THE STRAWMAN REDEMPTION PROCESS
ARTICLE 24

A BRIEF HISTORY OF THE UNITED STATES - PART 13

SECRETS OF THE FEDERAL RESERVE

Seven men, representing an estimated one-fourth of the total wealth of the entire world, met in secrecy on Jekyll Island in Georgia. Through their deliberations, the Federal Reserve was conceived. Its purpose would be to protect its members from competition and ensure their monopoly of the money supply. Together, these money giants developed the strategies needed to convince both Congress and the public that this privatized cartel was actually an agency of the United States government, operating in its best interest. The men, themselves, already had vast power of their own. It's not surprising that their ploy for even more was successful. Note the players and their credentials:

1. **Nelson W. Aldrich**, Republican "whip" in the Senate, **Chairman of the National Monetary Commission**, business associate of J.P. Morgan, father-in-law to **John D. Rockefeller, Jr.**;

2. **Abraham Piatt Andrew**, Assistant **Secretary** of the **UNITED STATES Treasury**;

3. **Frank A. Vanderlip**, president of the **National City Bank of New York**, the most powerful of the banks at that time, representing **William Rockefeller** and the international investment banking house of Kuhn, Loeb & Company;

4. **Henry P. Davison**, senior partner of the **J.P Morgan Company**;

5. **Charles D . Norton**, president of J.P. Morgan's **First National Bank of New York**;

6. **Benjamin Strong**, head of J.P. Morgan's **Bankers Trust Company**

7. **Paul M. Warburg**, a partner in **Kuhn, Loeb & Company**, a representative of the Rothschild banking dynasty in England and France, and brother to Max Warburg who was head of the Warburg banking consortium in Germany and the Netherlands.

In the February 9, 1935, issue of the Saturday Evening Post, an article appeared written by Frank Vanderlip. In it he said:

"Despite my views about the value to society of greater publicity for the affairs of corporations, there was an occasion, near the close of 1910, when I was as secretive - indeed, as furtive - as any conspirator.... J do not feel it is any exaggeration to speak of our secret expedition to Jekyll Island as the occasion of the actual conception of what eventually became the Federal Reserve System....

We were told to leave our last names behind us. We were told, further, that we should avoid dining together on the night of our departure. We were instructed to come one at a time and as unobtrusively as possible to the railroad terminal on the New Jersey littoral of the Hudson, where Senator Aldrich's private car would be in readiness, attached to the rear end of a train for the South.... Once aboard the private car we began to observe the taboo that had been fixed on last names. We addressed one another as "Ben," " Paul," "Nelson," "Abe" - it is Abraham Piatt Andrew. Davison and I adopted even deeper disguises, abandoning our first names. On the theory that we were always right, he became Wilbur and I became Orville, after those two aviation pioneers, the Wright brothers.... The servants and train crew may have known the identities of one or two of us, but they did not know all, and it was the names of all printed together that would have made our mysterious journey significant in Washington, in Wall Street, even in London. Discovery, we knew, simply must not happen, or else all our time and effort would be wasted.

If it were to be exposed publicly that our particular group had got together and written a banking bill, that bill would have no chance whatever of passage by Congress.-- As with all cartels, it had to be created by legislation and sustained by the power of government under the deception of protecting the consumer."

As John **Kenneth Galbraith** explained it:

" It was his [Senator Aldrich's] thought to outflank the opposition by having not one central bank but many. And the word bank would itself be avoided." --Galbraith says "... Warburg has, with some justice, been called the father of the system."

Professor Edwin Seligman, a member of the international banking family of J. & W. Seligman, and head of the Department of Economics at Columbia University, writes that

" ... **in its fundamental features, the Federal Reserve Act is the work of Mr. Warburg more than any other man in the country**."

Another brother, Max Warburg, was the financial adviser of the Kaiser and became Director of the Reichsbank in Germany. This was, of course, a **central bank**, and it was one of the cartel models used in the construction of the **Federal Reserve System**. The Reichsbank, incidentally, a few years later would create the massive hyperinflation that occurred in Germany, wiping out the middle class and the entire German economy as well.

A. Barton Hepburn of Chase National Bank was even more candid. He said:

"The measure recognizes and adopts the principles of a central bank. Indeed, if all works out as the sponsors of the law hope, it will make all incorporated banks together joint owners of a central dominating power."

And that is about as good a definition of a cartel as one is likely to find.

Anthony Sutton, former Research Fellow at the Hoover Institution for War, Revolution and Peace, and also Professor of Economics at California State University, Los Angeles, provides a somewhat deeper analysis. He writes:

> **"Warburg's revolutionary plan to get American Society to go to work for Wall Street was astonishingly simple. Even today, academic theoreticians cover their blackboards with meaningless equations, and the general public struggles in bewildered confusion with inflation and the coming credit collapse, while the quite simple explanation of the problem goes unacknowledged and almost completely not understood. The Federal Reserve System is a legal private monopoly of the money supply operated for the benefit of the few under the guise of protecting and promoting the public interest."**

The real significance of the journey to Jekyll Island and the creature that was hatched there was inadvertently summarized by the words of Paul Warburg's admiring biographer, Harold Kellock:

> **"Paul M. Warburg is probably the mildest-mannered man that ever personally conducted a revolution. It was a bloodless revolution: he did not attempt to rouse the populace to arms. He stepped forth armed simply with an idea. And he conquered. That's the amazing thing. A shy, sensitive man, he imposed his idea on a nation of a hundred million people."**

The attendees to Jekyll Island, however, were comparatively speaking, mere choir boys to the grand family of International banking, Amchel Meyer Rothschild and his 5 sons. The Rothschild family built a banking empire throughout Europe by staging wars and manipulating economies.

> **"The few who can understand the system (check money and credits) will either be so interested in its profits, or so dependent on its favors, that there will be no opposition from that class, while on the other hand, the great body of the people mentally incapable of comprehending the tremendous advantage that capital derives from the system, will bear its burdens without complaint, and perhaps without even suspecting that the system is inimical to their interests."**

SECRETS OF THE FEDERAL RESERVE

TIn this article we will see how the Federal Reserve System was created, why the so-called governments would want a central bank, and the effects it has had on many so-called nations . We will begin our discussion with an overview of money. We would define money as anything which is accepted as a medium of exchange or accounting. Money can be classified into the following four forms : commodity money, receipt money, fiat money and fractional money. We will describe each of these in turn.

