

# MONEY CREATION

## & THE MOUNTEBANKING SYSTEM

By PATRICK CAIN

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## BANKING (Legal Looting?)

"The monetary system of the U.S. and the major nations of the free world was established in 1694 by the Bank of England. This system subverts the legal and constitutional government and leads to socialism or fascism through favored corporate creation and control of the government's money and credit; directs the policies of government and holds in their hands the destiny of the people. (R. McKenna-Chairman of the Board and President of Midlands Bank of England--'National Economy and the Banking System', Senate Document Volume 3, #23, 76<sup>th</sup> Congress, 1<sup>st</sup> session)

Aren't fractional reserve banking, interest (usury) and money (credit) creation together, the epitome of financial fraud? Here's how these schemes operate:

**FRACTIONAL RESERVE BANKING**--Requires keeping only a small portion (percent) of a deposit on account for "balance". This allows lending more than actually exists, therefore receiving more overall interest. These banks are lending the same deposited sum multiple times, therefore getting multiple interests. Fractional Reserve banking amounts to a bank receiving excessive (compound) interest from one deposit.

**INTEREST/USURY**--Cost for the use of another's money/credit. Today's interest was yesterday's usury.

"That species of sin which is called usury, and which has its proper seat and contract of lending, consists in this: that someone, from the loan itself, which of its very nature demands that only as much be returned as was received, wishes more to be returned to him than was received, and therefore contends that some profit beyond the principal, by reason of the lending, is due to him Therefore all profit of this sort, which surpasses the principal, is lawful and is usurious." (Encyclical 'Vix Pervenit' to the bishops of Italy, November 1<sup>st</sup>, 1745)

Usury originally meant lending money at interest, i.e., any increase, but has been changed to mean excessive rate of interest (increase) and is illegal. However, a net effect of excessive (compound) interest exists through various accrual methods; such as, when the increase is concealed through creative finance schemes devised for calculating/measuring interest and with miscellaneous (additional), i.e., other (hidden) finance charges attached

The American Banking Association, like the American Bar Association (Guild), is a private Club or Union (closed shop) like a Masonic Order, and as such make their own rules & regulations. Banking regulation "Z" requires the lender/creditor to disclose all the terms & conditions of the contract (loan), like the APR (annual percentage rate) and total amount financed. What about repayment options?

When buying a home are you informed that you can cut the term by approximately one third without making any prepayments (additional principle payments)?

Here's a technique to accelerate the term without making prepayments. By paying a portion of your payment in advance you accelerate the term without any extra payments, but with the same effect. Paying a portion of payment in advance reduces the interest, term and overall cost of the loan without any additional payments.

Example: A \$100,000 loan @ 13% for 30 years. Your monthly payments would be \$1,106.20. The total mortgage repayment after 30 years would be \$398,232. But, by paying 1/2 (\$553.10) every two weeks instead of the full amount (\$1,106.20) once a month, you reduce the term by 11 years and pay \$252,214 instead of \$398,232, a savings of \$146,018. This savings could be invested during the term of the loan and/or used for prepayments. (E. Mrkvicka Jr.--'The Bank Book', 1991)

This method works for two reasons. First, since a mortgage is an amortized simple interest note you are charged the interest rate times the present outstanding balance, times the term between payments. So the sooner you make payments the less interest you owe. The less interest you owe allows more of your payment to be applied to principle. And the quicker you reduce the principle faster the loan will be paid off.

Second, you are also doing a biweekly since you are making additional payments even though you may not realize it, because there is an imbalance between the payment dates you will use and the calendar. Making twenty-six biweekly payments equals thirteen months, therefore accelerating your term by one month a year. This added payment also adds in reducing the interest due to your biweekly schedule. (ibid.)

Why not take this a step further and make weekly payments of \$276.55 per week for even better results? This technique virtually negates the devastating effects of interest.

MONEY/CREDIT CREATION-Creating demand deposits (bank money) by making checkbook (computer) entries. The legal (statutory) authority & exclusive prerogative to use real wealth (human & natural resources) or debt for collateral & convert it to bank deposits (credit), then loan this (at interest) in the form of credit or currency.

