Marshall Plan. The Committee disbanded not long after April 3, 1948, when U.S. President Harry S. Truman signed the Marshall Plan into law, which granted $5 billion in aid to 16 European nations.

The committee's headquarters were in the Empire State Building in New York. Of the committee's executive board members, eight served on the Council of Foreign Relations, which is the American branch of the Royal Institute of International Affairs (now called

Chatham House) in London, set up to reform the political world system, abolish the sovereignty of nations and bring in a world government headed by City of London bankers.

On April 2, 1948, the day before the Marshall Plan was signed, there were eighteen members of the Executive Committee, mainly bankers or representatives of bankers. For a brief example, the following are just a few:

Allen Dulles; was at first a corporate lawyer and partner of Sullivan & Cromwell, an international law firm in New York City whose clients included, J.P. Morgan (one of the major foreign shareholders of the "Big Four" foreign-controlled banks in Australia and New Zealand today). Peter Thiel, the billionaire and co-founder of PayPal, who today incidentally has dual US/NZ citizenship originally worked for Sullivan & Cromwell. Allen Dulles later carried on to become the first civilian Director of the CIA.

Dean Acheson; also served on the Marshall Plan Executive Committee. He was a key creator of the Marshall Plan and later the North Atlantic Treaty Organization (NATO). He also attended the Bretton Woods Conference in 1944 as the head delegate of the U.S. State Department. At this conference the post-war international economic structure was designed – which birthed the International Monetary Fund (founded 27 December 1945), the World Bank (founded July 1945), the General Agreement on Tariffs and Trade (signed October 1947) which later evolved into the World Trade Organization.

Alger Hiss; another Rockefeller agent, was also on the Marshall Plan Executive Committee. He served as Executive Secretary of the Dumbarton Oaks Conference in Washington D.C. in 1944, which drew up plans for the future United Nations. In late 1946, Hiss left government service to become President of the Carnegie Endowment for International Peace, where he served until May 5, 1949, when he was forced to step down being accused as a Communist agent, and was convicted of perjury in relation to the charge on 21 January 1950.

The Carnegie Endowment for International Peace and Brookings Institute (Robert C. Brookings (1850-1952) was funded by British bankers) are the foremost two American economic think-tanks today which work closely with the Royal Institute of International Affairs (Chatham House) in London and Bilderbergers in Europe, funded by the Rockefeller Foundation, Ford Foundation, Carnegie Trusts and Mellon Foundation. All controlled by Anglo/American bankers who, right from the very beginning of their inception have been tirelessly working towards setting up the United Nations to be reformed to become a world government controlling the social and political affairs of the world. While having the City of London Corporation-controlled multinational banks and companies, ultimately owning the physical assets of the world in a socialist-styled benevolent dictatorship headed by an oligarchy of financial elite families. Former U.S. Federal Reserve chairs Janet Yellen and Ben Bernanke; former Federal Reserve vice chairs Donald Kohn and Alice Rivlin are all Brookings scholars. Today the Australian affiliate of the Brooking Institute is the Grattan Institute based in Melbourne.

Another on the Marshall Plan Committee was Herbert H. Lehman; one of three brothers who founded Lehman Brothers financial services firm. Another Committee member was Winthrop W. Aldrich; who was President and Chairman of the Board of Chase National Bank from 1930 to 1953, owned by the Rockefeller family. He was U.S. Secretary of State under President Harry Truman from 1949 to 1953. His sister, Abby Aldrich, was the wife of John D. Rockefeller, Jr. In 1947, he was appointed an honorary Knight Grand Cross of the Order of the British Empire by King George VI. Stacy Friedman; General Counsel for JPMorgan Chase & Co, was also on the Marshall Plan Executive Committee.

These are just some of the individuals in the early stages that led up to creation of the OECD who were mainly leading INTERNATIONAL BANKERS OR THEIR AGENTS. Bankers that largely now directly or indirectly control the world economy not only the New Zealand economy, and certainly not in the remotest sense possible ever were or are interested in being “fair” to New Zealand citizens.

So for the Government to confidently make the claim it wants the Tax Working Group to recommend making substantive changes to the New Zealand taxation system which will make it “fairer for everybody” through the exercise of following OECD advice, guidelines and protocols – by taxing New Zealand citizens much more in the process one must ask the very pertinent question. Since these foreign banking bodies and their agents in New Zealand generally appear not to be a prime target of the Tax Working Group’s Terms of Reference, unlike many other normal hard-working New Zealand citizens, to supposedly make the tax system “fairer for everybody” – may we ask, fairer for whom?

Clearly under such onerous circumstances the Tax Working Group has a very difficult task. To try to implement genuinely good, meaningful, independent, courageous reforms for New Zealanders, not blindly following other countries in compliance of questionable standard OECD guidelines, (behind the scenes controlled by these same Anglo/American international bankers) – with the continuation of the existing, global, Fractional Reserve Banking System, is an enormous challenge to say the least.

Especially when our own Reserve Bank and Treasury is packed to the brim with such economists, who largely follow these OECD guidelines, have been indoctrinated in such Anglophile socialist institutions as the Rhodes Trust, Fulbright Scholarship Program or the

Fabian Society's London School of Economic and Political Science – and in most cases have the mental inability to think beyond what they have been academically indoctrinated, rather than exercise any genuine free thought or vision of their own to benefit our economy and make it more equitable for all our people.

So yes. I acknowledge The Tax Working Group has an extremely difficult task ahead of it to satisfy all of these many varied vested financial interests mainly dominated by overseas bankers, while at the same time, truly attempting to maintain the general trust and confidence of all New Zealanders, to instil general integrity and fairness into the tax system.

At the end of my submission I will address in much more specific detail how these foreign bankers' and the multinational companies that they control, are disgracefully sucking the economic lifeblood out of the New Zealand economy, monopolizing and taking over control of almost all the nation's key national assets. In so doing, they are rapidly pauperizing the general population under a deliberate system of debt bondage and enslavement, and are unduly manipulating and negatively influencing the New Zealand banking and tax system.

Accordingly, at the end of this submission, I will make, I hope, some realistic and meaningful recommendations to show how the tax system might be acceptably reformed in the future to make things genuinely much "fairer" for all our citizens – but certainly not for these foreign banking parasites as is the prevailing case now.

I have written my submission more in regular book format hopefully to help make it more easily readable because it is dealing with a very complex issue not widely known or appreciated. I have divided up my following comments and recommendations into sub-headings by number, in general order of priority, with the last ones being an exception, specifically addressing the banking fraternity's duplicity, because I don't want to give readers 'heart failure' before they have read the earlier part of my submission. Nevertheless, I am sure you will appreciate, rarely does one economic policy operate entirely in isolation without affecting another, and so I have tried to comment only on the very few key ones that I see as most important facing New Zealand at the present.

Subsequently I have recommended policies which I feel are the simplest, yet will have the most positive impact for everyone in our country, [with the exception of the bankers that is], without negatively impacting the rest of the general economy. In this submission I am critical of serious failings within certain particular groups, bankers, Catholic and Protestant Christians, Jews and Socialists. I have tried to adhere to the bare facts only. Please do not take these criticisms personally if you are a member of one of them. There are good, sincere people in all of them. It is more the system that needs to change, rather than the personalities in it.

# 1) TAX REVENUE TO GDP RATIO – THE BIBLE VERSUS SOCIALIST OECD ECONOMISTS

I note that in the *Terms of Reference: Tax Working Group* (presumably prepared by the NZ Treasury) released by Hon Grant Robertson, Minister of Finance, on 23 November 2017, that the Tax Working Group is instructed to maintain this following objective for the NZ tax system: "A system that supports a sustainable revenue base to fund government operating expenditure around its historical level of 30 per cent of GDP."

This again was confirmed in your *Future of Tax: Submissions Background Paper*, page 5, "Overall, the current level of tax revenue, including local government rates, is equivalent to 32% of gross domestic product (GDP), which is slightly below the OECD average of 34% of GDP."

This was further confirmed by Hon Sir Michael Cullen, in his Speech to the International Fiscal Association (IFA) Conference, Queenstown, 2 March 2018, on page 4, where he said, "It seems unlikely that, beyond the ten-year horizon set for the Tax Working Group, operating expenditure will be kept as low as around 30% of GDP. The Treasury prediction for 2045 is just under 40%."

With respect, with taxation rates of 30% or worse, rising to 40% to GDP, what the NZ Treasury are saying, in effect, is that by continuing to pursue the existing policies of increasing government spending as a proportion of GDP, they are going to gradually <u>destroy our economy and create more poverty</u>. In my view, this level of ignorance about basic economics and how the levels of tax affect an economy is entirely unsatisfactory.

Accordingly, I will explain this point further. The Bible Old Testament (Torah to Jews) very precisely limited all revenue to the government of Israel in the form of tithes (equivalent to taxes today) to a maximum of 10% (plus voluntary offerings). This is an immutable economic law set by Abraham (1996-1821 BC).

It is not only a 'political' or 'religious' law, but it is a 'universal law of basic economics' (similar, for example, to the law of gravity) which, if broken, produces consequences. Obviously taxes must be levied to provide funds for governments to operate, and we all agree with that. However, if one studies levels of tax rates, one will observe a unique phenomenon. When taxes rise as a proportion of GDP over a baseline threshold of about 10%, when calculated over a 10-year period, <u>altogether the government, the taxpayer and the nation all end up with vastly LESS REVENUE</u>.

**For example, a 10% Tax to GDP Ratio produces over TWENTY TIMES MORE WEALTH for a nation, and hence equally more tax revenue for the government, than a 75% tax rate over a 10-year period.**

I know it is a remarkable paradox, and that ordinarily one would naturally think that the higher a government levies various taxes on its citizens the more revenue it will generate to help the poor and pay for other government spending. But the truth is, when the level of tax revenue to GDP rises over 10%, the policy actually produces less wealth for all, including the government, the taxpayer and the nation.

**Ordinarily, this universal economic law is difficult to understand for most because it goes against one's natural thinking. So I have typed up an *Appendix Table* titled, *"HOW TAXES DESTROY WEALTH – Example: A Company Producing 100% Profit Before Tax Each Year, Produces the Following Wealth,"* covering a 10-year period (to comply with your Terms of Reference), to illustrate the point much more simply.**

Under the Appendix Table on page 75, are also some "Special Notes" about it, and a summary of the most well-known "Biblical Economic Laws" underneath which you may find of interest, although in the current global economic system, totally impossible to implement.

I have copyrighted this TABLE and SUMMARY to protect the original text, but nevertheless, have provided it to the *Public Domain* for all who wish to freely use it, including yourselves – since it seems so plain now, that all of the world's leading economists, or at least those at the OECD, with respect, haven't got a clue in the wide world what they're talking about!

**I have included a copy of this Appendix Table and summary on page 75 at the end of this submission.**

Even when a country becomes exceptionally prosperous, if this basic law of economics is broken, depending on the level of tax imposed on its citizens above this 10% threshold, the country will ultimately decline in direct proportion to the taxing excess.

If the Tax Revenue to GDP rises above 10%, the rate of decline can be temporarily restrained for a period by increasing credit expansion and the money supply over a period of years, but as this inevitably depreciates the currency and causes inflation in the longer term, it saturates the economy with unsustainable debt, and will ultimately collapse the banking system and economy.

Norway is a good example of an extremely wealthy country at present in the process of beginning to be destroyed by a high Tax Revenue to GDP Ratio of 54.7%, the second highest in the OECD.

While the country is richly endowed with natural resources and has a huge income from oil and gas, much of it accumulated in the world's largest sovereign wealth fund valued at almost $900 billion as of early 2017. After solid GDP growth in the 2001-07 period, by 2017, it was experiencing a very modest GDP growth of only 1.4%, and the decline is accelerating.

In fact, the mediocre growth in all OECD countries of around only 1% – 5% now is directly attributable to these excessive government Tax to GDP Ratios averaging 34%.

**MY RECOMMENDATION:**

Therefore, based on the figures provided in my table on page 75, I believe that one of the first things that the Tax Working Group should do, is at least point out to the NZ Government and NZ Treasury that the Terms of Reference prepared by Treasury is substantially in error.

The government should not continue to follow its spurious historical standard OECD guidelines, but should gradually concentrate on reducing the New Zealand Tax Revenue to GDP Ratio from 32% to around 10%. This should not be done too quickly or overnight, but it should be introduced very gradually.

This would ENORMOUSLY stimulate the growth in the economy, provide an enormous incentive for everyone broadly not to try and evade taxes anymore. It also would help make the levying of taxes simpler and fairer for everybody, and it would create increased wealth for all taxpayers – and as the result, generate a much bigger tax revenue cake for the government to share with the needy and meet departmental spending.

**To activate a *hyperlink* in this Word document, hold the CTRL key, then simultaneously move the cursor over the blue hyperlink and left-click mouse.**

# 2) LAND TAX:

The current New Zealand Labour Party-led coalition government favours the implementation of Capital Gains Tax and Land Tax, and has asked the Tax Working Group to consider these specific options, among others, and make recommendations on them accordingly.

It is true many other countries in the Western world today have progressively introduced nefarious taxes like these in recent times. This, in spite of the fact that history has overwhelmingly shown that these taxes, at their very heart, are incredibly unfair for most people, are hated by the general public, destroy innovation and entrepreneurship, and are extremely counter-productive. So why, on earth, should the New Zealand Government at present, ever want to blindly follow other countries to introduce them is a complete puzzle.

**NZ LAND TAX HISTORY**

When one looks at the chequered history of Land Taxes in this country in particular, to seriously contemplate their reintroduction now is bordering on madness. Land Tax was first imposed on New Zealanders under the Land Tax Act (1878) followed by the Property Tax Act 1879 which was charged at a rate of .4%, but since there was a £500 exemption, very few people in the country actually paid it. By 1895, it made up 76% of the total land and income tax revenue income of the government. Yet by 1967, in a report produced by a committee chaired by Auckland accountant Lewis Ross, land tax made up only .5% of government revenue.

By 1982, only 5% of total land value was taxed, and as land taxes were also considered to be duplicative of local authority property rate levies, with these making up 57% of local government income by 2001. There was an almost unanimous cry from all sectors to abolish them.

As the result. It was the economic impetus of reforms pushed by the Labour government elected in 1984 that wisely saw a strong move away from taxing capital in all forms. Accordingly, in 1990, the Land Tax Abolition Act (1990) was passed, terminating New Zealand's long history of taxing land. So we may ask, why on earth is the same political party that formerly abolished these taxes, now pushing for their reintroduction now?

**Land and capital gains taxes are very pernicious in that they attack the productive assets base of any country.**

Unlike taxes on production, which vary with the ebb and flow of the general economy, land taxes especially, are relatively constant and are an extremely dire imposition on businesses and individuals who pay them especially during any downturn in the economy. Because these taxes do not rise and fall with earnings, or respect the ability of the taxpayer to pay them, in depressed economic times they are very financially destructive indeed.

There has been a marked resurgence in governments all around the world in recent times to implement various forms of land tax, but in the long-term these taxes are very counter-productive and destructive to the general economy.

Usually when land taxes become more onerous on taxpayers, governments end up making them much more complex and building up yet another giant parasitic bureaucracy to administer them because of the countless rafts of exemptions and concessions sought by various interest groups that can't afford to pay them.

These pressures for extensive exemptions and concessions end up forcing the government to depart from any simple system using a standardized low land tax rate over all land in the state, and end up making it very complex and administratively expensive. This usually includes implementing cascading rates, surcharges, special rates for trusts, absentee landlords or corporations, with endless exemptions for Crown land, certain agricultural land, indigenous peoples' land, municipal and public land, friendly societies, childcare centres, sporting groups, various non-profit organisations, health centres, residential care facilities, retirement villages, caravan parks and rock concert venues – the list goes on and on – and just to make sure the system becomes even more complex, concessional rates may be applied as well.

**AUSTRALIAN LAND TAX EXAMPLE**

Australian states have had land taxes for many years, with the exception of Northern Territory that has none. One only has to leave New Zealand and hop over the Tasman Sea to the Australian state of Victoria at present to see what madness the imposition of Land Tax is doing, with rates cascading up to 2.25% p.a.

While it is true the Victorian state government in 2016 generated $1.734 billion from land tax and budgeted for an increase of 22% rising to $2.225 billion in 2017, the policy is upsetting a huge proportion of the public and is impoverishing many investors, businesses and tenants.

Although the total amount of land tax collected by the state government at first sounds impressive, it is quite possible, if not probable, that the income generated by land tax is being dramatically offset by an even bigger decline in general tax revenue being paid to the Federal government.

Victorian retail tenancy laws prohibit landlords from directly passing on land taxes to their tenants unless the business is a listed company. This all sounds fine and dandy in theory, but in practice, this is meaningless, as landlords are forced to dramatically increase rents during rental reviews to help compensate for the burdensome land tax imposition, sell, or go out of business. Thus rental prices in Melbourne currently are soaring, forcing many tenants to live in tents, backyards or on balconies. Exorbitant land taxes have converted what was a mild rental shortage into full-blown massive rental crisis.

In the last 12 months, with 2016-2017 being a revaluation year, most properties in Melbourne that have risen in value through inflation have experienced massive increases in land tax bills, some at levels of 1200 per cent or more. In one case reported by the media in 2017 was a 73-year-old grandfather who saw his retirement property nest-egg land tax bill rise from $5300 to more than $67,900.

In another case, an elderly 90-year-old woman who owns a Swanston Street shop in Melbourne and lives off the income with a full-time carer says she has seen her most recent tax bill jump from $6,095 to $40,950. The land tax rises are also destroying the legitimacy of long-term commercial leases, with a national ASX-listed supermarket chain which operates a store in Melbourne's south-east under a long lease has seen its bill rise from $167,625 in 2016 to $261,788 in 2017.

Already it has got so bad, there are calls for the Victorian government to abolish the land tax imposition or reform it to ensure it is a flatter and fairer system, but if that is ever done, it will consequently still hurt a lot more people who can't afford to pay it and it will substantially reduce the overall level of total tax collected.

- "Disastrous" land tax soars 1200 per cent in 12 months. http://www.afr.com/personal-finance/disastrous-land-tax-soars-1200-per-cent-in-12-months-20170607-gwm9pp
- Bill shock for landlords as land tax skyrockets. https://www.smh.com.au/business/companies/bill-shock-for-landlords-as-land-tax-skyrockets-20170224-gukiya.html
- Renters resort to paying for tents and shared rooms due to high cost of living. http://www.news.com.au/finance/real-estate/buying/renters-resort-to-paying-for-tents-and-shared-rooms-due-to-high-cost-of-living/news-story/d3977d7c436ad9b4e94f11a56dee0fcb

**LAND TAX & FRENCH REVOLUTION, 1789**

George Santayana (1863-1952) is reputed to have wisely said: *"Those who cannot remember the past are condemned to repeat it"*. No better does this profound statement apply to politicians and bureaucrats today, who have, at best, a very limited understanding of history. No better does their ignorance of history manifest itself in their stupidity in wanting to reintroduce land taxes.

It was the insane imposition of land tax that created the beginning of the French Revolution, in 1789.