Before money existed, people used barter to get what they wanted from others. Barter can be defined as a system in which one thing is exchanged for something else of like value. A barter exchange is not monetary in nature since each item has value rather than being recognized as a medium of exchange to be used later for something else. The items being bartered have intrinsic value. This concept of intrinsic value is a key to understanding the various forms of money.

COMMODITY MONEY

Commodity money is the oldest form and has its roots in the barter system. As each ancient society evolved, there were always been a few items that were more commonly used in barter than other commodities. This is because they had certain characteristics, which made them attractive to almost everyone. Eventually, these items were traded in large measure because they represented a storehouse of value, which could be exchanged at a later time for something else. At this point, they ceased being barter and became money. They had become a medium of exchange. Since the medium of exchange was a commodity with intrinsic value, it is called commodity money. Common examples of commodity money include ornaments, colored seashells, unusual stones, cattle, sheep, corn, wheat or other foods.

Eventually, when man learned how to refine metals and craft them into tools, the metals themselves became valuable. Initially these metals were traded as commodity money due to their intrinsic value. But they had some additional characteristic that made them very desirable as money : it was not perishable, it was portable, and it could be precisely measured. Money, in its fundamental form and function, needs to be a storehouse and measure of value. In this way, it is the measure by which all other things of value can be compared. The ability to precisely assay metals in purity and weight makes them ideally suited for this function. Men on every continent and throughout history have chosen metals for the ideal storehouse and measure of value.

Gold is the one metal that has been selected by centuries of trial and error to represent this storehouse and measure of value. Silver has run a close second to gold throughout history. There seems to be enough gold in the world to keep its value high enough for useful coinage. Gold is less abundant than silver but more abundant than platinum. It is a commodity in great demand for purposes other than money. It is sought for both industry and ornamental purposes, which assures

its intrinsic value. The purity and weight of gold can be precisely measured. So, gold meets each of the equipments for money.

Some might argue that gold is inappropriate as money because there is too little of it in the world to satisfy all the needs of modem commerce. We would suggest that this is not the case. It is estimated that approximately 45% of all the gold mined since the discovery of so-called America is in various vaults of the many social constructs known as government[Money and Man: A Survey of Monetary Experience, Elgin Groseclose, p. 259]. It would be reasonable to estimate that 30% can be found in jewelry, ornaments and private hoards. So it would be hard to argue that if 75% of the gold found since Mr. Christopher Columbus is available, that it is too rare to serve as money. We would also suggest that the amount of gold in the world does not affect its ability to serve as money, it only affects the quantity used to measure any given transaction . Governments could easily mint gold coins in almost any size to create smaller value.

Using gold (or any other metal) to serve as money virtually guarantees the stability of a commodity money system. This is true because there is a fixed amount of it in existence. When the quantity of so-called money expands without a corresponding increase in goods, the effect is a reduction in the purchasing power of each monetary unit. In other words, the quoted price and the price as expressed in terms of monetary units of good increase. The real price, in terms of its relationship to all other goods, remains the same. This is what we call inflation. The price of goods does not go up but rather the value of the money goes down.

To illustrate this point, let' s look at some price and wage statistics. In 1913, the year the Federal Reserve Act was passed, the average annual wage in so-called America was $633. The average exchange value for gold that year was $20.67 per ounce. This meant the average worker earned the equivalent of 30.6 ounces of gold per year. In 1990, the average annual wage was $20,468. But the average exchange rate for gold had gone up to $386.90 per ounce. The average worker therefore earned the equivalent of 50.9 ounces of gold per year. That is an increase in wages as measured in gold of only 73 % while the increase in dollars was 3,233% . The 73% increase represents less than 1% per year over the period.

While this has happened, there has also been a steady increase in purchasing power (about 1 % per year) that has resulted in gradual improvements due to technology. This improvement in technology is the real reason for the improvement in the standard of living over the last 100 years.

RECEIPT MONEY

The development of receipt (paper) money came as a result of necessity. When a man accumulated more coins than he required for daily purchases, he needed a safe place to store (warehouse) them. Goldsmiths filled this need since they usually had vaults to store (warehouse) the gold they used to create or repair jewelry for their customers. When customers stored their gold coins, they were

given a receipt that entitled the owner to withdraw their gold at any time. Eventually, it became common for owners to endorse his receipt to a third party who, upon presenting the receipt, could withdraw the gold. These endorsed receipts where the forerunners to our modern checks. The final development stage occurred when several smaller receipts were issued rather than one large one with each imprinted pay to bearer upon demand. It became increasingly common for these paper receipts to be used as money of account. So you see that receipt as money of account was fully backed up by a commodity (gold coins) that had intrinsic value in money of exchange.

FIAT MONEY

Fiat money is money which is declared legal tend but is not backed up by anything such as gold or silver. Its two characteristics are that it is not backed up by anything of intrinsic value and it is decreed legal tender. Legal tender means that the so-called government issues a law requiring everyone to accept the currency in commerce. Since the money really is worthless, the only way the so-called government can get it accepted is by forcing the people to do so, often under criminal penalties. Their own Federal Reserve Notes are fiat money. If you read the article What Banks Don't Want You To Know, you will see how we got to this condition in so-called America.

Interestingly enough, the Massachusetts colony was only the second government in the history of the world to issue fiat money (China being the first). Shortly after the currency was released, the state experienced 1000% inflation. Other colonies quickly followed the Massachusetts example with similar results. Connecticut had inflation of 800% and the Carolinas had 900 % inflation. At the beginning of the Revolutionary War the total (fiat) money supply was $12 million. In 5 years time, an additional $425 million had been printed. This means the money supply had expanded by 3500% and the original Continental dollar was trading at less than a pennies worth of its original value.

There is a typical pattern that emerges when fiat money is used. The government artificially expands the money supply through the issuance of more fiat currency. This is followed with legal tender laws to force the acceptance of the fiat money. Next, all the gold and silver disappears into private hordes or it is paid to foreign traders who insist on real money of exchange for their wares. Often, when the inflation is high, the government will have to issue new bills valued at multiples of the old bills. This usually leads to discontent and civil disobedience (through barter). The last stage of each cycle is rampant inflation and economic chaos.