The IMF/Federal Reserve exercises this power as well as regulating the value (purchasing power) via contracting, withholding or extending credit and setting the prime interest rate. Price fixing? Monopoly? Sherman Antitrust Act?

"Federal Reserve bank credit does not consist of funds that the Reserve authorities get somewhere in order to lend, but constitute funds that they are empowered to create." ('Federal Reserve Bank; Its Purposes and Functions', 1939 Edition)

"A commercial bank is able to make a loan by simply creating a new demand deposit (so called checkbook money) through bookkeeping (computer) entry." (R. Gelder-Superintendent, Dept. of Banks & Banking, State of Maine, February 20<sup>th</sup>, 1974)

"Commercial banks are important financial institutions because they can create money-checkbook money." ('Money's Economic Balance', 1979-- FR Bank of NY)

"Federal Reserve Bonds, including capital stock and surplus therein and the income therein from shall be exempt from federal, state and local taxation. .."(12 USC sec. 531)

What an unbelievable tax exemption for the Federal Reserve. Why would your representatives make a law like that? What (or whose) purpose do taxes serve?

In 1946, New York Federal Reserve Bank Chairman Beardsley Ruml, gave a speech before the American Bar Association entitled, 'Taxes For Revenue Are Obsolete'. He explained that the purpose for the Income Tax was to:

- 1) Control currency's purchasing power.
- 2) Redistribute national wealth.
- 3) Subsidize or penalize certain industries, groups and individuals.
- 4) Fund Federal benefits like highways and Social Security.

Isn't your income tax an interest payment to Federal Reserve investors (stockholders), who don't have to pay any income tax on the gain/profit from their investment?

Do you even owe an income tax? Why not ask the IRS to present the foundational instrument of agreement that you signed with the US that caused the investment of an income that generated a privilege that requires you file a return on a liability? Doesn't UCC 3-505 say you may without dishonor require the exhibition of the instrument?

Here's some of the Federal Reserve's major (Class 'A' stock) shareholders:

- 1) Rothschild: London and Berlin.
- 2) Lazard Brothers: Paris.
- 3) Israel Seif: Italy.
- 4) Kuhn-Loeb Company: Germany.
- 5) Warburg: Hamburg, Amsterdam, The Netherlands.
- 6) Lehman Brothers: New York.
- 7) Goldman and Sachs: New York.
- 8) Rockefeller: New York.

"If all bank loans were paid no one would have a bank deposit, and there would not be a dollar of currency in circulation. This is a staggering thought. We are completely dependent on commercial banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create [by data entry] ample synthetic money, we are prosperous, if not, we starve. We are absolutely without a permanent money system. When [if] one gets a complete grasp upon the picture, the tragic absurdity of our hopeless situation is almost incredible--but there it is. It [the money predicament] is the most important subject intelligent people can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects [fraud?] remedied very soon." (R. Hemphill-former Credit Manager of the Federal Reserve Bank of Atlanta)

"We have tried borrowing and spending our way to recovery, we have had numberless hopeful & well meant experiments, aimed to bring us out of the depression. Thus far we have not emerged, nor will we until the fatal defects of our money system are corrected." (F. Vanderlip, 1935--former President of the National City Bank of New York)

"I'm afraid the ordinary citizen will not like to be told that banks can & do create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits and bank purchases. We know how this is effected. Every loan, overdraft or bank purchase creates a deposit..." (R. Mckenna-Chancellor of the Exchequer of England in 1915 & 16, and Chairman of Midlands Bank of England told a meeting of shareholders of the bank on 1-25-24)

"We will charge interest on money which we create out of nothing." (J Houblon--1<sup>st</sup> Governor of the Bank of England, 1694)

"The Bank hath the benefit of the interest on all monies that it creates out of nothing." (William Paterson, who founded the privately owned Bank of England in 1694)

"Permit me to issue and control the currency of a nation, and I care not who makes its laws." (MA. Rothschild/Bauer)

"Whoever controls the volume of money in any nation is absolute master of all legislation and commerce." (President James Garfield--20<sup>th</sup> President)