King Louis XVI needed money. A deep financial crisis forced the French monarch to reluctantly convene the Estates General in order to levy a new land tax that would hopefully solve his monetary woes. It had been 175 years since the last meeting of this deliberative body that included representatives of three Estates: the First comprised the Clergy, the Second comprised the Nobility and the Third comprised the Middle and Lower classes.

The Estates General soon declared itself a National Assembly opposing the king's land tax. The tension increased, exacerbated by massive crop failures that led to a shortage of food. In Paris, mobs filled the city's streets. The fear spread that the king would retaliate with force.

On July 14th, the mob stormed the Bastille to obtain arms. The attack launched the nation down a pathway that would eventually lead to the destruction of the French monarchy and Crown – culminating with the brutal execution and beheading of Louis XVI on 21 January 1794 at the Place de la Révolution. http://www.eyewitnesstohistory.com/frenchrevolution.htm

Today, the French government, (paradoxically, even though the nation still celebrates Bastille Day in memory of the event) apparently has developed severe amnesia, gone mad or has completely lost its mind, forgotten about this important period of French history, and reintroduced the same land taxes that formerly motivated its citizens in unanimous cry, "off with the King's head!"

**LAND TAXES & MAGNA CARTA 1215**

Similarly, it was these extortionate LAND TAXES called "Tallages," "Carucages" and "Scutages" that led to the peoples' rebellion against King John forcing him to sign the Magna Carta 1215, which still forms much of the basis of English, American and New Zealand law today.

Tallages were more frequently levied on the king's Jewish bankers during the 12th and 13th centuries, and more will be mentioned about them relating to the bankers towards the end of this submission.

Carucages were a medieval English land tax which replaced the "danegeld" first introduced by King Richard I in 1194. Carucage land taxes were only levied six times, and were later replaced by taxes on income and personal property. It was these scutages 'land taxes' that led to the rebellion against King John forcing him to sign the Magna Carta under duress.

**Subsequently, in Magna Carta 1215, Clause 12, there is a law forbidding the Crown to levy Scutage 'land tax' without general consent of the people. It reads: "No 'scutage' or 'aid' may be levied in our kingdom without its general consent, unless it is for the ransom of our person, to make our eldest son a knight, and (once) to marry our eldest daughter. For these purposes only a reasonable 'aid' may be levied. 'Aids' from the city of London are to be treated similarly."**

It was the barons' opposition to King John's annual scutages (1201-1206) that was the predominant factor in their revolt in 1214, that led to the final drafting up and signing of the Magna Carta 1215.

The term 'aid' in the Charta referred to "feudal aid" that was a legal term for one of the financial duties or payments required of a feudal tenant or vassal to his lord, often required by the lord when he himself was levied with scutage 'land taxes' by the Crown.

In a similar way, as is the case right now in Australia, the "land lord" who is being oppressed by having to pay these exorbitant land taxes to the state, has to get the money from somewhere to pay them, so he has no other choice than to exact them from his "feudal tenants."

This is simply English history repeating itself now, and although the Australian state governments don't know it yet, there are obviously going to be severe repercussions in the future for them in proving to be so ignorant of this resounding historical fact.

Originally scutage was also called 'shield money' from Latin *scutum* 'shield' in feudal law, which was a payment made by a knight to commute the military service that he owed his lord. Scutage existed in various European countries, including France and Germany, but was most highly developed in England where it is first mentioned in 1100.

It was first levied on ecclesiastical tenants in chief, who had difficulty in finding their full quota of knights for the king's army. It soon became a general tax on knight's estates, and by the 13th century the rates were standardized. However, because it was so intensely hated, it became obsolete in the 14th century.

Scutage, (as the payment of money in lieu of serving as a knight) soon after, prompted the appearance of landless knights, titled the "bachelery of England," men who would undertake the service owed to the barons by the sub-tenants. These landless knights were the forerunners of the Knights Bachelor, one of the lower orders of chivalry we have today as part of the British honours system.

Perhaps, it's somewhat of a modern paradox, and a remarkable quirk of historical significance, that Hon Sir Michael Cullen, a Knight Companion of the New Zealand Order of Merit, has been appointed to chair a Tax Working Group that has been given the unenviable task to consider such a tax, that historically was so soundly hated and rejected formerly by his feudal contemporaries, knights and lords of the Crown?

# 3) CAPITAL GAINS TAX

*"The theory of Communism may be summed up in one sentence: Abolish all private property."* (Karl Marx, *The Communist Manifesto* – Chapter II, 1867).

**Capital gains taxes at their heart are not driven by basic sound economics at all, but traditionally have been often inspired by a "Christian Socialist" religious rejection of the Bible, fundamentalist Christianity, and the free market, private enterprise system.**

There are many *forms* of socialism, Christian Socialism, Marxism, Communism (Democratic Socialism), Leninism, Fabian Socialism and Fascism etc. While all these generally have different *methods* in achieving their goals, they are 'birds of the same feather' when it comes to philosophical belief, based on the writings of the two most famous ancient Greek classical philosophers, Plato and Aristotle. The 'bible' of all high-level socialists is a book written by Plato called *The Republic*. Very little that the Jewish philosopher Karl Marx wrote, in fact, was original and most of it was directly taken from these two classical pre-Christian Greek authors.

**PLATO, SOCIALISM & CAPITAL GAINS TAX**

Plato dreamed that one day, sometime in the future, all hereditary constitutional monarchies would be abolished, because more often than not these hereditary sovereigns in the past had terribly abused their hereditary power. He also believed, that normal, independent, democratic governments run by political parties should be abolished as well, because more often than not, the politicians that run them did not possess the long-term experience to rule as did monarchs. These politicians, he felt, were more often than not consistently unethical and were not genuinely interested in acting for the general public at all, but more in lining their own pockets for short term interest and political gain only, and like common bed-bugs, often jumped from one political party to another at the drop of a hat.

What Plato dreamed of was the creation of a world socialist republic, a sort of 'paradise on earth,' where everything was owned and controlled by a benevolent State, and everyone would live in total harmony, peace and security and be treated justly as equals while being led by a benevolent dictator. This man, of course, would be a great philosopher like Plato himself, who would be respected not by birth, privilege or material possessions at all, but rather, for his great philosophical wisdom and knowledge, charity, integrity and enduring multi-faith love for all humanity. Someone who was highly respected, who would end all war and bring in everlasting peace to all nations and religions in a new world order.

Because of this, Plato believed, that royalty had the greatest experience of all to lead. So he believed that this ideal world socialist leader to come would still be a royal prince, but instead of ruling his World Republic by hereditary right or privileged birth, he should first have to prove himself as a wise philosopher, prince of peace, and man of the people "uniting all nations" by his charitable stature. Only then, could he be properly considered qualified to rule, to be <u>elected</u> by the resounding will of the people to become the WORLD PHILOSOPHER KING, the coming world dictator, of this new 'united nations' benevolent world republic.

This is the type of world government, based on the works of Plato, all high level socialists religiously aspire to and dream about implementing today, and central to that is the goal to abolish all privately owned property of the majority through capital and wealth taxes.

**THE SYNTHESIS BETWEEN MARXISM & FASCISM: PROMOTING CAPITAL GAINS TAX AND ULTIMATE CONFISCATION OF THE FAMILY HOME**

Today, in socialism there are two seemingly opposing neo-Platonic socialist forces at play. In high level, Marxist socialism, the world state is perceived to become the ultimate beneficial owner of everything. However, conversely, in global fascist socialism (based more on ancient Roman fascism) the state controls everything, while the physical assets of all nations and everyone are planned to be seized and owned by just twelve, giant, global, PRIVATELY-OWNED multinational companies and banks, currently with their head offices domiciled in Guildhall, City of London Corporation.

In both forms of socialism, capital gains taxes form an integral part of the global plan to confiscate all private property from 99% of the general world population.

Capital Gains Taxes, while more often than not, are deceptively proposed to be introduced gradually by Fabian/Marxist socialists "to make the tax system fairer" for the public, by at first claiming, "but we will not touch the family home" in fact, usually have nothing to do with making anything "fairer" at all. **The true aim is to confiscate all private property, INCLUDING the family home and farm,** and as the case may be, either transfer it all to a Marxist state owned by an international banking elite, or in a Fascist state, owned by twelve privately owned giant multinational banks and corporations, in turn, still owned by the same banking elite families.

At the very highest level of global socialism is World Freemasonry, based in the United Grand Lodge of England, Great Queens Street, London, led in the highest degrees by an occult cabal of bankers bent on enslaving humanity. Their American branches are the York Rite and Scottish Rite based in Washington D.C. and Alexandria, Virginia. New Zealand Freemasonry is a branch of the Scottish Rite based in London.

Sadly, neither the majority of Freemasons nor Socialists are aware of this high-level nefarious plan, are naïve victims of it themselves, and if they were properly informed about it, like most good people, would probably passionately oppose it. This is the great tragedy behind the attempt in some quarters today in New Zealand to introduce Capital Gains Tax on our citizens now.

The great paradox is, as has been consistently proven in the past by the socialist dictatorships of Adolph Hitler in Germany, Joseph Stalin in Russia and Mao Zedong in China, or even Nero in ancient Rome, when such people take up their positions to rule. The first people traditionally to get a bullet in the back of the head are those very same people that were most instrumental in bringing them to power, and these groups often include many of the very poorer classes of people they claim to initially represent.

Although many would deny it, it seems that the present tax system developing in Australia and New Zealand through the promotion of land tax and capital gains taxes currently might be described more as 'Cultural Marxism' and 'Corporate Fascism' merged together to destroy free-enterprise capitalism.

However, of the two branches of socialism, it is "global fascism" that is likely to rise to become preeminent, simply because it now controls the Anglo/American global banking system and

media and therefore the minds of the masses. The ancient symbol of fascism is a bundle of rods bound with the helve of an axe called the ***fasces.*** There are two gold fasces held by two tritons, the sons of Neptune/Poseidon, at the rear of the Gold State Coach that supports the British Sovereign, and copies of these **two gold fasces** are mounted on the wall behind the Speaker's Rostrum in the US House of Representatives, Washington, D.C. In fact, the Statue of Freedom since 1863 crowning the Dome of the US Capitol (temple of Jupiter) building, has a pedestal made up of these same Roman fasces, symbolizing that the seat of the US government now is entirely fascist.
http://ireport.cnn.com/docs/DOC-674218 https://www.aoc.gov/art/other-statues/statue-freedom

This at least partly explains why the impetus to introduce draconian capital gains tax in various countries including New Zealand is coming not only from organisations like the socialist Fabian Society in London, (which largely influences the British, Australian and NZ Labour Parties' economic policies) directly through its New Zealand Fabian Society branch here:
https://www.fabians.org.nz/index.php?option=com_content&view=article&id=233:do-we-need-a-capital-gains-tax-cgt&catid=41&Itemid=79

It also explains why capital gains taxes are also even more vociferously being unanimously supported by New Zealand's 'big four banks' as well (which are branches of the big four Australian banks, which in turn are not even Australian, but are largely owned and controlled by big foreign Anglo/American banking monoliths in New York and London, now owned by a mere handful of dynastic banking families).

Here is a more recent report published by *The New Zealand Herald* dated 20 May, 2014, about **Westpac Bank** chief economist, Dominick Stephens; "Support for capital gains tax": http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11257816

Here is another report, posted in *News* June 7, 2017, about **ANZ New Zealand** chief economist, Cameron Bagrie, on behalf of his foreign-owned bank supporting the introduction of Capital Gains Tax: https://www.interest.co.nz/news/88145/anzs-cameron-bagrie-suggests-new-zealanders-may-be-ready-eat-broccoli-making-some-hard

Here is another, posted October 9, 2017, about **BNZ Bank** CEO, Anthony Healy, supporting Capital Gains Tax as well, titled, "BNZ CEO calls for capital gains tax." The BNZ Bank is owned by National Australia Bank, in turn which isn't even Australian but is owned by foreign bankers.
https://www.stuff.co.nz/business/money/97676478/BNZ-CEO-calls-for-capital-gains-tax

Finally, here is the **Reserve Bank of New Zealand** itself (a body corporate wholly owned by the government of New Zealand)**,** in a report dated April 15, 2015, titled, “Capital gains tax on investment property – bold call from Reserve Bank” where the Reserve Bank of New Zealand Deputy Governor, Grant Spencer, supports the introduction of Capital Gains Tax as well. https://www.tvnz.co.nz/one-news/new-zealand/capital-gains-tax-on-investment-property-bold-call-from-reserve-bank-6288439

Again, while the Bank technically is established by and owned by the New Zealand Parliament and Government, the Reserve Bank of New Zealand is in fact controlled by the Bank for International Settlements in Basel, Switzerland, and certainly not by New Zealanders or the New Zealand Government.

Yes, there is a Reserve Bank Act through which the New Zealand Government influences the Reserve Bank of New Zealand’s economic policies to a small degree through the Monetary Policy Committee.

However, the fact remains, the Reserve Bank is entirely independent of the Government and is largely run by the Bank for International Settlements (BIS) based in Basel, Switzerland.

**THE REAL REASON WHY HOUSE PRICE INFLATION IS SO HIGH IN NEW ZEALAND: BANK FOR INTERNATIONAL SETTLEMENTS – CAPITAL ADEQUACY RATIOS FAVOURING HOUSING**

It is often simplistically said by many, including deceitful bankers, and endless politicians who should know better, that house price inflation is primarily caused by “greedy property speculators and investors.” This might sound very reasonable and acceptable for many uninformed people, but it could not be further from the truth when the real reason is much more complex.

The Reserve Bank of New Zealand and the 25 banks that it licences and controls, are all well aware they are being blatantly misleading in claiming that capital gains taxes or land taxes will help reduce house and property prices and “make the tax system fairer for all New Zealanders” – when they all know full well that the real reason house price inflation is so excessive is that the capital adequacy ratios set by the Bank of International Settlements Basel Capital Framework developed by the Basel Committee on Banking Supervision through the Basel II and Basal III capital framework heavily influence the banks’ bias to direct the majority of their credit expansion and loans into housing.

Thus, in New Zealand, the percentage of total bank funds loaned to the housing sector is about 61%, compared to agriculture at about 15% (of which the dairy sector comprises two thirds), or manufacturing at 3%. It is this foreign power over our Reserve Bank policies that has fundamentally caused, combined with the provision of low interest and easy credit by the banks, the rapid rise in inflation in house prices.

Other factors have helped too, such as excessive immigration and shortages of developed land affecting normal supply and demand parameters. But the primary cause is the provision of BIS bias causing banks to heavily target loans towards housing.

If the provision of cheap, easy credit to the housing sector was sharply tightened, or if world interest rates were increased substantially by the banks, because of the high levels of debt now concentrated in housing, values would fall significantly.

The preference in weighting loans to the housing sector is included in a Regulatory Impact Statement of the Reserve Bank of New Zealand called, *'Regulatory impact assessment on the asset class treatment of residential property investment loans May 2015'*.

Because of this irresponsible expansion of cheap and easy credit by the banks aimed at the housing sector, and promoted by the central bank under foreign BIS rules, in spite of Australia now, for example, having some of the most onerous and repressive capital gains and land taxes in the world, house and asset prices in recent times have still risen astronomically in value.
https://www.bis.org/bcbs/basel3.htm
https://www.rbnz.govt.nz/faqs/basel-iii-capital-adequacy-requirements-faqs

**AUSTRALIAN CAPITAL GAINS TAX SUMMARY**

If capital gains taxes were introduced into New Zealand, it is logical to expect that they would be closely aligned with the Australian system.

A capital gains tax (CGT) was first introduced in Australia on 20 September 1985 by the then Hawke/Keating Labour Government. The tax applied to most assets owned on and after that date, with the value of the assets held for one year or more indexed to the consumer price index, in which part of the gain due to inflation was not taxed. From 20 September 1999, the Howard Government discontinued indexation and introduced a standard 50% discount on the capital gain for individual taxpayers to make the system much simpler. The 50% CGT discount is not available to companies and superannuation funds, which are entitled only to a 33% CGT discount.

Most assets are included, including residential property, commercial property, holiday homes, land, shares, businesses, works of art etc. There are a wide range of concessions and exemptions, but basically, for the average person, the taxpayer's main residence is exempt and up to the first 2 hectares of adjacent land used for domestic purposes. CGT is applied to 50% of the capital gain at the taxpayer's top marginal tax rate in the year the asset is sold.

Currently, as at April 2018, the two top marginal tax rates for the 2017/2018 financial year (1st July 2017 to 30 June 2018), in Australia are: 1) $87,001-$180,000 = 37% plus 2% Medicare levy 2% = Total 39% and 2) $180,000 and above – 45% plus 2% Medicare levy = Total 47%. Subject to legislation, the Medicare levy is planned to be increased to 2.5% from 1st July, 2019.

This means, in most cases, the effective CGT tax rate on 50% of the total capital gain on most properties currently is either 39% or 47%. Or, if calculated on the full capital gain – 19.5% or 23.5%.

**However, there are strong pressures both from within the Australian government and from within the foreign, multinational banks and corporations to entirely remove the CGT discount altogether, and gradually remove the exemption granted to all owner/occupied residential properties. If this happens, Karl Marx's dream will be close to becoming a reality in Australia!**

Former Australian Labour Prime Minister, Julia Gillard, in early 2013, was widely known to have pushed for the behind-the-scenes Australian Fabian Society's plan to abolish owner/occupied residential exemptions from CGT for all homes valued over $1 million, as well as reducing or removing the 50% CGT discount for all but the very cheapest homes. https://www.smh.com.au/politics/federal/pm-gets-tough-on-deals-for-well-off-20130129-2dj09.html "PM gets tough on deals for well-off"

In early January 2016, there was a proposal within the Australian federal government to again push for abolishing the CGT tax exemption on luxury homes, based on statistical data from two left-wing socialist agencies in Canberra – The Australia Institute and the Centre for Social and Economic Modelling.

The Australia Institute is a far-left think tank in Canberra and the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra is one of Australia's major left-wing social policy research centres.

NATSEM has a huge number of International partnerships linked to its Centre for Deliberative Democracy and Global Governance which focus on indoctrinating students to support world governance, including the Fabian Society's London School of Economics Policy Group, the Harvard/Ash Centre for Democratic governance, UN Development Programme in New York, University of Auckland and the University of Waikato.
https://www.smh.com.au/politics/federal/push-to-tax-profits-on-sale-of-luxury-family-homes-rejected-by-labor-20160111-gm36sw.html "Capital gains tax: Push to tax profits on sale of luxury homes rejected."

**GRATTAN INSTITUTE**

On February 20, 2017, in *The Australian,* David Crowe wrote a particularly pertinent article titled, 'Coalition remains open to capital gains tax rise to tackle housing affordability.' In this article he wrote: "The government remains open to a controversial increase in capital gains tax as part of a dramatic move in the May budget to tackle housing affordability …The Grattan Institute estimates the government could raise $4 billion a year by scrapping a concession on the capital gains tax that means owners of investment properties only pay half the marginal tax rate on the gain they make when they sell the asset…"

https://www.theaustralian.com.au/national-affairs/coalition-remains-open-to-capital-gains-tax-rise-to-tackle-housing-affordability/news-story/2ba46f5c93a3635b46e7e7498837ebd7
Or, if not a subscriber, Google; "Coalition remains open to capital gains tax rise to tackle housing affordability."