Fiat money is used by so-called governments to obtain instant purchasing power for them without increasing taxes. But it is not without cost. Some complain that we should not burden anyone' s children with anyone' s future public debt. It is true that all children will have the burden of the interest payments on the debt. But there is also a very real initial cost that all pay. The cost is paid by all of people in the present through a decline in our purchasing power. It is exactly the same as a tax, but one that is hidden from our general cognitive view simply because the purchasing power

generally is not affected in any great dramatic decrease to raise any perceptible cognitive awareness to the dilemma that we collectively face by the use of fiat money.

FRACTIONAL MONEY

The fourth kind of so-called money, fractional money, also came as a result of people storing their gold coins with goldsmiths. The goldsmiths observed that very few of their depositors ever wanted to remove their gold coins at the same time. Withdrawals seldom exceeded 10% to 15% of their stockpiles of precious metals. They hated (coveted-10th Commandment Violation) to see all that gold just sitting there and not being used. So, they began to lend (steal) some of the gold out by issuing more receipts. It seemed perfectly safe to lend between 80% or 85% out, which meant they would still have reserves to pay any demand for withdrawal. In the beginning, the gold's owner was not even aware that their gold had been loaned. As the owners became aware of the practice, the goldsmiths began to offer to share the interest they earned on the loans with the gold's owner. But the entire practice didn' t make such sense. The gold w as not really available to be loaned. The gold was providing the value behind the receipts. One might say that the receipt was a proxy for the gold. Since the gold owner and the one who borrowed the gold both had receipts, they both had proxies for the same gold. If you give someone your proxy vote at a stock holders meeting, you can't also show up and vote. The same principle applies to the receipts (proxies) for the gold coins.

So here is how fractional-reserves work. You deposit your gold and get a receipt that you use as money of account. The goldsmith (banker) issues loans in the amount of 85 % of the amount you deposit. The borrower is also given receipts for the amount he borrowed. That means there are 85 % more receipts than there is gold to back it up. Thus, the goldsmith (banker acting as a Bank) created 85 % more money of account and placed it into circulation through the borrowers. They issued phony receipts and artificially expanded the so-called money supply. So, at this point the certificates are no longer 100 % backed by gold. So, they only represent a fraction of their face value. Thus, the receipts become what are called fractional money (of account) and the process that created them is called fractional-reserve banking. This same process causes inflation of prices, or said another way, deflation of the value of that which is assumed to be money of exchange, but in reality, only money of account created by a ledger entry from which a receipt is given on a note for a future promise to pay in lawful money of exchange or whatever is due according to the note.

One might say that the goldsmiths (bankers) created so-called money out of nothing by a ledger entry. But this is not quite true. What they really did was created money of account out of debt (note). That's a neat trick that I bet you wish you could do. The old saying goes that money (of exchange) doesn't grow on trees. Well, the bankers have done one even better, money (of account) grows out of debt. This is money (of account) that it cost the bankers absolutely nothing to create and they earn all that interest (the financial portfolio [ledger] creating by instruments of accounts receivable from notes [shetar] created by loaning a percentage of the true value of species in exchange for accounting of a greater portion in return without any risk on the principal, which

eventually was replaced solely on such collateral to secure the note so that the principal was removed as the true value of the exchange which in tum made the true Creditor the borrower (since he/she is the only party to the agreement which secured the note from making the so-called loan).

We can look at the fractional money and see that it is a transitional form that exists between receipt money and fiat money. It has some of the characteristics of both. As the fraction becomes smaller, the less it resembles receipt money and the more closely it resembles fiat money. When the fraction reaches zero, the transition is complete. There is no example in history where men, once they had accepted the concept of fractional money, didn't reduce the fraction lower and lower until it eventually became zero. The transition from fractional money to fiat money cannot occur without the participation of the so-called government through a mechanism that is called a central bank. This happened in the military social construct known as the **UNITED STATES** between 1913, when the Federal Reserve Act was passed, and 1933 when Military Congress adopted the Commander-In-Chiefs Executive Orders and went off the gold standard.

This fractional-reserve banking system is in part how their Federal Reserve System operates. The Federal Reserve Board of Governors creates money of account by loaning it to the so called federal military government construct (fractional money) by purchasing government military (bonds) securities (debt). In so doing, the Federal Reserve Board of Governors becomes the Creditor of the federal military government construct. This is important to understand as you read the article What Banks Don't Want You To Know. Commercial banks also create money (of account) when they loan money (of account) to individuals and businesses. There is nothing standing behind the money (fiat money) but the debt instruments. The Federal Reserve Notes say, "THIS NOTE IS LEGAL TENDER FOR ALL DEBT, PUBLIC AND PRIVA TE." Their politicians say the full "faith and credit of the United States" is behind the so-called money. But that is an outright empty statement and a misrepresentation of the true facts backing the "full faith and credit of the United States," unless they mean the blind acceptance by all Walks of Life to accept as Constitutors to pay the debts of and belonging to another like a co-signer for a debt which was incurred with no right of use established, concerning the goods or power conveyed by the agreement. And we know we have no power to say No, because we are neither the creator, nor a member of, the posterity of the former social compact, nor the present military social construct known as the United States. The so-called military social government construct has no Assets to speak of except the labor of people and the property of the people. So their military social government construct has pledged our labor and our property to pay their debt through misrepresentation by and through their Public Institutions of Learning.

The Federal Reserve Cartel is very candid in their publications that we have a fiat money system. Their own publications tell the story!

Currency cannot be redeemed, or exchanged, for Treasury gold or any other Asset used as banking. The question of just what Assets back Federal Reserve Notes has little but bookkeeping (Ledger

Entry) significance. [I Bet You Thought, by Federal Reserve Bank of New York, p. 11 , emphasis added].

Banks (bankers) are creating money (of account) based on a borrower's promise to pay (the IOU). Bankers then create more money of account by monetizing so-to-speak, the private debts of business and individuals based on their future performance (labor) of servicing the so-called loan (Note). [I Bet You Thought, by Federal Reserve Bank of New York, p. 19, emphasis added].