"History records that money changers have used every form of abuse, intrigue, deceit and violent means possible to maintain their control over governments by controlling the money and its issuance." (James Madison--4<sup>th</sup> US President)

"All the perplexities, confusion and distress in America arise not from defects in their Constitution or Confederation, not from want of honor or virtue, so much as the downright ignorance of the nature of coin, credit & circulation." (John Adams--2<sup>nd</sup> US President)

"From those previously familiar with these things, have come expressions of interest and enthusiasm, but also reluctance to accept as truth the fact that our government, without getting anything whatsoever in return, gives the Federal Reserve notes to private bankers for them to loan out at interest, even back to the government itself. To them this seems so senseless as to be unbelievable." (Carl Sandberg)

"Government possessing power to create and issue currency and credit as currency and enjoying the right to withdraw currency and credit from circulation by taxation and otherwise, need not and should not borrow capital at interest, as the means of financing governmental work and public enterprise. Government should create, issue and circulate all currency and credit needed to satisfy the spending power of the government, but it is its greatest creative opportunity." (Abraham Lincoln)

"Our present Federal Reserve System is a flagrant case of the government conferring a special privilege [seigniorage] upon bankers. The government hands to the banks its credit, at virtually no cost to the banks, for their private profit. Still worse, however, is the fact that it gives the bankers practically complete control of the amount of money that shall be in circulation. Our present money system is a debt money system. Before a dollar can be circulated a debt must be created." (W. Overholser)

"If Congress has the right to issue paper money, it was given to them to be used by themselves, not delegated to individuals or corporations." (Andrew Jackson)

Notice that in Jackson's time (approximately 25 years after the Constitution), the conversion (perversion) of the money system, i.e., from coin to paper as legal tender was questionable. By Lincoln's time (approximately 50 years later-Civil War era), it was fait accompli. However, Lincoln did something the bankers didn't like. Here's what the London Times said about Lincoln Greenback's:

"If that mischievous financial policy, which had its origin in the North American Republic during the late [Civil] war in that country, should become indurated down to a fixture, then that government will furnish its own money without cost. It will pay off its debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized governments of the world. The brains and the wealth of all countries will go to North America..." Was the slavery issue the real reason for the Civil War? Read this:

"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country: corporations have been enthroned, an era of corruption in high places will, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated into a few hands, and the republic destroyed." (Abraham Lincoln, 1864) And, listen to this:

"The plan was to split the U.S. into two separate countries; the North to be controlled through the banking interests of England, the South through the banking interest of France. Both systems of banking, of course, controlled ultimately by factions of the Rothschilds. Not greatly known, even today, is the fact that the tsar of Russia literally saved the Union and prevented the actual invasion from Mexico of troops from England, France and Spain to insure that the division of the U.S. would not take place. Tsar Alexander II threatened war with each of these countries if they invaded. This one reason alone instilled perpetual hatred against the Tsarist [Romanov] Dynasty by the bankers which culminated, of course, in the fake, so called Russian Revolution of 1917." (from the 'H' Document by James E. Braddock)

"The money power preys upon the nation in times of peace and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces (discredits) as Public Enemies all who question its methods or throw light upon its crimes." (Abraham Lincoln)

"I have two great enemies, the southern army in front of me, and the financial institutions in the rear. Of the two, the one in the rear is my greatest foe." (A. Lincoln)

Was the main reason for Lincoln's assassination because he bucked the bankers by issuing his own currency ('Lincoln Greenbacks') backed by non-interest bearing government bonds? Why use Federal Reserve Notes when we can print out our own currency (like US Treasury Notes) and base them on interest free government bonds?

Didn't Kennedy, shortly before his assassination, authorize by signing on June 30<sup>th</sup>, 1963, Executive Order #11110, further amending #10289 of 9-51, an order to issue \$4,292,893,815.00 of US currency from non-interest bearing government bonds?

"The refusal of King George to operate an honest Colonial money system which freed the ordinary man from the clutches of the manipulators was probably the prime cause of the Revolution." (B. Franklin) Why were we told it was the tea and stamp tax?