The Grattan Institute is Australia's foremost public policy 'fascist' think-tank pushing for a socialist, one world government. The Institute was established in 2008, and is based in Melbourne, named after Grattan Street abutting Melbourne University.

The Grattan Institute in Melbourne is affiliated with, and effectively is, the Australian branch of the Brookings Institute in Washington D.C.

Unlike The Australia Institute and the NATSEM left-wing Fabian think-tanks in Canberra, the Grattan Institute is an entirely 'fascist-thinking' group, being funded by global big business such as BHP Billiton, National Australia Bank, The Myer Foundation, Google, McKinsey & Company, Deloitte, ANZ Bank, Westpac Bank, and Woodside. The CEO of the Institute is John Daley who has headed it since it was founded nine years ago. Previously he worked for McKinsey & Co and ANZ Bank.

**FRACTIONAL RESERVE BANKING, GOLD, FIAT CURRENCY & CAPITAL GAINS TAX**

Most currencies originally backed by gold or silver were abolished after WWI including by countries such as Australia and New Zealand.

On June 5, 1933, US President Roosevelt, passed a law so that the US dollar was no longer freely convertible into gold by US citizens, however it wasn't until August 15, 1971, when President Nixon announced that the US dollar would no longer be convertible into gold in the international markets that it can be truly considered the US was no longer on the gold standard. The Fractional Reserve Banking System in the US was greatly strengthened and expanded with the establishment of the US Federal Reserve in 1913.

After all countries went off the gold standard, all currencies in the world may be classed as fiat currencies. These are backed simply by nothing.

As banks have expanded credit under the Fractional Reserve Banking System all around the world, overseen by the Bank of England established in 1694 which now indirectly controls the Bank for International Settlements in Switzerland established in 1930, the depreciation in the value of these fiat currencies has accelerated causing rising inflation.

Inflation is a devious robber and most pernicious felon for society in general as it is so inherently destructive. While in the shorter term it benefits physical asset owners such as home-owners and land-owners, in the longer term it is totally destructive to almost every sector of the economy.

But for bankers and governments that traditionally support capital gains, land and wealth taxes, are a short-term blessing. This is because as an asset rapidly rises in value, the original asset owner's share in the asset, through capital gains tax on the inflation component is transferred to the government and in most cases is then repatriated on to the banks to service interest payments on irresponsible government deficit borrowing.

If over time a freehold house with no debt rises in value from currency depreciation, for example, $1 to $10, the capital gain is $9. When the house is sold, with 50% CGT for example, the government takes $4.50 leaving the home-owner with $5.50 and in the evil process the government has surreptitiously stolen almost *half* the entire value of the house from the citizen.

Repeat the process again and again, and before long the home-owner has lost his whole house to the taxman, who then forwards much of this revenue on to the bankers as interest to service rising government deficit borrowing.

Capital gains taxes should never ever form any part in any genuine democratic government tax structure at all.

# 4) BACKGROUND: INTERNATIONAL BANKERS' TAKEOVER OF NZ ECONOMY

*"Banking was conceived in iniquity and was born in sin. The bankers own the earth. Take it away from them, but leave them the power to create money, and with the flick of the pen they will create enough deposits to buy it back again. However, take away from them the power to create money and all of the great fortunes like mine will disappear and they ought to disappear, for this would be a happier and better world to live in. But, if you wish to remain the slaves of bankers and pay the cost of your own slavery, let them continue to create money."* [Reputedly stated by Sir Josiah Stamp (1880-1941) Director of the Bank of England]

In The Tax Working Group's *Future of Tax: Submissions Background Paper* published on 14 March 2018, you will forgive me, I hope, for being mistaken when reading page 18 titled, "The Four Capitals" about what is referred to be "Natural Capital, Social Capital, Human Capital and Financial/Physical Capital" – that at first I thought I was in fact reading not part of a report to reform the New Zealand tax system, but my copy of Karl Marx's revolutionary book – *Das Capital.*

Further, in this same Background Paper in pages 36 and 37, the authors refer to **"Wealth Inequality"** using the Ministry of Social Development's *Household Incomes in New Zealand* report which supposedly summarizes the inequality-reducing power of New Zealand's tax and transfer system compared to OECD averages and guidelines.

**In it, on page 37, they conveniently include a graph, prepared by Statistics New Zealand, titled, *Figure 18 Median personal net worth by age group (2015)* which reveals the net median wealth of all New Zealanders by age : "Ages 15-24: $1000, Ages 25-34: $26,000, Ages 35-44: $96,000, Ages 45-54: $182,000, Ages 55-64: $278,000, Age 65+: $288,000."**

The inference is, but not expressly mentioned, that these figures supposedly show that those in the two highest age groups must be taxed substantially more to redistribute the wealth to the younger groups that possess substantially less or next to nothing. Yet on average, the net median wealth of the highest over 65's group is remarkably low at $288,000 – and less than a third of the average house price in Auckland at present.

This amount really is outrageously low, and wouldn't even now buy a residential section in Tauranga or Hamilton. So for an average Kiwi citizen who has spent not only a lifetime serving his country and working on the family farm, and has probably received some form of family inheritance into the bargain as well to buffer up this median figure, to end up with a miserly, grand total of Net Personal Wealth at only $288,000 per person at 65+ age is shockingly low.

Perhaps this explains why the number of elderly claiming the accommodation supplement while on Superannuation now is increasing at present by over 2000 per year! Really, this atrocious situation is a complete and utter disgrace for our nation.

To even suggest a 'minority' of this older group of private citizens who have largely invested most of their life savings tied up in their own homes, or have invested in a few privately-owned shares, pension funds, one or two rental houses or farms or whatever, that continue to benefit the wider economic growth of the country – to end up in this same group accumulating a pathetic net wealth average per person of just $288,000 is totally scandalous.

But what is eminently much worse, and an insult, is for the current government, with the complicity of the foreign banking oligarchy that monopolize the banking system in our country, to have the downright cheek and audacity to try to impose capital gains taxes, land taxes or wealth taxes on our people supposedly "to make the system fairer" is a complete mockery and treachery.

This therefore leads to the vital question, since the average New Zealander is so incredible poor, just who is it, then, precisely that secretly owns the majority of New Zealand's assets and wealth? Because it obviously is not the average New Zealand citizens at all.

**HISTORY OF GLOBAL BANKING: THE 'KING's JEWS'**

Modern banking as we know it today was first established in the City of London following the Battle of Hastings when William the Conqueror (reign: 25 December 1066 – 9 September 1087) first brought Jewish bankers to England from the continent in 1066. Jews were always considered masters of banking, but they were nothing more than the king's chattels and accounts receivable clerks, in that what they owned was legally not their own, but ultimately held on behalf of the king.

Shortly after the conquest, William granted a Royal Charter around 1067 confirming the rights and privileges to the City of London Corporation, the independent business and banking corporation of the sovereign, located inside the old Roman walls of London, enjoyed since the time of Edward the confessor. Then under the reign of Richard I (Lion Heart) (reign: 3 September 1189 – 6 April 1199) the city gained its right to have its own mayor and later, to directly elect its own mayor from 1215. This is generally the time when it is considered the modern banking Corporation that remains today was founded, when the first mayor was appointed.

Believing that the Jews were masters of banking and would make England, but more particularly the king, more prosperous, William the Conqueror brought a group of Jews from Rouen in Normandy to England in 1070. On the conquest of England, William instituted a feudal system in the country, whereby all estates that formerly belonged to the Crown that were largely mismanaged, although he still continued to legally own the land, he appointed Lords of the Manor (Barons) tenants over these vast estates to lease it from him to better manage them. In return, the Lords had to swear an oath of fealty to the King, were subject to financial and military obligations to the king but they became very rich and powerful. Under these privileged lords/barons were Knights (or Vassals), who were given land by the Baron in return for military service and had to protect the Baron and his family as well as the Manor from attack. The Knights kept as much of the land as they wished for themselves and distributed the unwanted balance to the lowest class of all called the villeins or serfs who were the poor peasants. This system, although it has been reformed somewhat, has largely carried on to the present day, although most of the general global population are too uneducated to know or be aware of it.

In less than twenty years of arriving in the country, from 1170, the Jews had dominated banking throughout England. By the time Richard I had come to the throne, the Jews held a mort-gage (French; 'death-bond') over many of the lords/barons and merchants, having loaned them money to help pay for the king's costs in fighting the 3rd crusade for the Pope. The usurious interest rates they charged were high – 40% to 50%.
https://archive.org/stream/jstor-1450389/1450389_djvu.txt "Full text of 'Aaron of Lincoln.'

Understandably, when the borrowers couldn't pay, during an economic downturn caused by the tax impositions of the king to pay for the crusade, the King's Jews began to foreclose on their mort-gage loans and seize borrowers' properties. Understandably, borrowers got extremely upset and angry. In response, while the king was away, the debtors then got together, especially at York and burned the loan records which were held in the Minster and then tried to kill the Jewish bankers who were seizing people's homes and properties. The Jews then sought refuge with their families atop Clifford's Tower in the Royal Castle where they all committed suicide or were killed by the rioters. There were similar massacres in London and other places around England. New York City in the US today was named by immigrant Jewish bankers in memory of this event.

On his return, Richard I was very angry, because what was owed to the Jews was indirectly owed to him, and ultimately to the Roman Catholic Pope. So from then on every mort-gage debt was registered in his name, which has continued on to the present day. In fact, in Commonwealth countries headed by the Crown such as New Zealand, even today, the Sovereign legally still owns the land, and those who purchase the *Fee Simple* of all *Freehold* land are purchasing the "possession rights" of it only. That is why banks can only register their interest in it on the Title, because the Sovereign still remains the legal beneficial owner of the land.

After the persecutions of Jews in York and London in 1190, the "King's Jews" still continued their role as extortionate bankers in England, to a large part led by Aaron of Lincoln (1125-1186) who, by the time he died, had become the wealthiest man in Norman England. He was reputedly wealthier than even the King. There was an Exchequer of the Jews [Latin: *Scaccarium Judaeorum*] in the Court of Exchequer at Westminster which recorded and regulated the taxes and legal cases of the Jewish bankers in England after the Massacre of Jews at York until their eventual expulsion in 1290. In fact, after Aaron of Lincoln died in 1186, a special institution was established in the King's Treasury called Aaron's Exchequer.
https://en.wikipedia.org/wiki/Exchequer_of_the_Jews

Of course, in typical fashion of a Roman Catholic, Christian, Gentile, English king, upon Aaron's death, King Henry II immediately seized all his vast property as the escheat of a Jewish usurer, and the English Crown became universal heir to his colossal estate and fortune.

Gradually the barons/lords, knights and serfs' simmering hate of the extortionate Jewish bankers (unfortunately all Jews were tarred with the same brush, and many were not extortionate bankers at all) fermented until the reign of King Edward I, in 1290, when under intense pressure from the people, the king issued a royal decree called the Edict of Expulsion expelling all Jews from the Kingdom of England. It remained in force for the rest of the Middle Ages and was finally overturned by the English Protestant Reformation started in the 1530s which laid the groundwork taken up by Oliver Cromwell in 1657 to allow the Jews to return to England.

From then on, as the British Empire expanded more and more, Jews, especially European merchants and bankers, migrated back to England, especially London in the 18th and 19th centuries - once again to take up their positions as the "King's Jews" leading City of London bankers – now headed by Nathan Meyer Rothschild (founding his bank in London in 1811), following the Solomon family (who founded the Westminster Bank in 1689), Mocatta and Goldsmid Bank (founded in 1782 and still operating as bullion brokers), Samuel Montegue & Co. (1863), Hambro Bank (founded by Danish Jews), Oppenheimer, Goldsmith, Warburg, the list goes on and on.

The Samuel banking family (Iraqi Jews) led by Marcus Samuel at first ran an import-export business called M. Samuel & Co. in London. His son, also named Marcus Samuel (1st Viscount Bearsted 1853-1927) formed a case oil shipping company called Shell Transport & Trading Company which later took over and merged Dutch Royal family oil interests, funded by British N. M. Rothschild & Sons, to become Royal Dutch Shell today. The merchant banking arm, M. Samuel and Co., merged in 1965 with another City of London merchant bank, Philip Hill, Higginson, Erlangers Ltd, to create Hill Samuel Ltd, which is now part of Lloyds TSB.

The Australian branch of Hill Samuel founded in 1969, based in Sydney, Hill Samuel Australia Limited, was later renamed Macquarie Bank. This branch alone, now known as Macquarie Group, is the biggest investment bank in Australia with assets over $450 billion and operates in more than 70 offices across 28 countries with a staff of 14,000. The Samuel banking family also founded the Wagg banking firms, today one of which is known as J. Henry Schroder founded in 1804. Today the bank is known as Schroders Plc., a giant multinational asset management company operating in 29 countries. Sir Herbert Samuel, a member of the same family, founded the British aristocracy's propaganda media arm, the BBC.

In 1534, because the Pope wouldn't allow Henry VIII to annul his marriage to Catherine of Aragon, the Act of Supremacy was passed declaring that the King was "the only Supreme Head on Earth of the Church of England" and the Treasons Act 1534 made it high treason, punishable by death to refuse the Oath of Supremacy acknowledging the king as such – began the end of the control and usurpation of the Roman Catholic Church's and Pope's domination of England, indeed the world of international banking.

This City of London economic takeover of the Roman Catholic Church was gradually completed in the 19th century when the Rothschild family provided a series of loans (some through the Torlonia banking family, Rothschild agents in Italy) commenced in 1832 by James and Carl Rothschild, to bail out the Holy See which then was broke, and this culminated in the Lateran Treaty of 1929 between fascist dictator Benito Mussolini and the Vatican, where funds were secretly provided through British N. M. Rothschild & Sons agents to have all the

Papal States confiscated for an amount at the time equal to about one or two hundred million US dollars today. After the deal, the money was reinvested back in Anglo/American banks. From that time on City of London Protestant/Jewish banks controlled the Vatican.

After Henry VIII broke with the Pope, immediately taxes once payable to Rome were transferred to the Crown, soon much of the diocesan land in England that was previously owned by the Roman Catholic Pope was confiscated and vested in the Protestant Crown. Much of this wealth ended up in companies and banks in the City of London Corporation Lord Mayor's Corporation Sole. Not long after this, in 1571, King Henry VIII's daughter, Queen Elizabeth I, opened the Royal Exchange (now the London Stock Exchange) in the City of London. The Bank of England followed in 1694, and from this expanded the City of London Corporation's control of the world's corporate and banking network which exists today.

**ROTHSCHILD-WARBURG FAMILIES: CREATION OF THE U.S. FEDERAL RESERVE BANKING SYSTEM & BANK FOR INTERNATIONAL SETTLEMENTS**

One of the most powerful Jewish banking families in the world allied to the House of Rothschild is the Warburg family, although most people don't hear much about them today.

The Warburg family is a powerful German, Anglo/American banking family originally of Venetian Jewish descent derived from part of the Venetian Jewish del Banco family, one of the wealthiest Venetian families in the early 16th century. Following banking restrictions imposed on the Jewish community the family moved to Bologna in Italy and then on to Warburg, a small town in eastern North Rhine-Westphalia, Germany, after which they took their name. The family moved to Altona near Hamburg in the late 17th century and it was here that the brothers Moses Marcus Warburg (1763-1830) and Gerson Warburg (1765-1826) founded the M.M. Warburg & Co banking company in 1798. It is now a massive, private, global, banking dynasty with headquarters based in Hamburg.

Moses Warburg's great-great grandson, Siegmund George Warburg (1902-1982), co-founded the investment bank S. G. Warburg & Co in London in 1946 with Henry Grunfeld, a Jewish German steel industrialist.

Warburg was knighted in 1966, and his large banking firm was acquired by UBS AG creating UBS Warburg, when later was simply changed to UBS AG. He also was simultaneously a secret major partner in the U.S. investment bank, Kuhn, Loeb and Company from 1953 until 1964 through a holding company to avoid the restrictions of the American Glass-Steagall Act.

## FOUNDING OF THE FEDERAL RESERVE BANKING SYSTEM (1913) AND BANK FOR INTERNATIONAL SETTLEMENTS (1930)

**Paul M. Warburg** (August 10, 1868 – January 24, 1932), was a grandson of Moses Marcus Warburg. His parents were Moritz and Charlotte Esther [Oppenheim] Warburg. He was born in Hamburg, Germany, and after graduating in 1886, he worked for Simon Hauer a Hamburg importer and exporter, then later he worked for Samuel Montague & Company, bankers in London in 1889-90. He returned to Hamburg in 1891 to work for the family firm, to become a partner in M.M. Warburg & Company in 1895, founded by his grandfather.

On October 1, 1895 Paul Warburg married in New York City to Jewish Nina J. Loeb, daughter of Solomon Loeb who, with his partner Abraham Kuhn, founded the banking firm Kuhn, Loeb & Co in New York City in 1867, led by his brother-in-law, **Jacob H. Schiff** (1847-1920), born in Frankfurt am Main. Kuhn, Loeb & Co was one of the most influential investment banks in America during the late 19th and early 20th centuries. Kuhn, Loeb & Co. were agents of Rothschild and other banks in London. Jacob Schiff's father, Moses Schiff, was a broker for the Rothschild banking firm in Frankfurt. Paul Warburg settled in New York in 1902, where he became a partner in Kuhn, Loeb & Co., (that specialized in big loans to governments) but still remained a partner in the family firm in Hamburg.  Jacob Schiff was close personal friends with Sir Ernest Cassel, the influential Jewish British merchant banker financial advisor of King Edward VII. Schiff's descendant Andrew Newman Schiff married former Vice-President Al Gore's eldest daughter, Karenna.

## ROTHSCHILD, WARBURG, SCHIFF & JP MORGAN

Paul Warburg was the driving force behind creating the US Federal Reserve Banking System. In 1910, Senator Nelson Aldrich invited Paul Warburg to lead a secret meeting with other influential bankers on Jekyll Island in Georgia where the draft of a bill to establish the Federal Reserve Bank (with its 12 regional reserve banks) was worked out. As the result, the Federal Reserve Act was passed by the U.S. Senate December 18, 1913. Soon after, Paul Warburg was appointed a member of the Federal Reserve Board on August 10, 1914 and he became Vice-Chairman on August 10, 1916, resigning from the Board on August 9, 1918. Warburg was also a director of the Council on Foreign Relations (1921-32), a trustee of the Brookings Institution after it merged with the Institute of Economics in 1927. At the time of his death he was Chairman of the Manhattan Company, a director of the Bank of Manhattan Trust Company, Farmers Loan and Trust Company of New York, and First National Bank of Boston.

Special Note: The Manhattan Company (largely funded by Kuhn, Loeb & Co., Rothschild and London banks) was a New York bank and holding company established on September 1, 1799, which later merged with Chase National Bank (4% owned by the Rockefeller family) in 1955 to form Chase Manhattan Bank, that was to be merged in 2000 with JP Morgan & Co., to become JP Morgan Chase & Co today.