In the so-called Military Social Construct known as the United States, neither paper currency (money of account) nor the ledgering of paper deposits, have true value as commodities. Intrinsically, a dollar bill is just a piece of paper. Deposits are merely book (Ledger) entries. Coins do have some intrinsic value as metal, but generally far less than their face amount due to diver' s weights and measures being used to adulterate the species for profit or hoarding.

What, then, makes these instruments, checks, paper money, and coins acceptable at face value in payment of all debts and for other monetary uses. Mainly, it is the confidence of the people (their full faith and Credit) that they will be able to exchange such money (of account) for other financial Assets and real goods and service whenever they choose to do so. This partly is a matter of law; currency has been designated legal tender by the military social government construct, that is, it must be accepted. [Modern Money Mechanics, Federal Reserve Bank of Chicago, revised October 1982, p. 3.]

Modem monetary systems have a fiat base, literally money by decrees, with depository institutions, acting as fiduciaries, creating obligation against themselves, with the fiat base acting in part as reserves. The decree appears on the currency notes : "This note is legal tender for all debts, public and private." While no individual could refuse to accept such money for debt repayment, exchange contracts could easily be composed to thwart its use in everyday commerce. However, a forceful explanation as to why money (of account) is accepted is that the federal government requires it as payment for tax liabilities. Anticipation of the need to clear this debt creates a demand for the pure dollar. [Money, Credit and Velocity, Review, May, 1982, Vol. 64, No. 5, Federal Reserve Bank of St. Louis, P.25.]

The last two sentences from the above quote alludes to the military social federal construct' s debt and the fact that all so-called U.S. citizens have been obligated to pay that debt.

If one thinks about the debt based money system, you will come to realize that their total so called money supply is backed by nothing but debt. This is hard enough to fathom, but it' s even harder to grasp that if everyone paid off his or her debt, there would be no money left in existence. Something else to consider is that the trillions of dollars in circulation appears to represent a tremendous amount of assets, but someone owes every bit of this money in lawful form of species currency.

If all the bank loans were paid, no one could have a bank deposit, and there would not be a dollar of coin or currency in circulation. This is a staggering thought. People are completely dependent on the commercial (bankers) banks. Someone has to borrow every so-called dollar (money of account) people have in circulation, cash, or credit. If the bankers create ample synthetic money, people are prosperous ; if not, people starve. People are absolutely without a permanent (species) money system. When one gets a complete grasp of the picture, the tragic absurdity of the peoples' hopeless situation is almost incredible, but there it is. [100 % Money, Irving Fisher, p. xxii. This quote appears in the forward to the book. The author is quoting Robert Hemphill who was the Credit Manager of the Federal Reserve Bank in Atlanta.]

Given this system, it' s not hard to imagine that the Federal Reserve Banks is not interested in all these loans being paid off as the following quotes show.

A large and growing number of analysts, on the other hand, now regard the national debt as something useful, if not an actual blessing. [They believe] the national debt need not be reduced at all. [The National Debt, Federal Reserve Bank of Philadelphia, pp.2, 11].

Debts, public and private, are here to stay. It plays an essential role in economic processes. What is required in not the abolition of debt, but it' s prudent use and intelligent management. [Two Faces of Debt, Federal Reserve Bank of Chicago, p. 33].

The reason the Federal Reserve Cartel is not interested in paying off the debt is because they make huge profits from the interest payment. But let' s consider the morality of earning interest on these loans. If you were to rent an asset from someone, you would see the logic of paying him or her a rental fee. The rental fee reimburses them for the potential income they could have made through other opportunities they missed while you were using the asset. Interest payments on a loan are nothing more than fees for renting the money. But in the case of a debt based money system, the money was created when the loan was approved and it was credited to your account. In this situation, you are not using the lender's asset. He created the asset with the stroke of a pen or an entry on a computer or within a ledger accounting book entry. Why should anyone collect a rental fee (interest) on that stroke or entry? While this system may be legal (because the so-called military social government construct has granted them the sole authority to create so-called money on whim), it is certainly not moral.

This leads to the next question, which is where does the so-called money come from to allegedly pay the interest on the debt that created the so-called money? One might think that the so-called money would have to be borrowed since it would appear that all so-called money is created by debt. But this position does not take into consideration the exchange of value (borrowed money) for labor. If you took out a loan of $10,000 with payments of $900 per month, about $80 of each payment is interest. You earn the so-called money to allegedly pay the interest with your labor. That' s why people say that about the only thing the military social government construct has to offer in exchange for the public debt is peoples' labor. They collect the benefit of peoples' labor in the form of income taxes.

Bank of England To adequately understand our Federal Reserve System, we must look at the Bank of England, which was founded in 1694. The bank was the brainchild of a Scotsman named William Paterson. His idea was to charter an artificial person (a corporation) that would loan the Crown government money, but instead of being repaid at a fixed future date, it would receive perpetual (never ending, as in the loan is never paid off) interest. The plan for the Bank of England contained the following 7 points.

• The Crown government would grant a charter to form a bank • The bank would be given a monopoly to issue bank notes that would circulate as England's paper currency

• The bank would create so-called money of account out of nothing with only a fraction of its total currency backed by gold coins (fractional money)

• The bank would then loan the so-called government all the money of account it needed

• The money of account created for so-called government loans would be backed by bonded government IOUs (future promise to pay)

Although the so-called money of account would be created out of nothing and would cost nothing to create, the so-called government would pay interest on the so-called money of account. Simply put, payment was based solely on the full faith and credit of the people to accept the medium of exchange for services and goods, which in turn was based upon the ability of the so-called government to enforce the so-called beneficial use of such accounting, as well as their ability to enforce the control of the money supply by a Private Cartel, not subject to the control of the government, because the so-called government had given up its Creditor status in exchange for a debtor position on the promise of unlimited discharge of its debt, if the new Cartel (Money Kings) were allowed to collect interest on the so-called money of account circulating backed by the people' s labor collected through the beneficial use of such accounting on each and every people required to keep records as the account of the use thereof. This scheme effectively made each people the Crown' s accountant and debtor at the same time. This same scheme is perpetuated by the so-called military social construct known as the United States upon all walks of life through the same fraudulent misrepresentations of the so-called government.