In 1763, while in England, Ben Franklin was asked to explain why the Colonies were prospering while England was suffering. His reply was: "That is simple. It is because we issue our own money, called 'Colonial Script', and we issue it only in the proper proportion to the demands of trade and industry." Later, in 1776 he said: "The Colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies their money, which created unemployment and dissatisfaction." Is DC to the States what Crown was to the Colonies?

"The English government showed its disapprobation of the reckless monetary issues by suppressing the Land Bank in Massachusetts in 1774; and finally in 1751 Parliament exercised its prerogative [seigniorage] and enacted a lawforbidding any further issue of legal tender or bills of credit by the New England Colony; and in 1764 this earlier prohibition was extended to all other Colonies." (Dewey-Financial History of the US')

Question from the U.S. News the Secretary of the Treasury Anderson: "Do you mean that Federal Reserve, in buying government securities (bonds) do not lend out customer's deposits? That they create the money they use to buy the securities?"

Answer from Secretary Anderson: "That's correct. Federal Reserve Banks are different from other lending institutions. When a Savings & Loan Association, an Insurance Company, or a Credit Union makes a loan, it lends the very dollar mat its customers have previously paid in. But when a [FR] Bank makes a loan, it simply adds to the borrowers deposit account in [to] the [FR] Banks [account] by the amount of the loan. The money is not taken from anyone else's deposit; it was not previously paid into the [FR] Bank by anyone. It's new money, created by the [FR] Bank for the use [debt] of the borrower." (Eisenhower's Secretary of Treasury, Anderson-US. News & World Report, 8-31-59)

If the Federal Reserve loans the US one billion Federal Reserve Notes, then one billion Federal Reserve Notes are all that can possibly be returned, unless the government borrowed again (& again...). So, cycle by cycle, the Federal Reserve extracts the collateral, i.e., the US's wealth (human & natural resources). Your income taxis an investor's (lender's) tax-exempt income (interest) from their investment.

If creditor's (investor's) via a bank (corporate cover) loans (issues) 10 Pegs and requires 11 Pegs (10% interest) in return, and has (exercises) the sole or exclusive (monopolistic) prerogative (right) of issuing (creating) & regulating (controlling) Pegs and the borrower (debtor) tries to repay the loan, how would they get the 1 extra Peg?



<sup>1</sup>Borrow again, creating another cycle and furthering debt; Or, <sup>2</sup>give up a proportional value (1 Peg's worth) of collateral, i.e., property (human & natural resources).

It's like Monopoly, except in order to play the game (make a living) you must pay the bank for using its money, rather than it paying you to start and every time you pass go. (April 15?) With Monopoly you play for free, with the Federal Reserve you pay a fee.

It's also like gambling, except the House (Bank) is not taking any risk, it's just renting, i.e., issuing (lending) chips (money) for a fee (interest).

"In addition to securities [bonds--IOU's] the Fed issues debt as money. Most people did not realize that debts are assets." (Two Faces of Debt--Fed. Reserve Bank of NY)

"The terms 'lawful money' and 'lawful money of the United States' shall be construed to mean gold and silver coin of the United States." (USC 12 § 152)

Originally (Constitutionally), any paper money was forbidden. It was (& is) easier to print paper than to obtain and coin metal, thereby reducing abuse (misappropriation).

"The legislature of the US shall have power... to borrow money and emit Bills on the credit of the US." (1<sup>st</sup> draft of the Constitution)

"It was moved and seconded to strike out the words 'and emit Bills'..." (Journal of the Convention-Elliot I, 226)

"The legislature of the US shall have power...to borrow money on the credit of the US." (Final draft of the Constitution) Maybe they should of struck out "borrow" also. Notice, Congress has power to borrow money (coin), not credit or FR Notes (debts).