Currently, JP Morgan Chase is the largest bank in the United States and the world's sixth largest bank by assets. It has about US$3 trillion in assets under management and US$23 to US$24 trillion in assets under custody. According to Chairman and CEO, Jamie Dimon, the bank's turnover per day is now around US$6 trillion!). Today it is a major shareholder in the big four Australian and New Zealand banks, indeed just about every major multinational corporation throughout the world as well.

Most Americans, indeed most people, think JP Morgan today is American, when really it is largely British. It was funded by City of London banks headed by N.M. Rothschild & Sons through their agent, George Peabody, right from the very beginning.

**George Peabody (1795-1869)** was a Massachusetts trader and banker that had offices in Baltimore and London and acted as a conduit for the Bank of England, Rothschild, Barings and other London merchant banks used to provide loans to the American states. In 1835 he founded Peabody & Company. In 1837 he moved to London, then in 1854 he brought in Junius Spencer Morgan (1813-1890) as a partner and renamed the firm Peabody, Morgan & Co, then after Peabody retired, because Peabody never married and left no children of his own, he left the bank to his partner and the firm's name was changed again to J.S. Morgan & Co. After Morgan died, his son, John Pierpont Morgan (1837-1913) took over and renamed the firm JP Morgan & Co.

The former London merchant bank Morgan Grenfell, now part of Deutsche Bank, joined JP Morgan in the London Round Table Group in 1891 to set up the creation of the US Council of Foreign Relations in 1918. JP Morgan & Co partnered with Henry S. Morgan (grandson of JP Morgan) and Harold Stanley and others to form Morgan Stanley in 1935. Today Morgan Stanley, headquartered in Midtown Manhattan, has offices in 42 countries, more than 55,000 employees and in (2016) total assets were US$814.95 billion.

**BANK FOR INTERNATIONAL SETTLEMENTS (BIS)**

The Bank for International Settlements, founded on 17 May, 1930, located in Basel, Switzerland, is now the 'central bank of central banks' of the world, which now controls about 60 central banks around the globe. Ostensibly it is owned and controlled by the central banks that are members, with representatives of these on the Board of Directors, but that is a far cry from the reality that insiders actually run it who are representatives of the Bank of England

and US Federal Reserve, in turn controlled by a handful of the world's financial elite and most powerful dynastic banking families.

It is the Bank for International Settlements that largely controls both the Australian and New Zealand Reserve Banks, and the banks licenced by them.

The Bank for International Settlements was largely created by just four men on 17th May, 1930: Hjalmar Schacht (head of Reichsbank), Charles G Dawes (Chairman of City National Bank and US Ambassador to the UK 1929-1932), Owen D. Young (founder of RCA and Chairman of General Electric) and Montague Norman (Governor of the Bank of England).

From the founding of the bank until at least 1939, Schacht worked closely with Jacob Schiff, the Warburg family and Montague Norman, in funnelling Wall Street and City of London money into Hitler's rearmament program, as is painstakingly documented in Professor Anthony Sutton's classic book on the subject, *Wall Street and the Rise of Hitler*.

Owen D. Young (October 27 1874 – July 11 1962) was an American industrialist, creator and first chairman of Radio Corporation of America (RCA) who concurrently served on the Board of Trustees of the Rockefeller Foundation. Young headed a committee that created the Young Plan (1929-30) for settling German reparations debts after WWI written in August 1929 and formally adopted in 1930.

The Young plan was financed by a consortium of American investment banks coordinated and led by JP Morgan & Co. The Committee members, which had been appointed by the Allied Reparations Committee, were Owen D. Young, J. P. Morgan Jr. and his banking partner Thomas W. Lamont. After discussions with UK Bank of England representatives, a Conference in The Hague adopted the plan in January 1930. As the result, with other banking provisions included, the plan to establish the Bank for International Settlements was finally implemented on 17 May, 1930 – largely funded by a consortium of banks led by JP Morgan & Co., Rothschild, Warburg and Rockefeller interests.

It is these banking families that largely control the Bank for International Settlements, the Reserve Bank of New Zealand and the "big four" banks in the country that monopolize our New Zealand banking system.

**THE ASSOCIATION OF GLOBAL CUSTODIANS**

Linked to the Bank for International Settlements and regional reserve banks running each country is the enormously powerful Association of Global Custodians, established in 1996, with dual headquarters based at 100 New Bridge Street, London, and 815 Connecticut Avenue, Washington D.C. which represents and runs the Central Securities Depository Companies around the world, which in turn act as custodians for global financial institutions and corporations holding tens of trillions of dollars in securities or shares so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates.

However, virtually all of these 12 banks which now own and run it, also hold secret security interests in companies and banks in each country by way of central securities depositories, who act as custodian proxies, so that the ultimate beneficial owner remains entirely unknown to the general public in each country.

The Association of Global Custodians' members are: BNP Paribas, BNY Mellon, Brown Brothers Harriman & Co., Citibank, N.A., Deutsche Bank, HSBC Securities Services, JP Morgan, Northern Trust, RBC Investor & Treasury Services, Skandinaviska Enskilda Banken, Standard Chartered Bank, State Street Bank and Trust Company.

**The DEPOSITORY TRUST COMPANY (DTC)** in New York is one of the biggest of these central securities depositories, and is owned by its participants, banks and brokerage houses. To keep its records even more secret, it designates **CEDE AND COMPANY** (a fictitious legal name and legal person, used by the Depository) on its behalf, to secretly buy up assets all round the world. The DTC has tens of trillions of dollars under secret custody, and technically owns virtually all of the publicly issued shares and stocks in the United States. It is a major shareholder, as nominee and custodian, in Australia and New Zealand's "big four" banks as well. https://en.wikipedia.org/wiki/Cede_and_Company

**To illustrate the almost unbelievable power of the Depository Trust Company's countless list of participant banks and financial institutions,** which are largely kept secret from the general world public, one can access them by going directly to the United States Securities and Exchange Commission's (SEC) website here:
https://www.sec.gov/interps/legal/cfslb14f.htm

- which in turn provides confidential access of their listing here:

http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx

**NEW ZEALAND CENTRAL SECURITIES DEPOSITARY LIMITED (NZCSD)**

In New Zealand's case, the central securities depository is called **New Zealand Central Securities Limited (NZCSD),** which is a private company fully owned by the Reserve Bank of New Zealand, currently with three specially chosen directors. When securities are purchased and settled through NZClear (a real-time settlement system) the NZCSD becomes the legal owner of the securities on the relevant register, and in many cases, secretly holds those securities on behalf of the member, the true beneficial owner which may be a bank in London, New York or the North Pole!

**In New Zealand, (keep in mind this is only a tiny country of about 4.7 million people), in late 2014, the inventory of securities secretly held in the NZCSD alone was a staggering NZ$198 billion (US$132.6 billion). This amount was more than twice the value of the New Zealand stock market at NZ$94.1 billion and not far below the Gross Domestic Product of the entire country in 2014 at NZ$278.8 billion (US$188.385 billion) *[World Bank Statistics* 18 September, 2015]. Often just Cede & Co or NZCSD as owner will show up on company shareholder lists to hide the real name of the true beneficial owners.**
**https://www.rbnz.govt.nz/markets-and-payments/nzclear**

Remember, this is on top of the other banking assets in the country held by the major banks in 2017 officially reported by the New Zealand Banking Association at NZ$508 billion, and does not include outside private foreign investment.

**ROTHSCHILD PRIVATISATION OF THE WORLD**

In the late 18th century Mayer Amschel Rothschild rose to become one of Europe's most powerful bankers based in Frankfurt am Main Germany. He had five sons which established banking branches throughout Europe, and the third son, Nathan Mayer Rothschild, the most brilliant, was sent to Manchester in England, and after he moved to London he founded the bank N. M. Rothschild & Sons in 1811. By the 19th century the London branch was by far the biggest, and controlled the world price of gold for years up until 2004 in a small room at its London headquarters on St Swithin's Lane, City of London.

Combined with the other branches by the late-19th century Rothschild banking interests controlled most of Europe and through their American agents, the United States Government Treasury and Federal Reserve.

Today most of the enormous wealth held in the London branch has been transferred from it to various tax havens, either in the City of London itself, Rothschild Continuation Holdings in Switzerland, or held in other entities, subsidiaries and jurisdictions. But it is still a big and powerful bank in its own right. Today, it is called Rothschild Group, its chairman is Sir Evelyn de Rothschild, and the bank, among other things, serves the banking and financial interests of the British nobility and British Royal Family in much the same way Aaron of Lincoln did way back in the 13th century. https://en.wikipedia.org/wiki/N_M_Rothschild_%26_Sons

For a private person or banker to be able to buy up and own all the assets in the world, for this to be achieved, all the state assets owned by countries and governments (usually on behalf of the people) must be privatised first. As the result, N.M. Rothschild & Sons in London set up its International Privatisation Unit in the 1980s to oversee the privatisation of the world through either direct privatization, Public-Private Partnerships (PPPs) or Private Finance Initiatives (PFI's).

This devious plan was set out in a book titled, *Privatising the World: A Study of International Privatization in Theory and Practice* written by Oliver Letwin with the *Preface* by John Redwood, both former heads of Rothschild's Overseas Privatisation Unit. In fact, until December 2009, Oliver Letwin was a non-executive director of N. M. Rothschild Corporate Finance Ltd. Letwin's Jewish father, William Letwin (14 December 1922 – 20 February 2013) was a well-known Marxist emeritus professor at the London School of Economics. Redwood is now Chief Global Strategist at Charles Stanley & Co Ltd. Letwin's book, *Privatising the World,* is now the 'bible' of central banks and government treasuries around the world who are to privatise and sell off each nation's 'family silver' via corporatizing state assets and government departments, then selling off national state assets to the highest bidder.

**Not only do these international banking elite want to rob people of their own homes through debt slavery, capital and wealth taxes – they want to seize all the nation's state assets as well!**
https://www.amazon.co.uk/Privatizing-World-International-Privatization-Practice/dp/0304315273

Over the past few years in both Australia and New Zealand, Rothschild, UBS-Warburg, JP Morgan Chase, Citigroup, Deutsche Bank, Morgan Stanley and Macquarie Bank have been the predominant Mergers & Acquisition (M&A) banks taking over each country's privatised national state assets.
https://en.wikipedia.org/wiki/Public%E2%80%93private_partnership
https://www.opendemocracy.net/ournhs/joel-benjamin/seven-things-everyone-should-know-about-private-finance-initiative
http://www.edmond-de-Rothschild.com/site/france/en/news/sustainable-development/5293-ariane-de-rothschild-global-landscapes-forum-speech

In his State of the Union address, January 2015, Fox Rothschild advised that President Obama was proposing to expand the PPP program that encourages all state and local governments to fund infrastructure projects [and privatize state assets] through these same Public-Private-Partnerships (or P3s).
https://governmentcontracts.foxrothschild.com/articles/public-private-partnerships-p3s/

Before long, these multinational banks will, through privatisation and debt bondage, almost entirely own literally everything in the world.

**GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES**

The Global Forum on Transparency and Exchange of Information for Tax Purposes was founded by the OECD in 2000 and restructured in 2009, to address tax evasion, tax havens, offshore financial centres double taxation and money laundering. Since 2009, it has become the principal international body working towards the implementation of the international standards on tax transparency due for completion in 2018. It is being quite effective in addressing tax evasion and eliminating tax haven protection of smaller companies and low-hanging fruit, but when big international banks are involved (that we learned earlier these same banking interests founded and still control the OECD), these giant organisations today are never touched, or for that matter, are never properly audited.

It is a huge challenge for governments and IRD staff. General Electric's annual tax return in the U.S. in 2016 alone, was in the region of 25,000 pages. Many of the big multinational banks such as Rothschild are like this also, but even more complex again. Can you imagine the difficulty that the Inland Revenue Commissioner faces?
http://www.oecd.org/tax/transparency/about-the-global-forum/
https://www.icij.org/investigations/offshore/secret-files-reveal-rothschilds-offshore-domain/
https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=27585934
http://vifreepress.com/2015/07/eurotrash-exposed-baron-rothschild-used-bvi-as-tax-dodge-for-billions/

Just so that there's no doubt about how deep and complex Rothschild international banking interests are structured around foreign tax haven jurisdictions, here's just one of hundreds, – FIVE CONTINENTS PARTNERS based in the Cayman Islands British tax haven: http://fivecontinentspartners.com/

William Messer, founded Five Continent Partners Limited with N.M. Rothschild & Sons in 1993, and for the past 24 years has headed the company which only deals with clients who have portfolio assets in excess of $2 billion. He is also a director of Rothschild Trust in the Cayman Islands.
http://fivecontinentpartners.com/professionals/william-messer/

These are just some of the leading banking characters that own the financial institutions that are the major shareholders in Australia and New Zealand's big four banks, and behind the scenes control the BIS and the Reserve Bank of New Zealand.

**BRITISH GLOBAL NETWORK OF INTERLOCKING COMPANY DIRECTORSHIPS: OBSCENE CEO & EXECUTIVE SALARIES**

To control this complex labyrinth of corporate greed and perfidy around the world run by this relative handful of enormously wealthy banking families, the Institute of Directors (UK) was founded in 1903, and incorporated by Royal Charter by King Edward VII in 1906 to control the world's boards of directors of big companies. Currently it is located at 116 Pall Mall, London, and has about 34,500 full members. About 70% of all FTSE companies have at least one IoD member on their board or in a senior executive position. Each year the IoD has an annual convention in Royal Albert Hall, attended by the most powerful business leaders in the world.

In turn, the Institute of Directors (UK) controls all other major 18 institutes of directors all around the world, through the Global Network of Director Institutes (GNDI) set up at a special meeting on December 12, 2012, in Wellington, New Zealand – which now coordinates the policies of over 100,000 leading multinational bank and company directors around the globe.

This includes such institutes as the European Confederation of Directors Associations (ecoDa) 55,000 members, the National Association of Corporate Directors (NACD) in the United States 16,000 members, and of course the Institute of Directors in New Zealand (IoDNZ). The Global Network of Director Institutes (GNDI) has its Secretariat at the Institute of Directors (UK). http://gndi.weebly.com/

This is why CEO and company directors' pay continues to rise at a rapid rate in unison across the board on a global basis when typically workers are paid less and less, especially relative to changes in consumer prices and inflation. By paying senior executives huge salary packages these executives end up behind the scenes dancing to the tune of the bankers that control the companies they lead, not their employees and most certainly not the general public.

**For example, in 2013, Wall Street, New York, executive bonuses versus the minimum wage in the US didn't disappoint this trend. According to the New York State Comptroller's Office, Wall Street firms handed out $26.7 billion in bonuses alone to their largely banking-related 165,200 senior executives, up 15% over the previous year. To put these bonuses in perspective. Just this $26.7 billion amount in bonuses alone in 2013 would have covered the full cost of more than doubling the pay-checks for all of the 1,085,000 Americans who work full-time based at the 2013 federal minimum wage of $7.25 per hour.**

In the United States, for example, if Facebook is excluded from the Economic Policy Institute data due to its outlier high compensation numbers in the sample, average CEO pay in 2013 was $24.8 million, and the CEO-to-worker compensation ratio was 510.7 to 1 http://www.epi.org/publication/ceo-pay-continues-to-rise

Because virtually all major global public companies now have average 40% to 50% debt to equity or debt to asset ratios and the international banks are also major shareholders in these same companies themselves – they want key minions in positions of power who will do what they are told and keep their mouths shut about what really is going on. As the result, they pay the CEOs obscene levels of remuneration, often even when they are mediocre at best or plainly incompetent.

**INTERLOCKING AUSTRALIAN & NZ COMPANY DIRECTORSHIPS**

Over 15 years ago New Zealand Associate Professor Georgina Murray, now at Griffith University, Queensland, Australia, wrote a superb article on the subject of corporate directorships titled, *Interlocking Directorates: Australian and New Zealand Comparisons.* In her article, in the section titled, *Table 2: Top shareholdings of the top 30 NZ companies 1999*, she illustrated how on average, 37% of the top thirty companies (that list the top shareholders in their annual reports) were owned by a single nominee company, a custodial depository of the Reserve Bank of New Zealand called the New Zealand Central Securities Depository (NZCSD), a nominee holding company primarily for foreign banks. Thirty seven per cent is large when just 5% ownership of a company can give strategic corporate control.

In Georgina Murray's chart, '*The 1998 Australian Interlock Data'* (p.8), just ten directors through cross-directorships or interlocks were controlling 16 of Australia's biggest companies plus the NZ Dairy Board (now Fonterra). In her chart, *'Figure 2: Interlocking Directorates 1998* (p.12), just ten directors through cross-directorships and interlocks were controlling 16 of New Zealand's biggest companies.
http://www.academia.edu/3107438/Interlocking_Directores_Australian_and_New_Zealand_Comparisons

**FONTERRA CO-OPERATIVE GROUP (NZ)**

In this respect, is New Zealand proportionally any different than Australia? To use just one NZ multinational company as an example, the NZ co-op Fonterra, the biggest dairy exporting company in the world.

The CEO of Fonterra Co-operative Group Limited, Theo Spierings, joined the company in September 2011. Between 2011 and 2017 Fonterra's revenue fell by 3.2 per cent while pay-outs to NZ farmer/shareholders declined by 7.5 per cent. Yet the total remuneration paid to CEO Theo Spierings over this period including his $8.3 million paid in the 2017 year, was $28.6 million.

All this while Fonterra's *Annual Report 2017* showed that the company now had a TOTAL EQUITY of $7.2 billion, it had GEARING at 44.3% (now in April 2018 estimated at 55%), NET DEBT at $5.601 billion (now in April 2018 estimated at around $6 billion) with the MARKET CAPITALIZATION of the Fonterra non-voting rights share/units in the Fonterra Shareholders Fund at $803 million most of which is owned by foreign banks, pension funds and financial institutions – meaning that the international financial institutions now hold about $6.8 billion of the company's $7.2 billion total equity. In other words, the company now is virtually insolvent.

Having been led by a CEO who was paid $28.6 million dollars for the privilege of largely running it into the red for the bankers who have now, for all intents and purposes, quite flagrantly effectively disenfranchised it from the 10,600 NZ farmer supplier shareholders who still think they own it, but in reality, because of the company's massive debt, really don't. In the opinion of this author, if things don't positively change for this huge company, probably the next step will be for the banks to put the company into statutory management or receivership, and then hock it off to the Chinese, Kraft or Nestle, of course, companies owned and controlled by these same bankers' parents.

Brian Gaynor, in *The New Zealand Herald,* March 31, 2018, page C4, wrote an excellent article titled, *Does big pay bring big results: Fonterra lacklustre under $35m CEO,* but neglected to mention the seriousness of the company's excessive growing debt to the bankers.

However, the Banking industry salaries by far exceed all other sectors, dominated by London and New York, and their regional banks in various countries. In fact, not only do they have the highest salaries, the City of London has more than three times as many high-earning bankers as the rest of the EU combined.