Plus, the so-called government IOUs (Bonds) would also be considered as reserves for creating additional loans of money (of account) or marketable debt notes for private commerce. These loans also would earn interest. So, the bankers would earn double interest on the same scheme of creating fictional nothing based upon ledger entries backed by marketable debt and the willingness of the so-called government to back the scheme up with the force of law and the people' s lack of cognizance regarding the true outcome of such economic control over all walks of life. This ignorance is the result of the Science of Right Reasoning, exercised with the same governmental controls that exist over money, that are perpetuated in the centers of education from womb to tomb, over all the people, to keep them from seeing the true picture or fully understanding the position in which the government had placed all people. We have become DEBTOR SLAVES on the

Plantation Called Earth. The so-called government IOUs (BONDS) were called annuities. These annuities, along with the notes and bills of the bankers, were expressly exempted from all common-law restrictions upon the exchange of personal property. These annuities, notes and bills represented public debt.

The initial holdings of the bankers consisted of £ 1,200,000 in annuities. By 1714, the total debt held by the bankers had grown to £36 million. By 1719, the public debt had grown to £50 million. That meant a perpetual tax burden of interest payments on the backs of the people. But it also meant that £50 million of absolutely liquid property had been created. Prior to these events, all property had been tangible real property that was not liquid. [Novus Ordo Seclorum: The Intellectual Origins of the Constitution, Forrest McDonald, p.117-118].

The model of the Bank of England influenced the founders of the so-called social compact known as The United States of America. Mr. Alexander Hamilton, in particular, believed that public debts should be funded in a manner similar to the Bank of England. The system Mr. Alexander Hamilton envisioned departed from the British system in only two significant ways. The first one was designed to overcome what many saw as a fatal flaw in the British system, namely the inherent tendency to expand the debt endlessly. The last several decades have proven that we have failed miserably in this respect. The second one was designed to use financial means for achieving political, economic and social ends. [McDonald, p.139] This second change seems to be one of the guiding principles behind what their so-called military social government construct does today. If you look at most of the so-called monetary policies of military United States, you can see this principle evident everywhere in its accounting of marketable debt IOUs (Bonds).

Mr. Alexander Hamilton' s plan called for the creation of a so-called national (central) bank. Most of the capital of this bank would be in the form of certificates of public debt (Bonds) (today we have many forms of public debt). He felt that it would be safe to base most of such capital on so-called government debt, since the bank was expected to be immensely profitable. Therefore, the so-called government paper money of account would be good as gold. He felt the national (central) bank was important for two reasons. First, it would be a ready source of short- term loans to the so-called government. This is the primary attraction for a national (central) bank in the modem world. Second, real money (species currency) and liquid capital were in short supply in the colonies and it would take too long to accumulate an adequate supply by being frugal. The essences of this second benefit is that money of account is created in the present, not based upon past savings, but out of the expectation of future earnings to pay the debt. Another part of Mr. Alexander Hamilton' s plan was that the national (central) bankers would be privately owned. He saw this as a restraining measure, since the stockholders would act cautiously in order to protect their own interests. [McDonald, p.140] The current Federal Reserve Banks are privately owned. but it does not provide any such constraint. There is some evidence to indicate that Mr. Alexander Hamilton' s plan was back by James Rothschild [The Secrets of the Federal Reserve, Eustace Mullins, p.5].

In 1791, Mr. Thomas Jefferson came out against Mr. Alexander Hamilton' s plan for a central bank. He objected on the following grounds: the subscribers would form a corporation whose stock could be held by aliens; that this stock would be transmitted to a certain line of successor; that it would be placed beyond forfeiture and escheat; that they would receive a monopoly on banking, which was against the laws of monopoly; and that they would have the power to make laws, paramount to the laws of the government. We shall see that Mr. Thomas Jefferson's fears were well founded because this is exactly what happened.

TAXES ARE OBSOLETE

Most of the so-called money that the federal military government construct spends comes from fiat money (of account) created by the Federal Reserve Bankers, in the form of receipts of paper monetized (marketable) debt under the guise known as Federal Reserve Notes illicitly referred to as dollars or dollar bills. This being the case, one might well ask why people still have taxes. That' s an excellent question. There are several reasons that come to mind. First, if the so called government stopped taxing us, people would begin to wonder where the alleged money came from, eventually realizing that it was just created from nothing. Then it would dawn on them that inflation was really a form of taxation. Second, taxes are a tool used by the elitist social planners to control many aspects of the peoples ' lives. This is evident by the complexity introduced into the tax code as a means to carry out social engineering by the military social government construct.

To confirm these assertions, we can tum to an article written by Mr. Beardsley Ruml, the Chairman of the Federal Reserve Bank of New York. The article appeared in the January 1946 issue of American Affairs magazine. Mr. Beardsley Ruml suggested that taxes were obsolete. At the beginning of the article, the magazine editor summarized his position.

His thesis is that, given control of a central banking system and an inconvertible currency [a currency not backed by gold], a sovereign national government is finally free of money worries and need no longer levy taxes for the purpose of providing itself with revenue. All taxation, therefore, should be regarded from the point of view of social and economic consequences. [Taxes for revenue Are Obsolete, by Beardsley Ruml, American Affairs, January, 1946, p. 35].

Mr. Beardsley Ruml' s article suggests that there are only two reasons to have taxes. First, it combats a rise in the general level of prices. He suggests that if the money is left in the hands of the people, they will spend it and cause a rise in prices . Taxation removes the money from the hands of the people so that this does not occur. He says it this way:

The dollars the government spends become purchasing power in the hands of the people who have received them. The dollars the government takes by taxes cannot be spent by the people, and therefore, these dollars can no longer be used to acquire the things which are available for sale.

Taxation is, therefore, an instrument of the first importance in the administration of any fiscal and monetary policy. [Ibid., p. 36].

The other purpose for taxation, according to Mr. Beardsley Ruml, is to redistribute wealth from one class of people to another. This may be done in the name of social justice or equality, but this puts the so-called government in the position of trying to control (theft by illicit force) the economy as master planners.

The second principle purpose of so-called federal taxes is to attain more equality of wealth and of income than would result from economic forces working alone. The taxes which are effective for this purpose are the progressive individual income tax, the progressive estate tax, and the gift tax. What these taxes should be depends on public (law?) policy with respect to the redistribution of wealth and of income. These taxes should be defended and attacked in terms of their effect on the character of all Walks of Life, not as revenue measures.