In Australia, in 2016, in spite of pending government legislation to control their remuneration, the CEOs of the 'big four' Australian and New Zealand banks were paid:

Commonwealth Bank Australia Ian Narev $12.3 million, National Australia Bank Andrew Thorburn $6.7 million, ANZ Bank Shayne Eliot $5.07 million, Westpac Bank Brian Hartzer $6.7 million. Macquarie Bank, (we remember, controlled by the Samuel banking family in London that also founded Royal Dutch Shell with the Rothschild family) CEO Nicholas Moore was paid $25.7 million and Peter and Steven Lowy of Westfield Corporation (funded by City bankers) combined were paid $26.2 million. In New Zealand, even way back in 2010, three of the 'big four' Australian owned banks dominating 90% of the market share saw their combined pay rise to $11.97 million, while all of their customers were facing rising interest rates.

NZ CEO Ralph Norris head of Commonwealth Bank in Australia in 2010 was paid $16.1 million, up from $9.2 million the previous year.

**INSTITUTE OF INTERNATIONAL BANKERS**

Founded in 1966, now headquartered at 299 Park Avenue, New York, the Institute of International Bankers, with its sister organisation in London, the British Bankers Association (that itself represents over 200 member banks in 50 countries with operations in 180 jurisdictions), represents through its members virtually every international headquartered financial institution and banking association in the world.

Through its members' influence, and also through its national affiliate banks and banking associations, it advocates on behalf of international banks on pending legislation, regulatory and tax issues, mainly in the United States, but also around the world.

While it is mainly supposed to represent American banks, most of the members on its Board of Trustees are in fact foreign banking representatives.

ANZ Banking Group, Commonwealth Bank of Australia, National Australia Bank, Rabobank International, Standard Chartered Bank, HSBC Bank, and China Construction Bank, to mention only a few, are members. http://www.iib.org/?page=IIBHistory
http://www.iib.org/page/MembersoftheIIB

As may be seen on its member list, many of the big banks which operate in New Zealand are members of the Institute of International Bankers in New York. In turn, they are members also of the New Zealand Bankers Association.

**NEW ZEALAND BANKERS ASSOCIATION**

The New Zealand Bankers Association was established in 1891 and is headquartered in Wellington. It represents the interests of most of the big banks in New Zealand, on behalf, of course, of the foreign international big banks that own and run them linked to either the British Bankers Association or the Institute of International Bankers.

Kirk Hope, a member of the current Government Tax Working Group, currently Chief Executive of BusinessNZ (that effectively replaced the NZ Business Roundtable Group), was previously CEO of the New Zealand Bankers Association. He has previously held a number of senior executive positions at Westpac Bank, including Head of Government Relations and Regulatory Affairs. So with respect, may we hesitate to ask, just who is Mr Hope really representing on the Tax Working Group?

**INTERNATIONAL FORUM OF SOVEREIGN WEALTH FUNDS – NEW ZEALAND SUPERANNUATION FUND**

The International Forum of Sovereign Wealth Funds (IFSWF) is a non-profit international group of sovereign wealth fund managers which was established in 2009, headquartered in St. Clements House in London. This organisation represents about 23 leading state-owned international investors from around the world including many of the world's largest sovereign wealth funds. Its members collectively have about $5.5 to $6 trillion currently under management, representing about 80 per cent of all assets managed by sovereign funds throughout the world.

The New Zealand Superannuation Fund, colloquially known as the "Cullen Fund," created by the New Zealand Superannuation and Retirement Act 2001 is a sovereign wealth fund and currently is worth about $15 billion. Like all these funds, it invests its surplus capital mainly in stocks, and it is a member of the IFSWF. A lot of these 'pension fund' sovereign wealth fund managers invest some of their funds through other fixed income asset managers such as The Vanguard Group, BlackRock or Fidelity, so often it is difficult for the average person to know who it is that actually owns the shares of a particular company, bank or pension fund. However, if the current highly inflated world stock markets were to decline substantially, this would have a huge detrimental effect on the value of these large wealth or pension funds.

Over and above all of these banking agencies and institutions, including the US Federal Reserve, IMF, World Bank, Bank for International Settlements, European Bank for Reconstruction & Development, Asian Development Bank, and so on – is the *City of London Corporation* and *The Worshipful Company of International Bankers*.

**CITY OF LONDON CORPORATION**

The City of London Corporation, or sometimes called the 'Square Mile,' located inside the old Roman walls of London is a private, independent corporation not responsible to the British

Parliament. It directly or indirectly controls almost every major multinational bank and corporation in the world today.

Prior to King Henry VIII, it was an exclusively Roman Catholic corporation headed by the Lord Mayor under Oath of Allegiance to the English King under fealty to the Pope. After Henry broke with the Papacy and set himself up to become the Supreme Head of the Protestant Church of England in 1531 and later confirmed it with the Act of Supremacy of 1534. Henry's daughter, Queen Mary I, a staunch Catholic, attempted to restore the English church's allegiance to the Pope and repealed the Act of Supremacy in 1555. Her half-sister, Protestant Elizabeth I, took the throne in 1558, and in the following year Parliament passed the Act of Supremacy of 1559. This restored the original act, with the exception, because many Protestant Christians charged the Sovereign was claiming divinity or was usurping Christ as Head of the Church by claiming the title 'Supreme Head,' pressured the monarch to change the title to 'Supreme Governor' as it remains today.

During her Coronation ceremony of 2 June 1953, The Queen took an Oath administered by the Archbishop of Canterbury to "maintain the Laws of God and the true profession of the Gospel." She also completed this Oath at the Altar, with her right hand on the Bible, kneeling on the steps, saying, "The things which I have here before promised, I will perform and keep. So help me God." She then kissed the Bible and signed the Oath. In every respect, the Queen was anointed into her office by the Protestant Church of England.

Legally, the enormous wealth of the City of London Corporation's Twelve Great Companies and their many subsidiaries are held in the CORPORATION SOLE of the Lord Mayor of the City of London, who is elected each year for a 12 month term.

After his election, he takes an Oath of Allegiance to the Sovereign to carry out his/her wishes, under a gentleman's agreement, in his/her role as Governor of the Church of England, and because of this he is blessed at a special Service of Blessing at St Paul's Cathedral by the Bishop of London. It is sometimes erroneously claimed that the Sovereign has to ask the Lord Mayor for permission to enter the City of London, but this is not so, as the Lord Mayor is in subjection to the monarch through his Oath of Allegiance.

It is very esoteric and difficult to understand for the average person, and largely beyond the brief of this submission, but the fact is, the ultimate beneficial head of this enormous wealth of the world's multinational banks and corporations, at the very highest level, currently is the Governor of the Protestant Church of England.

This is why the hypocritical Arms of the City of London Corporation include a shield on which is the Cross of St. George and Sword of St. Paul underneath which is the Latin motto, *Domine dirige nos* 'O Lord Guide us.'

Really. One cannot imagine a greater level of hypocrisy than this. Didn't our Lord advise his disciples and the rich young man? "…Go and sell what thou hast, and give to the poor, and thou shalt have treasure in heaven…" (Matthew 19:21 KJV).
https://www.cityofLondon.gov.uk/about-the-city/Pages/default.aspx
https://www.youtube.com/watch?v=xLGzreJguBI

**WORSHIPFUL COMPANY OF INTERNATIONAL BANKERS**

While British banks and their American proxies have largely expanded their enormous banking interests over the globe since the establishment of the Bank of England in 1694, founded by a Scottish banker, William Paterson – it never really was fully considered that the City of London Corporation completely controlled every major bank in the world until the Guild of International Bankers was founded in July 2001, was constituted a full Livery Company (106th) on 21 September 2004, and it finally received its Royal Charter from Queen Elizabeth II granted on 10th December, 2007.

**This is by far the most powerful banking organisation in the world. Its Company Crest is a Bermuda Sloop, taken from the Overseas Bankers Club. The ship sits on 5 gold bezants (gold coins that were first minted in Byzantium and England for use by merchants) representing, like the five golden arrows of the House of Rothschild Crest, the company's control of the banking industry in the five continents of the world.**

Americans might find it hard to believe that the American giant investment advisor and mutual funds investor, The Vanguard Group, headquartered in Malvern, Pennsylvania, founded on May 1, 1975, also has this same sloop as its company logo. Vanguard Group, now with over $5 trillion in assets under management, is the largest provider of mutual funds and second largest provider of exchange-traded funds in the world after BlackRock's iShares.

Go and have a look at the twenty major shareholders of any major bank, corporation or company in the world, and in all likelihood, The Vanguard Group interests will be at least one of them.

Today, either directly or indirectly, every major bank in the world is controlled by the Worshipful Company of International Bankers in the City of London Corporation, very similar

to the bankers in the days of Christ's ministry in Jerusalem, or Aaron of Lincoln in England in the 13$^{th}$ century, but now mysteriously resurrected to operate on a global scale.
http://internationalbankers.org.uk/

**WHY DO ONLY JEWISH & PROTESTANT FAMILIES CONTROL GLOBAL BANKING NOW?**

Most of the leading bankers in the world today are Jews, or those that the author refers to as 'apostate Protestants.' Lest the author be labelled an 'anti-Semite' or 'anti-Protestant-Christian' of some sort (when he most definitely is not, as he is a Christian himself who has many cherished Jewish friends), while aiming to document the hard facts of the matter entirely free of hearsay, it is important to briefly explain why and how the current monopolization of global banking has occurred with these particular two uniquely religious groups as leaders – and as such, how they specifically control the New Zealand and global economy today.

The Roman Catholic Church gradually grew out of ancient secular Rome from the expansion of early Christian influence in the empire, when the positions of arch-bishop of the Roman church and emperor of the state were gradually merged. It started with the British Roman Emperor Constantine in 312 AD when he claimed his miraculous conversion to Christianity, and in 325 convened the council of Nicea. It was accelerated under Emperor Theodosius I in 380-381 when he made church membership compulsory (contrary to the teaching of the New Testament) with the Edict of Thessalonica declaring Christianity to be the only universal (Catholic) religion of Rome. It was firmly entrenched by the time of Emperor Gratian (359-383) when in 376 he refused the title of Pontifex Maximus, when from this date it was bestowed on the Bishop of Rome. From then on the Roman Catholic Church arose to rule much of Europe and the world. It controlled religious life, politics and banking for over a thousand years up to the time of the English Protestant Reformation started in the 1530s – which culminated in the termination of the Pope's powers during the reign of King Henry VIII (reign: 21 April 1509 – 28 January 1547) when Henry broke with Rome in 1534 and set himself up as head of the Protestant Church of England, in the process, seizing all of the Roman Catholic Church's vast assets.

In Roman Catholic England, William the Conqueror first brought the Jewish bankers from the Continent to England in 1070 not because he particularly liked the Jews, but because he acknowledged they had proven, above all others, to be natural masters of banking. Unfortunately for the Jews, they were more often than not persecuted by Catholics throughout Europe, and because of their oppressive banking practices were hated even more and they were only looked upon as a necessary evil by the Catholic king – and hence, were tolerated as such as a necessary evil in England until their final expulsion in 1290.

After Henry VIII's Treasons Act 1534 which made it high treason, punishable by death to refuse the Oath of Supremacy to the King and not the Pope, combined with the growth of the Protestant Reformation, British colonization and trade, strong anti-Catholicism developed throughout the United Kingdom, while at the same time Protestantism was much more permissive of the Jewish people, beginning with Oliver Cromwell in 1657 in allowing the Jews to begin to return to England.

From then on European Jews began to migrate back to England, especially during the 18th and 19th centuries, to once again take up their favoured positions in commerce, colloquially known as the "King's Jews" and leading City of London bankers.

Most of the big banks in London were established during this 500 year revolutionary period of severe anti-Catholicism, during which Catholics were consistently forbidden to hold positions of power, including in banking. Today this explains why most of the really powerful big banks in London and New York are almost entirely of Jewish origin, or are Protestant, or a mixture of Jewish/Protestant firms, but none or very few are Catholic.

Hence, to provide a few examples of some of the big Protestant banks today: Lloyds Banking Group (75,000 employees 2017) today was founded in 1765 by John Taylor, a button maker, and iron producer and dealer Sampson Lloyd (a Quaker). Barclays Plc Bank today (119,300 employees 2018) was founded in 1690 by John Freame (a Quaker) and Thomas Gould. Hong Kong Shanghai Banking Corporation (HSBC Holdings plc), now the world's 7th largest bank by assets (228,687 employees 2017) was founded in 1865 (to launder opium drug proceeds) by Sir Thomas Sutherland, a Scotsman. Standard Chartered Bank (another big opium drug proceeds laundering bank) was created in 1969 by the merger of two banks, the Chartered Bank of India, Australia and China founded in 1853 by another Scotsman and Quaker James Wilson, and the Standard Bank of British South Africa in 1862 by Scotsman and Quaker John Paterson.

In the United States, John D. Rockefeller, long considered the wealthiest American of all time and one of the richest people in modern history was a devout Northern Baptist. So all the "King's bankers" are not exclusively Jewish, as many today may claim, but rarely will they not be Jewish or Protestant, and rarely Roman Catholic. This does not infer all Jews and Protestants are tarred with the same brush and are extortionate bankers. But it does show that since these bankers are not complying with the clear financial and banking laws plainly advocated in the Bible or Torah, they are indeed, in the true sense of the term – Jewish and Protestant apostates.

**COALITION FOR INCLUSIVE CAPITALISM: ROTHSCHILD & ADRIAN ORR GOVERNOR OF THE RESERVE BANK OF NEW ZEALAND**

The Coalition for Inclusive Capitalism is one of the most powerful Rothschild-led global financial organisations in the world today representing all the big banks, asset managers and multinational corporations. It was co-founded by the Henry Jackson Society and Lady Lynn Forester de Rothschild (wife of Sir Evelyn de Rothschild) at the Conference on Inclusive Capitalism held on 27 May, 2014, at The Mansion House and Guildhall, City of London Corporation, London, UK.

The inaugural Conference on Inclusive Capitalism was opened by its effective patron, HRH The Prince of Wales, and Christine Lagarde, Managing Director, the IMF. Delegates at the Conference included many current and former political leaders, and most of the world's major banking and business leaders from 27 countries and represented over $50 trillion of investable assets across 25 business sectors, making up over one third of the world's financial assets under management.

The aim of the Coalition ostensibly is to develop a whole new global movement made up of multinational corporate business leaders, academics, government and civic leaders, NGOs, IGOs, global spiritual leaders including such people as the Archbishop of Canterbury and the Pope – to get them all to collaborate together on global solutions to "develop a more socially responsible form of capitalism that 'inclusively' benefits everyone," not just themselves.

Of course, this is utter nonsense, and is nothing less than a deliberate smokescreen to hide their confiscation and monopolization of the assets and wealth of the world, cloaked in apostate 'Judeo-Christian' ethics, philanthropy and charity.

In reality, as they increasingly takeover and monopolize the wealth of the world in their highly privileged positions as an enormously wealthy minority – they are getting more and more concerned that they may soon face a global uprising and revolt from the vast majority of ordinary citizens that they are increasingly pauperizing by their parasitic economic policies.

In fact, Lady Lynn Forester de Rothschild, who co-hosted the May 2014 Conference told the NY Observer why she was so concerned: *"I think that a lot of kids have neither money nor hope, and that's really bad. Because then they're going to get mad at America. What our hope for this initiative is that through all the efforts of all of the decent CEOs, all of the decent kids without a job feel optimistic."*

A book could be written about how Sir Evelyn and Lady Lynn Forester de Rothschild control and influence the Coalition for Inclusive Capitalism. Sir Evelyn retired from his position as head of N. M. Rothschild & Sons in London in 2003 when it was merged with Paris Orleans to be renamed Rothschild & Co, a subsidiary of Rothschild Continuation Holdings registered in Zurich, Switzerland. Although Sir Evelyn is in his late seventies now and has retired from many of his responsibilities in the Rothschild family banking empire, he still has immense global power, either directly himself or through his American wife.

If the reader goes directly to Sir Evelyn and Lady Lynn Forester de Rothschild's private investment company website here: https://www.elrothschild.com/ on their Homepage you can click on "Coalition for Inclusive Capitalism" in red which will take you to the Coalition for Inclusive Capitalism's own website here: https://www.inc-cap.com/ which is extensive.

Here, it will be seen, is a list of photos of Members of the Coalition's Working Group of institutional investors, asset managers, business leaders, academics, policy makers and labour representatives to help the Coalition to craft pathways and concrete steps that can be adopted by leaders throughout the investment and business community to make global capitalism more "inclusive."

**This Working Group provides advice to the Coalition for Inclusive Capitalism on a voluntary basis. Shockingly, it includes a photo of Adrian Orr, the newly appointed Governor of the Reserve Bank of New Zealand: https://www.inc-cap.com/leadership/**

Here is what the Coalition for Inclusive Capitalism has to say about Mr ADRIAN ORR:

- ***"ADRIAN ORR: Chief Executive Officer, New Zealand Superannuation Fund***
  ***As Chief Executive Officer at New Zealand Superannuation Fund, Adrian Orr is responsible for general management of the Guardians of New Zealand Superannuation and of the Fund under delegation from the Board. Mr Orr joined the Guardians in February 2007 from the Reserve Bank of New Zealand where he was Deputy Governor. He also held the positions of Chief Economist at Westpac Banking Corporation, Chief Manager of the Economics Department of the Reserve Bank of New Zealand and Chief Economist at the National Bank of New Zealand. He has also worked for the New Zealand Treasury and the OECD based in Paris.***

  ***Mr Orr is Chairman of International Forum of Sovereign Wealth Funds, a Board Member of the Pacific Pensions Institute, the Komiti Pasifika Advisory Committee of Victoria University, Wellington and the Emory Center for Alternative Investments at Emory University, Atlanta, Georgia."*** **https://www.inc-cap.com/bio/adrian-orr/**

All this means, not only is Adrian Orr largely influenced by the Rothschild banking family, pushing 'inclusive banking' for those who founded and still control the Coalition for Inclusive Capitalism.

Orr has previously been Deputy Governor of the Reserve Bank of New Zealand, has been the Chief Economist of both Westpac Banking Corporation and the National Bank of New Zealand formerly owned by Lloyds TSB in London which was sold to the ANZ Bank in 2003, now a subsidiary of the ANZ Banking Group in Australia – in turn owned by foreign banking interests who are certainly not largely domiciled in either Australia or New Zealand at all.

So may we hesitate to ask, with due respect, with credentials like this, as a member of the Coalition for Inclusive Capitalism headed by Sir Evelyn and Lady Lynn Forester de Rothschild – is Mr Orr, the new Governor of the Reserve Bank of New Zealand, really working in the best interests of all New Zealanders as the Governor of the Reserve Bank of New Zealand? – or, his foreign banking associates?

What makes Adrian Orr's recent controversial appointment to the position of Governor of the Reserve Bank of New Zealand most particularly galling, at least in the opinion of this author, is the fact that the Reserve Bank is supposed to be entirely *independent,* not controlled or influenced by foreign or outside interests, and it is supposedly meant to be working for the best interests of all New Zealanders, when plainly it appears it is not.