There is an additional reason for income taxes that was not mentioned by Mr. Beardsley Ruml. The income tax paid by any U.S. citizens is deposited directly into the Federal Reserve System. If you thought your alleged money was used to fund the operation of the so-called government, you were wrong. Most people feel an obligation to pay their fair share due to indoctrination via public educational centers. But the IRS is nothing more than the collection agency for the Federal Reserve System. Your taxes go directly to help pay the interest on the so-called national debt and directly enrich the shareholders of the Federal Reserve System. Your labor is converted into money for their benefit. Remember that interest is being charged on money that is being created out of thin air that cost them absolutely nothing to create.

HOW IT WAS CREATED

Now let's turn our attention to how the Federal Reserve System came into being. In 1907, an event occurred which became known as the Money Panic of 1907. The panic was caused because there was not enough money in circulation for everyone to pay their bills and employers to pay wages. It resulted in large-scale lay-offs because there was not enough money to pay the employees. A study of the panics of 1873, 1893, and 1907 found that these panics were the result of the international bankers. The panic resulted in a public outcry for the military social government construct' s monetary system to be stabilized. The so-called President, Mr. Theodore Roosevelt, signed a bill in 1908 that created the agency known as the National Monetary Commission. The so-called Senator, Mr. Nelson Aldrich, was appointed to the head of the Commission that was charged with finding a solution to the problem [Mullins, p.1]. By 1910, Mr. Nelson Aldrich had not released a report to the government.

On November 22, 1910, a group of men met at the Hoboken, New Jersey train station. These men boarded a private car that was bound for Brunswick, Georgia. Their eventual destination was a

private hunting lodge on Jekyll Island, off the coast of Georgia. Eight men were in this group. They included Senator, Mr. Nelson Aldrich and his private secretary, Shelton; Mr. Abraham Piatt Andrew; Frank Vanderlip, Henry P. Davison, Charles D. Norton, Benjamin Strong, and Paul M. Warburg [Mullins, p.1]. Abraham Andrew was the Assistant Secretary of the Treasury and Special Assistant to the National Monetary Commission. Frank Vanderlip was President of the National City Bank of New York, the most powerful banker at that time. Frank Vanderlip represented William Rockefeller and the International banking house of Kuhn, Loeb and Company. Henry P. Davison was a Senior Partner of J.P. Morgan Company. Charles D. Norton was the President of the First National Bank of New York that was owned by J.P. Morgan. Benjamin Strong was head of J.P. Morgan Bankers Trust Company. Paul Warburg was a Partner in Kuhn, Loeb and Company of New York and was representing the Rothschild banking dynasty. These men represented what was known as the Money (Kings) trust. The group also represented the two most powerful banking cartels in America: the Morgan Group and the Rockefeller Group and they also represented the two most powerful banking cartels in Europe: the Rothschild Group and the Warburg Group. When all of these are combined, they represented an estimated one-fourth of the world' s wealth [The Creature from Jekyll Island, G. Edward Griffin, p. 6.].

The Money (Kings) Group had journeyed over a thousand miles, cloaked in secrecy, to draft banking and currency legislation which the National Monetary Commission had been ordered to prepare in public. Why the secrecy? Because the public would have been outraged to think that this Money (Kings) Group was drafting the very legislation which was supposed to protect the public from privatized Money (Kings) Trusts.

What were the main points of the plan that the Private Cartel Group, which represented one fourth of the wealth of the world, created on Jekyll Island?

- The plan would create a central bank that would fulfill the typical functions of a central bank, among them creating fractional and fiat money

- The Federal Reserve Bankers would consist of a system of 12 banks. The creation of 12 regional banks would disguise the fact that the Federal Reserve System is a central bank

- Private Individuals who would profit from the ownership of shares would own the central bank

- The bankers would be allegedly controlled by Congress and would be answerable to the government, but the majority of the directors were to be chosen, directly or indirectly, by the bankers in the association of banks The President of the United States would appoint The Governors of the Federal Reserve Board. But the Federal Advisory Council, meeting with the Governors, would do the real work. The Directors of the twelve Federal Reserve Banks would choose the Federal Advisory Council

- The Administrators of all the Regional Banks would be appointed by the President using his Executive Powers. This removed them from total Congressional control

• Though it would be concealed from the public, the New York bankers, the Money (King) Trust, would dominate the Federal Reserve System

• The Administrators of the Federal Reserve System would control the nation' s money and credit

At the time of the retreat, members of the media found out about the meeting. There were a few stories run about the meeting, but it was largely covered up. When those who were involved were asked about it, they would deny that it had taken place or they would say it was a duck hunting trip. Much later, after the Federal Reserve Act was passed, some of the members were a little more forth-coming with information, but for the most part they were still fairly quiet. The reason for the cover-up was obvious. It was clearly understood that if the public found out who drafted the legislation, such legislation would never become law.

After the plan was drafted on Jekyll Island, an all-out effort was put forth to get the proposed legislation passed in so-called Military Congress. A group of bankers contributed $5 million to fund a favorable public relations campaign to sell so-called Americans on the plan. The so-called President, Mr. Woodrow Wilson was also enlisted to support the plan. Three of the top universities, Princeton, Harvard, and the University of Chicago, came out in support of the plan. Two of the leading campaigners for the plan were Professor from the University of Chicago. This university had been endowed by John D. Rockefeller (one of the forces behind the plan) with nearly $50 million. [Mullins, p.10-11].

When the plan had been introduced to the Military Congress, so-called Congressman, Charles Lindbergh (father of the famous aviator), had this to say in testimony before the Committee on Rules on December 15, 1911:

"Our financial system is a false one and a huge burden o n the people. I have alleged that there is a Money Trust. The Aldrich plan is a scheme plainly in the interest of the Trust. Why does the Money Trust press so hard for the Aldrich Plan now, before the people know what the money trust has been doing . . . ?" [Mullins, p.11].

That same year, the American Bankers Association (ABA) came out in favor of the so-called Senator, Nelson Aldrich's Plan. But what came out in congressional hearings was the fact that the leaders of the ABA rammed it through the annual meeting and gave no opportunity for opposition to be expressed. The so-called Congressman, Carter Glass, was the Chairman of the House Banking and Currency Committee. Congressman, Carter Glass, was a Party member of the Democrat Party who was opposed to the so-called Senator's, Nelson Aldrich's Plan. Senator, Nelson Aldrich, was a Republican of the Republican Party. The Committee heard testimony about the so-called Senator Nelson Aldrich's Plan. Andrew Frame, who was present at the ABA meeting, had this to say in testimony before committee:

When that monetary bill was given to the country, it was but a few days previous to the meeting of the American Banker Association in New Orleans in 1911. There was not one bank in a hundred

who had read that bill. We had twelve addresses in favor of it. General Hamby of Austin, Texas, wrote a letter to President Watts asking for a hearing against the bill. He did not get a very courteous answer. I refused to vote on it, and a great many other bankers did likewise. They throttled all argument. They would not allow anyone on the program who was not in favor of the bill. " [Mullins, p.13].

Andrew Frame went on to testify that in the next annual meeting of the ABA, the Senator Nelson Aldrich's Plan was not endorsed again. He said that a lot of opposition had developed in the ABA to the plan by this point and that the supporters of the plan never asked for another endorsement.

Congressman, Carter Glass, summarized the reasons for opposmg the Senator Nelson Aldrich's, Plan.

• The plan lacked adequate government or public control of the banking mechanisms it would set up

• The plan gave most of the voting control to the large banks in the system. These were the banks that were controlled by the Money (Kings) Trust

• The plan had an extreme inherent danger of causing inflation of the currency

• The bond-funding portion of the plan gave the false impression that the system would cost the government nothing • The plan contained great danger of a banking monopoly

• The plan would, in fact, set up a central bank that would fulfill all the typical functions of a central bank. It would control the so-called nation' s money and credit. The private stockholder would use the credit of the government for his or her own profits.

With these points made clear, opposition to the plan developed and it was defeated. In fact, the Aldrich Plan never came to a vote in Congress because Republicans lost control of the House in 1910 and subsequently lost the Senate and the Presidency in 1912.

The so-called Presidential campaign of 1912 was one of the most interesting political upsets in so-called American history. The incumbent, William Taft, was popular and the Republican Party was firmly in control of the so-called Senate, due to a period of general prosperity. The Democratic Party challenger was Woodrow Wilson, so-called Governor of New Jersey, and had no alleged national recognition. Both parties included a monetary reform bill in their platform. The Republicans had the Senator Nelson Aldrich's Plan that had been denounced as a Wall Street Plan. The Democrats had the Federal Reserve Act. Neither party told the public that the plans were almost identical. William Taft seemed a shoe-in for re-election. But then Theodore Roosevelt threw his hat in the ring under the Bull Moose Party. Theodore Roosevelt was well financed and had enormous press coverage, more than the other two candidates combined. As a former so-called Republican President, it was obvious that Theodore Roosevelt would cut into votes that would have gone to William Taft. The bankers were financing all three candidates, so they would win no matter

who was elected. Later Congressional testimony showed that Kuhn, Loeb Company; Felix Warburg (not a U.S. resident but Paul Warburg' s brother) supported William Taft; Paul Warburg and Jacob Schiff supported Woodrow Wilson; and Otto Kahn supported Theodore Roosevelt [Mullins, p.19]. It seems likely that the identification of the Senator Nelson Aldrich's, Plan as a Wall Street Plan would make it difficult to pass in Democratically (Party) controlled Military Congress, whereas a successful Democrat candidate, supported by a Democrat Congress, would be able to pass a central banking plan. Theodore Roosevelt was used to split the William Taft vote because the bankers doubted William Taft could get the Senator Nelson Aldrich's Plan passed. The final electoral vote in the 1912 race was Woodrow Wilson 409, Theodore Roosevelt 1 67 and William Taft 15.

In 1912, after the Democrats had taken control, they held their own hearing on banking reform. They were held under the House Banking and Currency Committee, which was now chaired by Arsene Pujo of Louisiana. A Special Councilman, Samuel Untermyer, appointed by Chairman, Arsene Pujo, conducted the hearings. The hearings drug on for five months and produced over 6000 pages of testimony. Samuel Untermyer refused to allow either so-called Senator LaFollette or Congressman Lindbergh to testify, even though it was the pressure that they had exerted which caused the hearings to be held. Both men strongly opposed a central bank. Samuel Untermyer was a specialist in banking issues, but he refused to ask any of the bankers who testified any tough questions. He didn't ask about the system of interlocking directorates through which the banking industry was already controlled. He didn't ask about international gold movements which were known to be a major factor in the money panics of 1873, 1893, and 1907. He also didn't ask about relationships between so-called American bankers and those who controlled the central banks of Europe. Samuel Untermyer did not seem concerned that many major international banking houses had branches on Wall Street and already controlled substantial portions of Wall Street activity, even though this fact was well known on Wall Street. The sham hearing ended without a single, well-known opponent to a central banking plan testifying.

The two most influential men involved in the passage of the Federal Reserve Act were Paul Warburg and so-called Colonel, Edward Mandel House. Paul Warburg was the Chief Architect of the plan that was developed at the Jekyll Island retreat. Here is a quote from Paul Warburg when he testified before the House Banking and Currency Committee in 1913:

"I am member of the banking house of Kuhn, Loeb Company. I came over to this country in 1902, having been born and educated in the banking business in Hamburg, Germany, and studied banking in London and Paris, and have gone all over the world. In the Panic of 1907, the first suggestion I made was let us get a national clearing house. The Aldrich Plan contains some things which are simply fundamental rules of banking. Your aim in this plan [the Federal Reserve Act] must be the same centralizing of reserves, mobilizing commercial credit, and getting an elastic note issue. " [Mullins, p.21].

The so-called Colonel Edward Mandel House, was in agreement with Paul Warburg on plans for a central bank, including provisions that would severely limit control by the government. Here ' s a quote from him illustrating this point:

"I am also suggesting that the Central Board be increased from four members to five and their terms lengthened from eight to ten years. This would give stability and would take away the power of a President to change the personnel of the board during a single term of office. " [Roosevelt, Wilson and the Federal Reserve Law, Col. Elisha Ely Garrison, p. 337, emphasis added].

The so-called Colonel Edward Mandel House's phrase, "Take away the power of a President," is significant. Later on, these so-called Presidents would find themselves helpless to change the direction of the military social government construct because they did not have the power to change the composition of the Federal Reserve Board by attaining a majority of like minded people during their term of office.