This whole highly questionable situation is part of an ingrained culture that is gradually allowing foreign banking interests to monopolize and confiscate the wealth of our country. It has quietly been going on for many years but is now reaching a critical level where something must be done about it. It is a national disgrace and it is time it was abruptly stopped.

One does not need a great deal of imagination to see that these parasitic foreign-controlled banks and their representatives would be the last people to believe about anything let alone advocating economic policies that will work toward the long-term best interests of ordinary New Zealand citizens.

This especially applies to the bankers' comments on the pros and cons of any Land or Capital Gain Tax, or general reforms to the tax system that the NZ Parliament wants to work towards making things "fairer" for everybody creating genuinely good economic policies that positively affect <u>all</u> New Zealanders.

**ROTHCHILD CONTROL OF THE RESERVE BANK OF NEW ZEALAND: GOVERNOR ADRIAN ORR**

Indeed, a number of patriotic New Zealanders are increasingly becoming extremely concerned about this highly suspicious Rothschild foreign banking influence and control over our Reserve Bank and our general economy.

On May 12, 2017, an Official Information request to the Reserve Bank of New Zealand was made by Mr Paul Millar. It read:

- *"Dear Reserve Bank of New Zealand,*
  *I would like a categorical response to the question – "What influence does the Rothschild family exert over the reserve bank of New Zealand?*
  *Yours faithfully, Paul Millar"*

In response to Mr Paul Millar's Official Information request, Mr Angus Barclay, External Communications Advisor, Reserve Bank of New Zealand, on May 15, 2017, replied:

- *"Hello Mr Millar,*
  *The Rothschild family has no influence over the Reserve Bank of New Zealand."*

https://fyi.org.nz/request/5866-rothschild-involvement
https://fyi.org.nz/request/5866-rothschild-involvement?unfold=1
https://fyi.org.nz/body/rbnz

Of course, this concise reply from Mr Angus Barclay is remarkable, and is, under the circumstances, blatantly misleading.

Even if one goes back to the early colonization of New Zealand and the New Zealand Government's early financing, right from the very beginning, it was arranged through Sir Julius Vogel, New Zealand's 8th premier and first Jewish prime minister of New Zealand – with N. M. Rothschild & Sons in the City of London.

Vogel is best remembered for his great public works schemes of the 1870s, for which, as colonial treasurer, he borrowed the massive sums at the time of around 10 million pounds to fund the construction of the roads and railways – from the Bank of England and **N. M. Rothschild & Sons** in the City of London. Here are copies of some of the actual Loan correspondence: https://atojs.natlib.govt.nz/cgi-bin/atojs?a=d&d=AJHR1875-I.2.1.3.7

**ADRIAN ORR'S APPOINTMENT AS GOVERNOR OF THE RESERVE BANK OF NEW ZEALAND**

On 11 December 2017, the New Zealand Minister of Finance Grant Robertson announced that Adrian Orr had been appointed Reserve Bank Governor effective from 27 March, 2018. During his announcement, Grant Robertson said;

- *"Following the Reserve Bank Board's unanimous recommendation to me, I have appointed Adrian Orr for a five-year term at the completion of Acting Governor Grant Spencer's Term. I'm delighted the Board has been able to secure a Governor with such a strong track record of delivery and public service.*

  *Mr Orr has the technical and leadership qualities required to be Governor and CEO of the Reserve Bank. Further, I consider that he has the skills necessary to successfully lead the Bank through a period of change …"*
  https://www.rbnz.govt.nz/news/2017/12/adrian-orr-appointed-as-new-reserve-bank-governor-from-27-march-2018

So what, precisely, are Adrian Orr's claimed "public service, technical and leadership qualities" to which Finance Minister Grant Robertson and the Reserve Bank Board broadly refer?

Well. Presumably they are referring to his qualifications as listed by the Rothschild's COALITION FOR INCLUSIVE CAPITALISM website referred to above, as a former Deputy Governor of the Reserve Bank, Chief Economist of both the ANZ and Westpac Banks, not to mention his allegiance to Sir Evelyn and Lady Lyn Forester de Rothschild's international Coalition for Inclusive Capitalism group.

So is Mr Orr, with these other foreign banking alliances like this ever likely to be working for the "best interests" of all ordinary New Zealanders? Is this state of affairs acceptable for most New Zealand citizens? Is the Reserve Bank of New Zealand truly working for the best interests of all New Zealand citizens? – or is it primarily acting for foreign banking interests?

These are vital questions that must be brought out into the light of day and resolved, because obviously they will influence major decisions of key economic policies that, in the end of the day, will determine what is truly fair, equitable or not for all New Zealanders in the future.

# 5) HOW FOREIGN BANKS RORT NEW ZEALANDERS & ARE SUCKING THE ECONOMIC LIFEBLOOD OUT OF THE COUNTRY

Perhaps New Zealand's foreign banking monopolization of the country in recent times was best summarized by Brian Gaynor, executive director of Milford Asset Management, in *The New Zealand Herald*, February 10, 2018, p. C4, in a succinct article titled, 'China's banks building their NZ presence." In part of his excellent summary of the New Zealand banking sector he perceptively wrote:

*"China Construction Bank is the third Chinese bank to incorporate in New Zealand and be registered as a bank by the Reserve Bank.*
*The three Chinese banks have a relatively small presence in this country but they have a massive opportunity to expand because Industrial & Commercial Bank of China is the world's largest bank, China Construction Bank is the third largest and Bank of China is the fifth largest global bank.*
*The three banks are huge, with average assets of US$3,380 billion compared with New Zealand's total banking assets of just US$370 billion.*
*The Chinese banks seem to have adopted a politically oriented strategy in New Zealand, as former Prime Minister Dame Jenny Shipley is the chair of China Construction Bank (New Zealand), former National Party and Act Party leader Dr Don Brash is chair of Industrial & Commercial Bank of China (New Zealand) and former Napier National Party MP Chris Tremain is chair of Bank of China (New Zealand). Ruth Richardson, a former Finance Minister, is also on the Bank of China (New Zealand) board.*
*This is a strange strategy as most NZ politicians haven't made a hugely successful transition from parliament to the board table…*
*Foreign owned banks completely dominate the New Zealand financial sector, as illustrated in the accompanying table. Twenty of the country's 25 banks are overseas owned, with 10 incorporated locally while the other 10 are branch offices.*
*The four large Australian owned banks account for 86.3 per cent of total bank assets and the 20 foreign owned banks have accumulated 92.5 per cent of the country's bank assets.*
*The 20 overseas owned banks dominate the New Zealand business sector in several ways, including:*

- *They generated total net earnings after tax in the past financial year of more than $5.0b compared with net earnings of just $3.5b for the 20 largest listed NZX companies.*

- *The four major Australian owned banks reported net earnings of $4.7b last year while the four largest NZX companies had net earnings of just $0.7b.*
- *ANZ, ASB, BNZ and Westpac paid nearly $3.5b in dividends to their Australian parents last year.*

*In addition, the banking sector has increased its share of Kiwisaver from 58.6 per cent at the end of 2013 to 66.9 per cent at the end of 2017. Banks also face less competition following the collapse of the finance company sector.*

*A 2017 IMF Working Paper, Bank Ownership: Trends and Implications, shows that New Zealand is near to unique in terms of bank ownership.*

*The study looked at 90 countries – 26 developed countries and 64 developing. The IMF assessed New Zealand as having 95 per cent of its banking assets under foreign ownership. Only four countries had more offshore ownership. These were Fiji, Estonia, Belize and Madagascar.*

*More importantly, the other 25 developed countries had average offshore bank asset ownership of 34 per cent compared with New Zealand's 95 per cent.*

*The IMF paper concluded that "the evidence indicates that foreign-owned banks tend to be more effective in developing countries, typically promoting competition in a host country banking sector".*

*However, the situation in developed countries can be different as foreign bank ownership may have a negative impact on credit levels if "foreign banks were brought in to recapitalize failing banking sectors". The acquisition of the Bank of New Zealand by National Australia Bank is an example of this.*

*Bank concentration is an issue in New Zealand, with the four major Australian owned banks accounting for 86.3 per cent of total assets. This makes it extremely difficult for small NZ banks to compete against the Australian giants or for new foreign-owned banks to make significant headway.*

*In this light, the appointments of former politicians Shipley, Brash, Tremain and Richardson to the Chinese banks' boards is fascinating.*

*Does this signal that the Chinese banks have long-term strategy to acquire the NZ operations of an Australian bank and, to get approval, they want to develop closer ties with key political figures? ..."*

**REVOLVING DOOR POLICIES OF CIVIC LEADERS & POLITICIANS**

In relation to Brian Gaynor's article, in both New Zealand and Australia now there is a growing trend for former politicians and civic leaders, upon leaving office to join a big business 'revolving door' policy to be hired as lobbyists by multinational corporations or given plum jobs with banks or corporations they have previously behind the scenes often been working with, not normally always in the best interests of their country and fellow-citizens.

In Australia, just a few of the many endless examples of this 'revolving door policy' are: Andrew Robb, former Trade Minister upon retiring from politics took up a job with the New York investment bank Moelis & Company. Lindsay Tanner, former Finance Minister, joined Lazard Bank. John Fahey former Finance Minister 1996-2001 quit to become a consultant for JP Morgan. Bob Carr NSW Premier quit in 2005 to be given a plum job at Macquarie Bank. Kim Beazley, Defence Minister 1984-1990 upon leaving was made a director of the Lockheed Martin Australia Board. This is increasingly becoming standard practice.

Perhaps, since the New Zealand Government, Treasury and Reserve Bank officials, who ostensibly are so keen in following other OECD recommendations, logic and supposed "fairness" in other areas such as advocating repressive Capital Gains Tax or Land Tax on other NZ citizens, but don't when it applies to themselves in managing major conflicts of interest in public service, should reconsider regulating and implementing the very clear **OECD *Trust in Government – Integrity and Fairness*** guidelines and recommendations here: http://www.oecd.org/gov/trust-integrity-and-fairness.htm

**ANZ, BNZ, WESTPAC & ASB'S EXORBITANT PROFITS PUT IN PERSPECTIVE**

Of the 26 banks registered with the Reserve Bank of New Zealand as at 29 March, 2018, the 'big four' foreign-owned Australian banks in New Zealand – ANZ, BNZ (owned by National Australia Bank), WESTPAC, and ASB (owned by Commonwealth Bank) comprised 87% of all bank lending. The five New Zealand-owned banks accounted for 8% of NZ bank lending, so in reality the big four Australian banks (which are not even Australian-owned) dominate nearly 90% of the New Zealand banking system. The Bank for International Settlements (BIS) has rated these big four Australian banks operating in Australia, and most particularly New Zealand, as the most profitable banks in the developed world, which means these banks are outrageously fleecing their customers at a massive level.

To appreciate just how devious these big four foreign-owned banks are, it is worthwhile to look at an example such as Westpac. A good summary, written a few years ago about how Westpac (Australia) is secretly foreign-owned and controlled is here:
http://www.gwb.com.au/gwb/news/banking/wpac97.html

Here is a later article published on May 19, 2014, titled '*WHO REALLY OWNS THE BIG FOUR BANKS?* Here: https://blog.creditcardcompare.com.au/big-four-ownership.php

On May 14, 2017, Australian Treasurer Scott Morrison, said the big five Australian banks (includes Macquarie Bank as well) had a return on equity of around 15% about twice as high as banks in other parts of the world. In New Zealand, according to the New Zealand Bankers Association, the 2017 average return on equity was exactly 14.43%.
In the 2016-2017 financial year, just these ‘big four’ Australian banks alone made NZ$5.19 billion net profit after tax, most of which was repatriated out of New Zealand to their Australian parents, then remitted to these banks’ secret foreign shareholders in New York and London.

**To put these exorbitant profits into perspective, KiwiRail provides a good example.**

According to *KiwiRail’s Annual Return 2017*, the total Assets of the KiwiRail as at 30 June 2017 were $1.114.2 billion. This includes 4,000 kilometres of railway track throughout the whole country, 1656 bridges, 18,000 hectares of land managed, 198 mainline locomotives, 4,585 freight wagons, 2 owned and one leased Inter-islander Cook Strait ferries – a national rail system that has taken over 150 years to build throughout the country. In round figures, just one year’s tax paid profits of these ‘big four’ foreign-owned predatory banks, was almost <u>five times more</u> than the current value of New Zealand’s entire railway system!

To make matters worse, these banking parasites are not even re-investing the majority of their enormous profits back into New Zealand, but are transferring them overseas.

**Westpac and ASB, for example, try to appease their consciences and improve their images by deceiving the simple-minded to believe that they are charitable, by giving ‘peanuts’ to local charities here and there, but the truth is they ripping-off the New Zealand public at an enormous rate.**

Westpac has been sponsoring rescue helicopter appeals for 35 years. Yet in the 12-month period to 30 September 2017, Westpac’s profit before tax was NZ$1.369 billion compared to the year before at $1.229 billion, a 10.7 increase for the 2017 year after paying relative ‘peanuts’ for charitable sponsorship.

ASB (owned by Commonwealth Bank of Australia) was no different. In the 12-month year to June 30, 2017, ASB made an all-time record net profit AFTER TAX of NZ$1.069 billion, an increase of 17 per cent on the year before.

Again, to deceive the simple-minded by giving sponsorship 'peanuts' to charities like St Johns, ASB First Aid on Farms, ASB Classical Sparks, The Star City Surf and Bankers on Bikes – this bank has been steadily ripping-off the New Zealand public for years.

To illustrate the rate of increase one only has to look at ASB's last few years net after tax profits: 2017 - $1.069 billion, 2016 - $913 million, 2015 - $859 million, 2014 - $806 million, 2013 - $705 million, 2012 - $685 million, 2011 - $568 million, 2010 - $236 million and 2009 - $425 million. https://www.interest.co.nz/business/89200/asb-june-year-profit-rises-13-nz1033-billion

At this enormous rate of increase, the obscene net after tax profits of NZ$5.19 billion for 2017 of our 'big four' banking pirates in just five or six years will be in the region of NZ$15 billion per year. This is simply a national disgrace for all New Zealanders and surely must be stopped.

And yet these 'big four' professional banking parasites have the temerity and cheek to recommend that the few New Zealand citizens that are left who actually own a few homes, farms, commercial properties, shares, or whatever, need to pay new land tax and capital gains tax to make the tax system "fairer."

Who on earth do you think they are kidding?

Or if looked at another way, the net tax paid profits of just these 'big four' parasitic banks amounted to more than a $1000 for every man, woman and child of New Zealand's 4.7 million population in 2017.

Remember. This is only the tax paid profits from one year by our 'big four' banks, out of a total of 26 banks now registered and licenced to operate by the Reserve Bank of New Zealand!

The truth is these big four duplicitous foreign economic banking leeches are sucking the economic lifeblood out of the country's economy at a phenomenal rate. So why is this happening?

**FRACTIONAL RESERVE BANKING**

*"I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around the banks will deprive the people of all property – until their children wake up homeless on the continent their fathers conquered."* Thomas Jefferson – spoken in 1802

Most people find it is extremely difficult to understand how modern money is mysteriously created or how modern Fractional-Reserve Banking operates, because most bankers lie through their teeth saying it is so incredibly complex when really it isn't. Today Fractional-Reserve Banking is the system that operates all around the world and is controlled by the Bank for International Settlements in Basel, Switzerland.

However, in essence, the system is very simple indeed. Fractional-Reserve Banking is the deceptive practice whereby a bank accepts deposits, makes loans or investments, but is required to hold reserves equal to only a fraction of its deposit liabilities, in case there is a bank run and the bank does not have enough to pay back depositors. Reserves are held as currency in the bank, or as balances in the bank's accounts at the central bank. In most country's legal systems a bank deposit is not a bailment which means the funds once deposited are no longer the property of the customer. Many years ago banks in collusion with the courts and governments perniciously deemed all deposits in banks effectively as loans to the bank, which are not legally the property of the depositor until repaid, so that in the case of the bank becoming insolvent, the receivers can legally seize all the depositor's money and people's life savings with immunity from prosecution.

Unlike the Biblical banking system outlined in the Bible, where no interest is allowed to be charged fellow-citizens, and all loans are written off in the Year of Jubilee every 50 years to free everybody from debt bondage, to stop the bankers becoming rich and powerful, and in the process pauperizing poor people. The modern, corrupt, Fractional-Reserve Banking system allows banks to ingeniously create credit out of thin air each time they issue a loan, then enslave the borrower in perpetuity by mort-gage (death-bond) over the borrower's property and if the borrower can't pay, the bank seizes the property. Of course, if this corrupt system is repeated long enough it craftily transfers all the assets that are mort-gaged to the bank and hence its shareholders. It works like this:

A young farmer wants to buy a farm off an old farmer for one million dollars. The young farmer goes to the bank and it agrees to loan him the money with a mort-gage over the security of the farm. On the bank's books this loan, created out of thin air is then shown as an ASSET on the bank's books, because until the mort-gage is repaid and released, technically the bank owns the security being the farm. The young farmer takes the cheque for one million dollars from the bank to the old farmer in payment for the farm. The farmer is quite well off and after a lifetime of farming is in need of nothing. So, as he doesn't need the money immediately, he trots off to the same bank and deposits the one million dollars in his super saver bank deposit account. This then is shown as a LIABILITY on the bank's books, because the bank has effectively borrowed this deposit from the farmer and may have to pay it back in the future.

The bank is then required to hold 20 percent of this loan/deposit ($200,000), for example, as reserves at the Reserve Bank, but then re-loans the balance of $800,000 out to the next young farmer that comes along looking for a loan too. This young farmer, in due course, after his loan has been duly approved and granted, also allows the bank to slam a death-bond/mortgage over his farm as security as well. Repeat this devious process over and over again ad infinitum and the bank ends up mortgaging and owning the world.

Regardless of what all banks would have most people to believe, banks don’t just re-loan money. They create it.

To use this analogy above to illustrate how it works for and how it favours New Zealand’s big four foreign-owned banks controlled by the Reserve Bank is interesting: As of 31 March 2017, ANZ Bank (NZ) was required to hold $1.267 billion of capital reserves at a risk weighting of 22% against its $67.228 billion worth of total residential mortgages. This $1.267 billion was equivalent to 1.9% of ANZ (NZ)’s total mortgage exposure.

However, conversely, the smaller NZ banks are dealt with much more strictly. For example, KiwiBank. As at June 30, 2017, KiwiBank was required to hold $515 million of capital reserves at a risk weighting of 35% against $16.521 billion worth of residential mortgages, with some of its risk weightings even as high as between 40% and 100%. KiwiBank’s $515 million held against its $16.521 billion of housing mortgages was equivalent to 3.1% of its mortgage exposure.

This means that the Reserve Bank was favouring the ‘four big foreign-owned banks’ over the small New Zealand ones in setting its risk ratings when all the banks had the same level of underlying residential risk exposure. Thus, this uneven playing field favoured the big foreign-owned banks and penalized the NZ ones at the same time. This is just one of many reasons why the ‘big four’ foreign-owned banks are steadily increasing their market share and are dominating New Zealand’s banking market.

This is why banks increase their assets on their books so quickly during periods of rapid credit expansion, and why the New Zealand Bankers Association deceptively say in respect of their members’ obscene profits, “but in 2017 the return on assets was only 1.04%.” When the real reason is, as their volume of assets have risen so quickly each time they have raised a loan out of thin air, there is some fiscal drag on the bank’s profits as the credit, or a proportion of it, works its way back to be re-deposited in the bank to become a LIABILITY.

There are several different ways banks can generate credit and fund bank lending, and in New Zealand most of the ‘big four’ banks fund loans from offshore or the domestic savings market.

According to the Reserve Bank of New Zealand, currently around 23 per cent of non-equity funding is sourced from offshore. Short-term offshore bank funding (from parent banks and associates usually) accounts for almost two-thirds of New Zealand's net external liabilities, which makes the New Zealand banking system extremely vulnerable to extreme disruptions in global financial markets.

About 61% of all current bank lending in NZ is to the household sector, the vast bulk of which is secured against housing assets, agriculture around 15% of which dairy is two-thirds, and about 25% to the business sector with 35% of that being property-related. This is why the expansion of cheap and easy credit favouring weightings to the housing sector has pushed housing values up so much compared to many other asset categories. It is the same situation in Australia as well.

Currently (April 2018), these foreign banks officially hold assets in New Zealand valued at total $515 billion secured against New Zealand's assets. Then there is another $198 billion or more secretly held in New Zealand Central Securities Depository Limited (NZCSD) owned by the Reserve Bank that the NZ public by and large knows absolutely nothing about.

Clearly, with a highly inflated NZ total house asset value at around $1 trillion at present, if interest rates were to rise substantially in a global financial crisis in the future, because New Zealand home prices are now the highest in the world compared to average incomes, the equity people have in their homes could easily end up being destroyed in a serious downturn. In this event the banks could end up owning most of the homes throughout the country, or worse, the banks themselves could become insolvent.

The only truly independent figures on New Zealand's debt position other than the NZ Reserve Bank and Treasury figures the author is aware of is the information provided by Mr John Pemberton on his website.

According to Pemberton, most New Zealanders are being rapidly converted into debt slaves. According to his statistics, the total New Zealand debt position as at May 2017 was: $614,212,000.00, with average debt per person of $129,664 calculated on a population 4.736,933, while the average debt to these banks since 2016 is growing at $876.24 per second. http://debt.johnpemberton.nz/index.html

As this deleterious Fractional-Reserve Banking System creates money out of thin air each time a loan is granted, the short-term positive effect is it stimulates the economy. However, in the longer term, the negative effect is it depreciates the currency, inflates asset prices upwards like shares and property, while it gradually floods the whole financial system with unsustainable debt, which ultimately will lead to bank insolvency and the whole system's general collapse in the future if not radically corrected.

With global banks generating such an enormous amount of interest-bearing debt like this, and in the process taking over the wealth of the whole world through mort-gage debt-slavery, the system is ultimately destined to fail.

Because if a future downturn in the economy is serious enough, it will not only allow the banks to effectively foreclose on everybody's loans throughout the world and seize borrowers' properties, if bad enough, it will cause the banks' liabilities (deposits and borrowings) to end up being more than the banks' devalued assets on their books, causing the banks themselves to become insolvent.

This is not the extreme position that the major international banking dynastic families want, of course, because in the event that this were to happen, they will lose all their wealth as well.

Hence, the duplicitous Anglo/American banking families who own and run the big global banks now, know this is inevitably coming.

As the result, they are secretly planning for this eventuality by preparing a banking "reset" to fraudulently write off this excessive debt in their LIABILITY ACCOUNTS, and by a deliberate system of fraud and deceit, plan to embezzle the life savings of all ordinary citizens and depositors.

# 6) OPEN BANK RESOLUTION: THE COMING FINANCIAL APOCALYPSE AND PLANNED ROBBERY OF NEW ZEALANDERS' LIFE SAVINGS

As the result of the concern that this Fractionalized Reserve Banking System is soon going to collapse, the Financial Stability Board (FSB), now funded, hosted and controlled by the BIS in Basel, Switzerland, was founded in April 2009. It was established after the G20 London Summit as a successor to the Financial Stability Forum.

The FSB has been assigned a number of important tasks, working alongside the IMF, World Bank and WTO. Chairman of the Board is Mark Carney (2011-present) Governor of the Bank of England. Membership includes 68 international member institutions, ministries of finance, central banks and supervisory authorities, including such organizations as the Bank for International Settlements, European Central Bank, European Commission, IMF, OECD and the World Bank.

Part of the Financial Stability Board's job after the financial crisis of 2007-08 has been to formulate a list of Systemically Important Banks (G-SIBs) colloquially called 'too big to fail banks' under the Basel III Capital Adequacy Ratio requirements and have these banks submit an updated emergency *Resolution Plan* no later than March 2018.

This includes, during a potential global financial crisis, to stop these G-SIBs from failing, an insidious plan to recapitalize these banks, digitally overnight, by the transfer (stealing) of depositors' funds from their savings accounts (which are liabilities of the banks) to bolster up the assets of the banks on the other side of the ledger so that they will not become insolvent.
https://en.wikipedia.org/wiki/List_of_systemically_important_banks
https://en.wikipedia.org/wiki/Financial_Stability_Board

The Reserve Bank of New Zealand's current plan to meet this directive is called OPEN BANK RESOLUTION and is found on their website here:
https://www.rbnz.govt.nz/regulation-and-supervision/banks/open-bank-resolution

This is precisely what the Reserve Bank and 'big four' Systemically Important Banks in NZ are deviously planning to do in the future and they are, paradoxically, remarkably very transparent about it as well.

On top of this, all bank depositors' funds are not even insured or guaranteed in New Zealand by the government as they are in most other countries. This in itself is a disgrace.

**So not only are these 'big four' duplicitous banks sucking the economic lifeblood out of the entire New Zealand economy at an increasingly alarming rate, while they have the downright cheek to hypocritically support the imposition of new draconian land and capital gains taxes on many of our hard-working citizens – it would seem overwhelmingly clear they are also planning on blatantly robbing the entire New Zealand public of their life savings to recapitalize their banks in the next global financial banking crisis.**

The continuation of this outrageous, malignant, legalized rort by these professional foreign banking leeches and economic blood-suckers is a national disgrace and must be immediately stopped forthwith if the Government seriously wants to make New Zealand's tax system "fairer for everybody" and improve the standard of living for all our citizens.

# 7) BIG FOUR BANKS TO DRASTICALLY CUT JOBS

One of the primary claims of the New Zealand Bankers Association, the voice of the banking industry, has advocated in recent times, is how their member banks so enormously benefit the New Zealand economy by creating jobs in respect they employ over 25,000 people. In fact, they even publish this on their Home page: http://www.nzba.org.nz/

Yet in *The New Zealand Herald*, April 11, 2018, pg.B2, appeared an article titled***, 'BNZ jobs on the line, says union.'*** Here is an excerpt from it;

*"First Union says 50 jobs are likely to be made redundant and replaced with part-time roles at BNZ as its Aussie parent bank cuts thousands of jobs. First is aware of, and disappointed by, the projected 6,000 redundancies being rolled out at NAB, BNZ's parent bank in Australia… NZ's actions were part of a worrying trend away from face-to-face banking towards online, telephone-based or automated services… BNZ and the other banks present these changes as an inevitable response to technology, when in reality it is a deliberate choice to put profit ahead of the interests of customers and workers. – Stephen Parry, First Union."*

Of course, this recent announcement in April 2018, gives only *part* of the full story. In fact, BNZ's parent National Australia Bank's CEO Andrew Thorburn, who will earn $6.7 million this year and who lives in a $3.235 million mansion in South Yarra, Melbourne, has quite openly said this 20 per cent, 6,000 employee cut will boost profits by $1 billion.

On top of this, these 'big four' Australian banks, National Australia Bank, Commonwealth Bank, ANZ and Westpac, plan to cut staff by 12 per cent across the board or 20,000 full-time jobs from their current staff of 159,028 by the end of 2018. Over the past two years, ANZ alone has cut 10 per cent of its employees or 5,456 staff.
http://www.afr.com/business/banking-and-finance/financial-services/big-four-to-cut-20000-jobs-20171221-h08qk9
http://www.dailymail.co.uk/news/article-5229983/Australias-big-four-banks-cut-20-000-jobs-2018.html

This is only the beginning of massive future staff cuts for these banks following most of the big multinational bank's policies to do the same all around the world. Hong Kong Shanghai Banking Corporation (HSBC), for example, way back in 2015 embarked on an aggressive plan to shed 50,000 jobs to boost profits by another $5 billion by 2017, after having cut nearly 40,000 jobs previously between 2011 and 2014.
http://money.cnn.com/2015/06/09/investing/hsbc-job-cuts/index.html

Clearly, as banking is being computerized more and more, cheques and cash are gradually being eliminated and replaced with an electronic digitalized payments system.

Soon technology will largely replace humans – and in the process, it will generate even more excessive profits for bankers – who, in essence produce very little physical wealth at all themselves, because basically they are glorified clerical  'pen-pushers'.

Yet now, even that traditional physical function will be largely done away with and be replaced by computers digitally generating yet even more billions in profits for their foreign, largely hidden shareholders.

Really. It is way past the time this blatant foreign banking rort of our economy was radically stopped.

In its Terms of Reference for the Tax Working Group, the Government emphasized that it hoped the New Zealand tax system should be reformed to provide much more "fairness" in the system, promoting job growth, better income equality while keeping it simple, efficient, coherent and balanced.

Consequently, I would like to make the following key recommendations to reform the tax system primarily focussed on reforming the greatest unfairness of all and the real evil drain on the New Zealand economy – the massive rort of the whole economy at present by these 'big four' largely foreign-owned banking parasites who, in just the last financial year alone, ripped-off $5.19 billion after tax and repatriated most of these outrageous profits to their overseas shareholders.

In just one year alone, these excessive profits were an amount equivalent to nearly <u>FIVE TIMES</u> the entire value of Kiwirail – our national railway system including the Cook Strait Ferry System that has taken the nation over 150 years to build!

If that is not legalized theft and 'highway robbery' then I don't know what is?

Accordingly, I believe, the time has now arrived where the bull must be firmly taken by the horns by our Government and this vital issue must be urgently addressed and resolved.

# 8) FINAL RECOMMENDATIONS

**RECOMMENDATION #1: REJECT ALL PROPOSALS TO IMPLEMENT LAND OR CAPITAL GAINS TAX ON NEW ZEALAND CITIZENS**

As mentioned earlier in this submission, because both Land Taxes and Capital Gains Taxes proposed by the banks and others are intrinsically counter-productive and destructive for the average citizen, and ultimately, history proves, to the national economy and political stability of the country – these global banker-inspired tax proposal impositions (which are largely designed to protect multinational banking vested interests) should be entirely rejected outright.

In their place, however, since these foreign predatory banks are so keen on advocating harshly taxing others, especially normal hard-working New Zealand citizens to breaking point, while protecting themselves and their own self-interests, in perpetuating their cancerous rort over the economy by making ever more excessive profits to be repatriated to their overseas shareholders – I recommend the following:

**RECOMMENDATION #2: INTRODUCE NEW ZEALAND 'MAJOR BANK LEVY BILL 2018'**

To correct this enormous rort and unfairness over the New Zealand economy by these 'big four' foreign-controlled parasitic banks in particular, namely; **ANZ Bank New Zealand Limited** [owned by Australia and New Zealand Banking Group Limited, Australia], **Westpac New Zealand** [owned by Westpac Banking Corporation, Australia], **Bank of New Zealand (BNZ)** [owned by National Australia Bank (NAB)], **ASB Bank** [owned by Commonwealth Bank of Australia (CBA)] – the New Zealand Government should urgently introduce a new levy on these four major banks' after-tax profits called the "**Major Bank Levy Bill 2018**," based on the recent Australian *Major Bank Levy Bill 2017* and the *Treasury Laws Amendment (Major Bank Levy) Bill 2017* passed by the Australian Parliament on 19 June 2017.

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2017/June/The_Major_Bank_Levy_explained

… but with the following unique New Zealand modifications:

The Australian Bill introduced a 'major bank levy' at 0.015 per cent on banks' liabilities of all banks with a threshold of over $100 billion in total liabilities, currently Commonwealth Bank, ANZ Bank, Westpac, National Australia Bank and Macquarie Bank, and is expected to generate about AU$1.6 billion p.a., or AU$6.2 billion over the next four years for the Government, every year net of increased deductions for other taxes. This levy applied from 1 July 2017.

I believe this Australian Bill is a step in the right direction, but that the levy percentage applied is infinitesimal relative to the size of these banks' massive profits which in the 2015/16 financial year topped AU$32 billion for just these five big foreign-owned Australian banks alone.

For the 2015/16 reporting year CBA recorded a $9.45 billion profit and paid out 76.5 per cent of this profit in dividends. Westpac's 2015/16 profit was AU$7.82 billion, returning 80.3 per cent in dividends to shareholders. ANZ Bank's 2015/16 profit was AU$5.89 billion, returning 79.4 per cent in dividends to shareholders. NAB's 2015/16 profit was AU$6.48 billion, returning 80.8 per cent in dividends to shareholders. Macquarie Group's 2016/17 profit was AU$2.22 billion and paid its CEO Nicholas Moore AU$18.7 million.

Look at the *List of the Twenty Biggest Shareholders* of any of these big Australian banks, (four of which own the big four banks in New Zealand), and apart from these Australian banks' cross shareholdings in each other, virtually all of their major shareholders are not Australian.
https://www.sbs.com.au/news/big-banks-profits-targeted-by-morrison
http://investors.morningstar.com/ownership/shareholders-major.html?t=WEBNF

To illustrate why I believe this Australian 0.015 per cent Major Bank Levy figure is ridiculously low, and just tinkering with the issue, not only did these big five foreign-owned banks rort Australian taxpayers as well to the tune of over AU$30 billion in the 2017 financial year. To use Westpac as a good example of all, this bank alone paid its top 13 executives AU$38,958,635 in 2017, an 11.39 per cent increase on the year before.

To be precise, here are these 13 executives basic salaries in alphabetical order: Alexandra Holcomb AU$2.44m, Brian Hartzer $6.68m, Peter King $2.66m, Christine Parker $2.09m, David Curren $2.43m, Brad Cooper $2.96m, David Mclean $2.10m, George Frazis $3.31m, Philip Coffey $4.94m, Lyn Cobley $3.15m, David Lindberg $2.37m, Rebecca Lim $1.88m and Gary Thursby $1.95m.
http://insiders.morningstar.com/trading/executive-compensation.action?t=WEBNF&region=usa&culture=en-US&ownerCountry=USA

So clearly, these giant predatory banks, with such a huge privileged position in the business world, in that they are able to print money and create assets at will, generating massive profits like this year after year largely being repatriated to their big overseas shareholders both from within their New Zealand and Australia's banking operations, and with such enormous multimillion dollar pay packages being given to their executive staff as well –they should pay their fair share.

While the author does believe it is extremely important for a government to prudently control its state spending, including wages, relative to its income without taxing its citizens to breaking point. While these big four banks' executives are paid so incredibly highly, and the banks themselves are making such massive excessive profits that are being repatriated overseas, it seems ironic that our own 27,000 nurses who are members of the NZ Nurses Organisation are paid a mere pittance by comparison, and currently are being offered around a 2 per cent yearly increase for registered nurses, midwives, health care assistants and community nurses – it would seem that now is the appropriate time in history to level up the playing field and tax these parasitic banks substantially more.

While I agree the Australian Finance Minister has made a splendid step in the right direction, I believe the Australian 'Major Bank Levy' is far too low and should be applied to the <u>tax paid profits</u> of the big banks rather than to their liabilities.

The reason and logic for applying the levy against their tax paid profits is that in an economic downturn affecting their profits, in fairness to the banks, the levy will not become unsustainable, but will rise and fall with their profits or losses, rather than bluntly being applied to the more fixed liabilities or assets of the banks. This would administratively be very cost effective and simple both for the banks and Government to apply following the publication of the bank's annual or bi-annual company returns.

The New Zealand 'big four' privileged banks made a massive combined tax paid profit in the last financial year 2016/17 of NZ$5.19 billion. Most of this excessive profit was repatriated to their Australian parent banks and then remitted to their foreign shareholders and very little was actually retained for reinvestment in either Australia or New Zealand. In 2017, the top five Australian banks made after tax profits between them of AU$32 billion.
Most of these obscene profits were repatriated to foreign shareholders in the US, UK or elsewhere abroad, and these funds were largely not used to strengthen the credit worthiness of the local banks (which mainly are registered as separate limited liability companies in their own right so depositors cannot claim against the parent or foreign shareholders in a failure). Neither were the majority of these profits reinvested back into the Australian or New Zealand economy. So it is obvious that if these net after tax profits were heavily levied, it means that the levy will not negatively affect the bank's financial viability or stability in New Zealand at all, but will only affect their mainly foreign shareholders who will simply receive lower, but much more appropriate and realistic dividends. Prior to introducing such a levy, obviously, any shares in these banks held by New Zealand pension funds should be reassessed.

**Since these 'big four' parasitic banks and their senior executives have openly advocated a Capital Gains Tax (CGT) for all New Zealand hard-working citizens, which at the effective top Australian rate from 1 July 2019 without the 50% discount will probably be <u>47.5%</u> over and above existing personal taxes, it therefore would seem entirely consistent and appropriate that the profits and assets of these big banking bloodsuckers pay their fair share also.**

**Therefore. I recommend a 'Major Bank Levy' be applied to the <u>net after tax profits</u> of these big four New Zealand registered banks at <u>50 per cent</u>. This would generate, based on last year's after tax profits alone, NZ$2.595 billion per year in extra revenue for the Government, which could be used to "re-balance" the income of other poorer New Zealanders and help make the tax system much fairer.**

Because this 50 per cent levy level would initially come as a shock for the banks, and therefore their major shareholders, there should be a reasonable transition period to reach the maximum rate, perhaps over a period of 2 or 3 years, starting with a rate of just 10 per cent. The banks will whine somewhat and carry on as if the sky is falling down, but they will <u>still be left with enormous profits at over NZ$2.5 billion per year at the full levy rate</u>.

The New Zealand Bankers Association will immediately throw their arms up in the air by claiming their NZ banks in 2017 already paid $2 billion in tax, and that their average net interest margin was only 2.98%, their return on assets was only 1.04% and their average return on equity was only 14.43%. But the fact remains, due to their highly unique and privileged position, they are allowed, like no other company or individual, through Fractional Reserve Banking, to privately create credit and loans, and therefore their assets, out of thin air, which no other corporation or business ever does. That is why they become so incredibly wealthy so quickly.

Even after a Major Bank Levy at 50%, just these 'big four' banks in New Zealand at current after tax profits will still be left with over NZ$2.5 billion to pay in dividends to be repatriated to their largely overseas shareholders – and I would suggest even that is far too high.

Recently I heard that the New Zealand St John Ambulance service is struggling for funds and ambulances in New Zealand as the result of a sharp rise in demand and costs. The service currently treats and transports approximately 400,000 people servicing 90% of New Zealanders every year. Currently it operates about 600 ambulance vehicles from 205 ambulance stations. Currently each new ambulance costs in the region of $200,000 each.