Colonel Garrisons' book also revealed the role that Paul Warburg and the International banking family of Rothschild played in the central banking plan. Paul Warburg is the man who got the Federal Reserve Act together after so-called Senator Nelson Aldrich's Plan aroused such nationwide resentment and opposition. The mastermind of both plans was no other than Baron Alfred Rothschild of London.

To further understand Colonel Edward Mandel House's view, one must look no further than a book he authored in 1911, entitled, "Mr. Philip Dru, Administrator." B.W. Huebsch of New York published the book anonymously. It is suppose to be a fictional work, but is actually a detailed plan of the future condition of the so-called military social government construct of the United States. It predicted the passage of graduated income tax, excess profits tax, unemployment insurance, social security and a flexible currency system. In short, it outlines the plans that were followed by both the administrations of the so-called Presidents, Mr. Woodrow Wilson and Mr. Franklin Delano Roosevelt.

In 1955, Westbook Pegler, a columnist for the Hearst Publications, wrote an article about Colonel Edward Mandel House and his book.

One of the institutions outlined in the book entitled, "Mr. Philip Dru, Administrator," is the Federal Reserve System. The Schiffs, the Warburgs, the Kuhns, the Rockefellers and the Morgans [International bankers all] put their faith in Colonel Edward Mandel House. The Schiff, Warburg, Rockefeller, and Morgan interests were personally represented in the mysterious conference at Jekyll Island. [comment added].

The so-called Colonel Edward Mandel House, was a close friend and personal advisor to acting President, Woodrow Wilson. He was able to get many of the socialist ideas outlined in his book implemented into law. Among them were an old-age pension, laborer' s insurance compensation, cooperative markets, a federal reserve system, cooperative loans, and national employment

bureaus. The relationship between Colonel Edward Mandel House and the acting President, Woodrow Wilson was chronicled in the book entitled "The Strangest Friendship in History, Woodrow Wilson and Col. House" by George Sylvester Viereck.

The author asked Colonel Edward Mandel House about the purpose of Wilson and House. Colonel Edward Mandel House responded,

"To translate into legislation certain liberal and progressive ideas."

From this quote, it should be evident that Paul Warburg, an Agent of the International bankers as Kuhn, Loeb Company, is one of the most influential of this group. It is obvious from this quote that there is little difference between the Senator Nelson Aldrich's Plan and the Federal Reserve Act. It is also obvious that Paul Warburg is lobbying for a central bank that has the power to issue currency, known as elastic notes. Paul Warburg did a lot of work behind the scenes to get the plan passed.

We have already seen evidence that the International bankers will go to extraordinary measures to get what they want. There is some evidence to indicate that the powerful International bankers who gave us the Federal Reserve System will stop at nothing to have the power of a central bank solely in their hands alone. Three acting American Presidents have expressed concern over central banks issuing currency. Each of these acting Presidents have been assassinated. The so-called President Abraham Lincoln planned to issue non-interest bearing notes he called Greenbacks. The so-called President, James A. Garfield made a pronouncement on currency problems just before he was killed. And the acting President, John Fitzgerald Kennedy planned to issue Federal (United States) Notes without using the Federal Reserve Notes or involving interest just before he was killed. It would be difficult to prove that the International bankers were involved in these assassinations, but it is a very strange coincidence that presents more than a shadow of reasonable doubt that the assassinations could not have been done by any other Group of People than the International Bankers. Who else would have had the power and influence, both outside and inside of the military social government construct, to successfully cover-up events as well as has been done?

On September 18, 1913 the Colonel Edward Mandel House's version of the Federal Reserve Act passed by a vote of 287 to 85. On December 19, 1913, the so-called Senate version of the bill passed by a vote of 54-34. But there were over 40 differences between the bills. The opponents to the bill in both houses were lead to believe that there would be no further action until after the Christmas break. So they did not organize. As the so-called Congressmen prepared to leave Washington, supporters of the bill quickly took advantage of the situation. In a single day, all of the disputes about the bill were ironed out in conference committee and the bill was brought to a vote. The bill was passed on December 22, 1913 in the so-called House of Representatives by 282-60 and the alleged Senate by 43-23. Some of the bill's most vocal critics had already left Washington. It was a longstanding political courtesy that important legislation would not be acted upon during the week before Christmas. The so-called President, Mr. Woodrow Wilson. signed the measure into law the very next day, December 23, 1913. When the Federal Reserve Act was passed, the

members of the Federal Reserve Board had 10-year terms. But the Banking Act of 1935 lengthened the term to 14 years. This meant that the Directors of the so-called nation' s finances, although not elected by the people, held office longer than three acting presidential terms.

Colonel Edward Mandel House, remained active behind the scenes during both the so-called Presidents, Woodrow Wilson's and Franklin Delano Roosevelt's. administrations. Shortly before Colonel, Mr. Edward Mandel House. died in 1938, he confided in his biographer Mr. Charles Seymour his continued role in the so-called President' s, Franklin Delano Roosevelt's, administration.

Colonel Edward Mandel House. stated:

"During the past fifteen years, I have been close to the center of things, although few people suspect it. No important foreigner has come to the United States without talking to me. I was close to the movement that nominated Mr. Franklin Delano Roosevelt. He has given me a free hand in advising him. All the Ambassadors have reported to me frequently."

The organizing actIVIty of the Federal Reserve System began in early 1914 with the appointment of an Organization Committee by the so-called President, Woodrow Wilson. The acting President appoints acting Secretary of the Treasury, William McAdoo (the President' s son-in-law), acting Secretary of Agriculture, David F. Houston, and the acting Comptroller of the Currency, John Williams. The Organization Committee selected the locations of the decentralized reserve banks. The selection of New York was a foregone conclusion, since it was the center of finance in the so-called United States. The City of Richmond, Virginia was also selected, evidently as a payoff to so-called Congressman Carter Glass for his role in the passage of the bill. The other selections included the City of Boston, the City of Philadelphia, the City of Cleveland, the City of Chicago, the City of St. Louis, the City of Atlanta, the City of Dallas, the City of Minneapolis, the City of Kansas City and the City of San Francisco.

In 1937, Ferdinand Lundberg wrote America's Sixty Families that revealed that New York was really the seat of power.

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