Even after a Major Bank Levy at 50%, these 'big four' banks will still be left with totally outrageous levels of after tax/levy profits in excess $2.5 billion per year for a small country like New Zealand. Put in proper perspective, this figure is equivalent to purchasing 12,500 new ambulances per year! Yet, we have an ambulance service that is increasingly struggling to serve our people with just 600 ambulances. The situation is utter madness, and it is about time this brazen rort of our general economy by these professional banking parasites was stopped!

Further. These banks will still be allowed to carry on with their independent privilege of privately printing money and generating assets out of thin air, which no other business, corporation or member of society ever does. So they should be grateful many more onerous restrictions aren't placed upon them as well, such as full nationalization, or the task of ethically writing off all short-term loans every 7 years, and long-term loans every 50 years in the Year of Jubilee, as clearly advocated in the Jewish Torah and Christian Bible (Deuteronomy 15:1-6; Leviticus 25:8-12).

And lastly, I believe, if a Major Bank Levy regime like this was adopted by the Government to implement these radical measures, unlike either land tax or capital gains tax, they will most certainly be universally welcomed by about 99 per cent of the general New Zealand population who inwardly feel they have had enough of being ripped off by big business, particularly international bankers.

Indeed, it is my considered view that there exists right now, deep in the hearts and minds of most ordinary folk around the world in all countries, for the time being a suppressed general contempt and hatred of international bankers and business executives who increasingly rort the system – and I believe, if the New Zealand Government has the courage of its convictions to implement the levy as I suggest, there will be overwhelming support for our boldness and general worldwide respect.

**RECOMMENDATION #3: INTRODUCE 'PROVISION OF NO INTEREST LOANS FOR LOW INCOME CITIZENS'**

Three economists headed by Claudio Borio, Head of the Monetary and Economic Department at the Bank for International Settlements, have advocated for years that non-interest bearing money be created as non-interest bearing central bank liabilities.

Central Bank asset purchases financed by issuing non-interest bearing bank reserves have been practised in the past, notably by the Bank of Japan during the early to mid-2000s to finance government deficits and so on. The aim of this is to allow the government sector to incur a lower service debt burden, and as this saving would boost demand, there would be no need to boost additional taxes.

I support this system as it is closer to the Biblical banking laws I support as a Christian, and I would love to see a policy of providing 'no interest housing loans' to poorer members of society. However, with the global Fractional Reserve Banking system that presently exists, based around creating interest-bearing debt, such a policy may be difficult to implement on a meaningful scale, short of abolishing the existing global system and starting again.

The policy of no interest debt is often ridiculed by mainstream economists as 'helicopter money' or a 'free lunch' but perhaps such a policy may be worth considering: https://voxeu.org/article/helicopter-money-illusion-free-lunch .

Baron Adair Turner, former Chairman of the Financial Services Authority (UK), has long been an avid advocate of having central banks directly finance government spending and cash distributions to citizens using no interest 'helicopter money'. The policy of NO INTEREST bearing debt is advocated for all Jewish people and citizens of Israel in the Bible. (Exodus 22:25, Leviticus 25:36-37).

However, with the Bank for International Settlements Basel IV new rules and reforms requiring some banks to carry more capital reserves as the bank's capital costs increase, to be fully implemented in 2022, it may be difficult if not impossible to contemplate such profound changes promoting no interest loans as a viable option.

These new Basel IV rules are not only going to affect banks and insurance companies but many other big businesses worldwide also. However, I still believe the idea of providing non-interest bearing debt and loans is worthy of investigation by the Tax Working Group.

**RECOMMENDATION #4: INTRODUCE NEW ZEALAND 'BANKING EXECUTIVE ACCOUNTABILITY REGIME (BEAR) BILL 2018'**

In response to the outrageous salaries and other unacceptable conduct carried out by banking executives, the UK Government established the Financial Services Act 2012 which came into force on 1 April 2013. Specifically the Act gave the Bank of England responsibility for financial stability and introduced a new regulatory structure consisting of the Bank of England's Financial Policy Committee, the Prudential Regulation Authority and the Financial Conduct Authority.

The Financial Conduct Authority (FCA) has significant powers. Following its establishment the FCA established the Senior Managers and Certification Regime (SM&CR) in March 2016 to oversee and monitor senior executives of large banks, building societies and credit unions and is to be extended to cover all financial services firms by mid to late 2019. The aim of the SM&CR is to raise the ethical and business standards of conduct of everyone who works in financial services by making senior executives much more responsible and accountable for their actions.

In New Zealand, its equivalent is called the Financial Markets Authority (FMA) which was formed on May 1, 2011 as part of the Financial Markets (Regulators and KiwiSaver) Bill. Unfortunately, since the FMA was established in New Zealand, it has done virtually nothing to rectify the monopolization and rort of the country by the 'big four' foreign-owned banks, but rather has concentrated on legal action against small finance companies instead. This failure to monitor the big banks in New Zealand urgently needs to be reformed.

However, the Australians, in this respect, have been much more effective and direct. On 7 February 2018 the Australian Parliament passed into law the ***Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Bill 2018***. This Bill amended the Banking act 1959 to establish the **Banking Executive Accountability Regime (BEAR),** announced by the Government in May 2017, to impose accountability, remuneration, key personnel and notification obligations on authorised deposit-taking institutions and persons in director and senior executive roles; and provide the Australian Prudential Regulation Authority (APRA) with additional powers to investigate potential breaches of the BEAR and extend these powers to APRA's other supervisory functions; and Australian Prudential Regulation Authority Act 1998 and Banking Act 1959 to make consequential amendments.
https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bId=r6000

This recent legislation gives the new Banking Executive Accountability Regime (BEAR) and the Australian Prudential Regulation Authority huge new powers to change financial institution remuneration policies, ban executives and impose penalties of up to AU$200 million for misconduct. In an unprecedented move, the regime requires at least 60 per cent of chief executive bonuses and 40 per cent of other senior executive's bonuses be deferred for a minimum of four years. As short-term and long-term incentives make up the majority of senior executive's pay, these measures will mean executives will be forced to become more accountable. They will be subject to much greater scrutiny and there will be increased consequences for when executives and banks do not meet expectations.

The major banks have been embroiled in various scandals in recent years, including market manipulation in setting bank bill swap rates, breaching responsible lending laws, and providing misleading financial advice. APRA will receive AU$4.2 million in funding over four years to implement the measures, which address the recommendations of the Australian House of Representatives Coleman Report. This form of financial regulation is well overdue in New Zealand. (Indeed, as some have suggested, it could be extended to other major public company boards of directors as well of companies that have a key influence over the national economy). However, the banks and financial institutions are the first priority.

On top of this, a **Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry** (also known as the Hayne Royal Commission) was established on 14 December 2017 by the Governor-General of the Commonwealth of Australia to inquire into and report on misconduct in the banking, superannuation and financial services industry. The AU$75 million royal commission is due to make its final report by 1 February 2019. Among the banks being investigated for being implicated in numerous alleged scandals are Commonwealth Bank (owner of NZ's ASB bank), National Australia Bank (owner of NZ's BNZ), Westpac, ANZ and Macquarie Bank.

In December 2017, Australian shadow treasurer, Chris Bowen, attacked the Terms of Reference for the commission, saying, "if the Turnbull government does not get this right from the start, we will only see a continuation of the financial scandals" and continued, "The Terms of Reference must enable the royal commission to investigate the rorts and rip-offs to the fullest extent possible." Currently, the Australian Council of Trade Unions (ACTU) has an online tool to collect the public's stories of banking misconduct, fraud and criminal activity.
https://financialservices.royalcommission.gov.au/Pages/default.aspx

So it is obvious that some similar new radical measures must be implemented here by the government to help bring these 'big four' banking rip-off merchants into line.

Accordingly, I recommend that the Tax Working Group recommend to the New Zealand Government that a "**New Zealand Banking Executive Accountability Regime (BEAR) 2018 Bill** be drafted and passed into law here too. This Bill would fit like a glove with its proposed sister legislation, the **Major Bank Levy Bill 2018.**

In my view, these two radical measures alone would by themselves have a huge effect on the tax system by generating another NZ$2.5 billion or more for the government, forcing those who really are the chief culprits extracting excessive profits from the New Zealand economy to pay their fair share. It would also be much fairer than either land tax or capital gains tax and would not alienate a large proportion of the population, as these latter taxes most definitely would, and do, in other nations.

These two legislative bills could be easily drafted and passed into law within the existing term of government, and be implemented within the timeframe of other measures envisaged in the Tax Working Group's Terms of Reference and final recommendations to the Government.

**IN CONCLUSION**

Although these bankers and their foreign shareholders will be extremely unhappy about my recommendations, little do they know, it is ultimately for their own good, and long-term best interests of their profession. Because, if something is not radically done soon to rectify this gross, growing unfairness and pauperization of the middle classes, working classes and poorer people, if history repeats itself, and it probably will. Their coming retribution will most likely in the future be much more severe than they can ever imagine.

In the Old Testament and Jewish Torah, poor people who couldn't afford to bring the Levitical priest a lamb to sacrifice for their atonement at the temple, were allowed to bring two turtledoves or two young pigeons instead. (Leviticus 5:7, 12:8 KJV).

When Jesus, during his earthly ministry, *"…went into the temple of God and cast out all them that sold and bought in the temple, and overthrew the tables of the moneychangers, and the seats of them that sold doves, and said unto them, 'It is written, My house shall be called the house of prayer; but ye have made it a den of thieves.'"* (Matthew 21:12-13 KJV).

One of the main things he was so upset about was that the self-serving priestly bankers, sitting in the temple entrusted with the nation's treasury, were charging extortionately high prices for selling doves, robbing even the most impoverished people in Jerusalem of their last dime and hard-earned personal sacrifices.

In my view, this is what, once again, is taking place now, but this time it is much more subtle and it is happening on a global scale. Worse, it is sadly largely being perpetrated by apostate, hypocritical, Jewish and Protestant bankers, who all should know very much better now with the benefit of historical hindsight and an open Bible.

In this submission I have generally criticized socialists, some of whom I know are members of the Tax Working Group, and some others who certainly are active members of the existing Government. In closing, I must give some credit that is due, especially to those individuals who sincerely hold some of their socialist views with a passion to make the system more equitable. Because, in many respects, to my shame as a Christian, I believe that the growth of modern Socialism, where it advocates reforms by FORCE designed to help poorer people and redistribute the wealth, in many ways, is a natural by-product and response often of well-meaning more secular people against this deplorable rort of this Judeo/Christian banking hypocrisy, continuum of naked capitalism and perfidious greed – that now, in large part, has disgracefully abandoned its original tenets of faith and service enunciated in the Scriptures – to VOLUNTARILY help poorer people who are less fortunate, love thy neighbour as thyself, and charitably, more impartially, ensure as much as possible that the wealth of the community is equitably and honestly distributed.

Thank you for giving me the opportunity to comment, and may you, all members of the Tax Working Group, be especially blessed with wise discernment and honesty, to recommend the very best of economic reforms for us all as New Zealand citizens in our beautiful little country, not just for a foreign privileged few, dominated by, in my view, currently an avaricious cartel of parasitic foreign bankers.

John D. Phillips
April, 2018

# HOW TAXES DESTROY WEALTH

## Example: A Company Producing 100% Profit Before Tax Each Year, Produces the Following Wealth Over 10 years



| Year | Nil Tax Rate | | | | | 10% Tax Rate | | | | | 25% Tax Rate | | | | | 50% Tax Rate | | | | | 75% Tax Rate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| # | Start | Profit | Tax | Net | Total | Start | Profit | Tax | Net | Total | Start | Profit | Tax | Net | Total | Start | Profit | Tax | Net | Total | Start | Profit | Tax | Net | Total |
| 1 | 1.00 | 1.00 | - | 1.00 | 2.00 | 1.00 | 1.00 | 0.10 | 0.90 | 1.90 | 1.00 | 1.00 | 0.25 | 0.75 | 1.75 | 1.00 | 1.00 | 0.50 | 0.50 | 1.50 | 1.00 | 1.00 | 0.75 | 0.25 | 1.25 |
| 2 | 2.00 | 2.00 | - | 2.00 | 4.00 | 1.90 | 1.90 | 0.19 | 1.71 | 3.61 | 1.75 | 1.75 | 0.44 | 1.31 | 3.06 | 1.50 | 1.50 | 0.75 | 0.75 | 2.25 | 1.25 | 1.25 | 0.94 | 0.31 | 1.56 |
| 3 | 4.00 | 4.00 | - | 4.00 | 8.00 | 3.61 | 3.61 | 0.36 | 3.25 | 6.86 | 3.07 | 3.07 | 0.77 | 2.30 | 5.37 | 2.25 | 2.25 | 1.13 | 1.13 | 3.38 | 1.56 | 1.56 | 1.17 | 0.39 | 1.95 |
| 4 | 8.00 | 8.00 | - | 8.00 | 16.00 | 6.86 | 6.86 | 0.69 | 6.17 | 13.03 | 5.38 | 5.38 | 1.35 | 4.04 | 9.42 | 3.38 | 3.38 | 1.69 | 1.69 | 5.07 | 1.95 | 1.95 | 1.46 | 0.49 | 2.44 |
| 5 | 16.00 | 16.00 | - | 16.00 | 32.00 | 13.04 | 13.04 | 1.30 | 11.74 | 24.78 | 9.42 | 9.42 | 2.36 | 7.07 | 16.49 | 5.07 | 5.07 | 2.54 | 2.54 | 7.61 | 2.44 | 2.44 | 1.83 | 0.61 | 3.05 |
| 6 | 32.00 | 32.00 | - | 32.00 | 64.00 | 24.78 | 24.78 | 2.48 | 22.30 | 47.08 | 16.49 | 16.49 | 4.12 | 12.37 | 28.86 | 7.61 | 7.61 | 3.81 | 3.81 | 11.42 | 3.05 | 3.05 | 2.29 | 0.76 | 3.81 |
| 7 | 64.00 | 64.00 | - | 64.00 | 128.00 | 47.09 | 47.09 | 4.71 | 42.38 | 89.47 | 28.36 | 28.36 | 7.09 | 21.27 | 49.63 | 11.42 | 11.42 | 5.71 | 5.71 | 17.13 | 3.82 | 3.82 | 2.87 | 0.96 | 4.78 |
| 8 | 128.00 | 128.00 | - | 128.00 | 256.00 | 89.48 | 89.48 | 8.95 | 80.53 | 170.01 | 50.51 | 50.51 | 12.63 | 37.88 | 88.39 | 17.13 | 17.13 | 8.57 | 8.57 | 25.70 | 4.78 | 4.78 | 3.59 | 1.20 | 5.98 |
| 9 | 256.00 | 256.00 | - | 256.00 | 512.00 | 170.02 | 170.02 | 17.00 | 153.02 | 323.04 | 88.40 | 88.40 | 22.10 | 66.30 | 154.70 | 25.70 | 25.70 | 12.85 | 12.85 | 38.55 | 5.98 | 5.98 | 4.49 | 1.50 | 7.48 |
| 10 | 512.00 | 512.00 | - | 512.00 | 1024.00 | 323.04 | 323.04 | 32.30 | 290.74 | 613.78 | 154.70 | 154.70 | 38.68 | 116.03 | 270.73 | 38.55 | 38.55 | 19.28 | 19.28 | 57.83 | 7.48 | 7.48 | 5.61 | 1.87 | 9.35 |
| | 1023.00 | 1023.00 | 0.00 | 1023.00 | 2046.00 | 680.82 | 680.82 | 68.08 | 612.74 | 1293.56 | 359.08 | 359.08 | 89.77 | 269.31 | 628.39 | 113.61 | 113.61 | 56.81 | 56.81 | 170.42 | 33.31 | 33.31 | 24.98 | 8.33 | 41.64 |
| Total tax paid | | (to Government) | | | - | | | | | 68.08 | | | | | 89.77 | | | | | 56.81 | | | | | 24.98 |
| Total to finish | | (for Company) | | | 1024.00 | | | | | 613.78 | | | | | 270.73 | | | | | 57.83 | | | | | 9.35 |
| Total wealth | | (Created for Nation) | | | 1023.00 | | | | | 680.82 | | | | | 359.08 | | | | | 113.61 | | | | | 33.31 |

**SPECIAL NOTES:**

1. The above tables reveal a universal economic law established by Abraham (1996 BC – 1821 BC) which limited tithes (the equivalent of modern taxes) in Israel to a maximum of 10% for everyone.
2. With a maximum 10% tax rate , paradoxically, over a ten year period, BOTH the Government and the Taxpayer actually end up with substantially more wealth than if taxes were levied much higher.
3. From the figures above, one can accurately predict the future wealth (or poverty) of any given nation simply by observing the level of tax rates levied on its citizens by its government.
4 The lower the taxes, the more wealth is created; The higher the taxes, the less wealth is created; The lower the tax rate the less poverty is created; The higher the tax rate the more poverty is created.
5. A 10% tax rate produces over TWENTY TIMES MORE WEALTH for a nation than a 75% tax rate over a ten year period. There were no land or capital gains taxes in Israel as these destroy productive assets.
6. Today, the total tax from all sources collected by governments as a proportion of each nations' goods and services produced are called the 'TAX REVENUE TO GDP RATIO'. According to *'REVENUE STATISTICS 7. 2016 TAX REVENUE TRENDS IN THE OECD'*, the average Tax to GDP Ratio in all 35 OECD countries was 34.3% in 2015 compared to 33.8% in 2013. The 2015 figure is the highest recorded OECD average Tax to GDP Ratio since records began in 1965. Combined with levels of interest rates and levels of the creation of credit and debt, these tax rates primarily determine whether a nation will become rich or poor.

**BIBILICAL ECONOMIC LAWS:**

In the Old Testament, tithes were limited to a maximum of 10% of all production (Genesis 28:22, Hebrews 7:2, Numbers 18:21), and generally all other income given to Israel's government (a Theocracy ruled by a priesthood) was largely voluntary freewill offerings. To ensure Israel was to remain the most prosperous nation on earth, (if faithful) and to limit the power of the bankers and the levels of the growth of credit, all loans to citizens of Israel were NOT allowed to bear interest (Exodus 22:25, Leviticus 25:36-37) but only strangers and foreigners could be charged interest (Deuteronomy 23:19-20). To limit the power of the bankers still futher, and to stop them impoverishing debtors and poor people through the creatiion of excessive debt and inflation, every 7 years, and every fifty years in the YEAR OF JUBILEE, all debt had to be "released" and written off and all the property that had been taken by the bankers for unpaid debts had to be returned to the original owners. (Deut.15:1-6, Lev.25:8-12). These 10% tithes were paid to the Levites (priests) to support themselves and their families, administer the government and care for the poor (Deut.26:12). But to keep the Levites and judges totally honest, their positions were "honorary" only, and they were NOT allowed to be personally paid or own land themselves at all (Numbers 18:20-31, Deuteronomy 16:17-19). In the New Testament, there is no requirement to tithe this 10% at all, but simply to give 'as God hath prospered him' (1 Corinthians 16:2).