"Striking out the words cut off the pretext for a paper currency, and particularly for making the Bills a tender either for public or private debt." (J. Madison-'Madison's Notes', Gilpen, 1346, Elliot V 435)

"Legal Tender laws permit governments to take income and wealth without the people's consent..." (H. Senholz)

"Legal Tender legislation is one of the great evils of our time, the necessary basis of inflation and monetary destruction. It knaws at the moral and economic foundations of society, largely because it is misunderstood and ignored." (H. Senholz--'Money & Freedom', 1985)

"Good laws and paper money are irreconcilable." (Roger Sherman-'A Caveat Against Injustice', 1752) The only book(let) written by the only one to sign all four of America's most influential and important documents: the Continental Association of 1774, the Declaration of Independence, the Articles of Confederation and the Constitution. He designed the Constitutional monetary system

"Most unquestionably there is no legal tender, and there can be no legal tender, in this country, under the authority of its government or any other, except gold or silver coin, either the coinage of our own mints, of foreign coins, at rates regulated by Congress. This is a Constitutional principle, perfectly plain, and of the very highest importance. The states are expressly prohibited from making anything but gold or silver a tender in

payment of debts, and although no such express prohibition is applied to Congress, yet as Congress [or Federal Reserve] has no power granted to it, in this respect, but to coin [not print] money and regulate the value of foreign coins, it clearly has no power to substitute paper, or anything else for coin [money], as a tender in payment of debts and in discharge of contracts. Congress has exercised this power, fully, in both its branches. It has coined money, and still coins it, it has regulated the value of foreign coins, and still regulates their value. The legal tender, therefore, the Constitutional standard of value, is established and cannot be overthrown [oh yeah, wanna bet?]." (Daniel Webster-during a speech to Congress in 1836)

Today's law says: "All coin and currencies of the United States, including Federal Reserve notes... are legal tender for all debts, public and private..." (Black's)

But, it also defines money as:"...coins and paper currency used as circulating medium of exchange, and does not embrace [FR] notes, bonds, evidences of debt..." (Black's)

"the term 'dollar' means money since it is the unit of money in this country, and in the absence of qualifying words, it cannot mean promissory [FR] notes, or bonds or other evidences of debt." (Devenny vs. Devenny, 74 Ohio St. 96, 76 N.E. 688)

"There exists a distinction between a debt discharged and one paid. When discharged, the debt still exists..." (Stanek vs. White, 215 N. W. 784) Till debt do us part?

"About all a Federal Reserve note can do is wipe out one debt and replace it with itself, another debt; a note that promises nothing." (T. Saussy--'Miracle on Main Street')

"Of all the contrivances for cheating the working classes of mankind, perhaps none is so effectual as that which deludes them with paper money." (Daniel Webster)

"The people have an instinct which tells them that something is wrong and that the wrong somehow centers in money. If the nation can issue a dollar bond it can issue a dollar bill. The element [human & natural resources] that makes the bond good makes the bill good also. The difference between the Bill and the Bond is that the Bond lets the money broker [the banker] collect twice the amount of the Bond and an additional 20%. Whereas the currency, the honest sort provided by the Constitution, pays nobody but those who contribute in some useful way. It is absurd to say our country can issue Bonds, but not issue currency. Both are promises to pay, but the one fattens the usurer [banker] and the other helps the people. \*

It is the people who constitute the basis of government credit. Why then cannot the people have the benefit of their own gilt-edge credit by receiving non-interest bearing currency instead of bankers receiving the benefit of the peoples credit in interest bearing Bonds? If the US government will adopt this policy it will increase national wealth without contributing to the interest collector-for the whole national [federal] debt is made up on interest charges-then you will see an era of progress and prosperity in this country such as never could come otherwise." (Thomas Edison)

"I believe banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. The issuing power should be taken from the banks, and restored to Congress and the people, to whom it belongs." (Thomas Jefferson) Why continue being in debt to credit creating cartels like the Federal Reserve?

"The Central Bank is an institution of the most deadly hostility against the principles and form of our Constitution. I am an enemy to all banks, discounting bills or notes for anything but coin. If the American people ever allow private banks to control the issuance of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all their property until their children will wake up homeless on the continent their fathers conquered. (Thomas Jefferson) Maybe this is what they (founding fathers and followers) brought on their offspring for what they did and what DC does to American Indians, et al.. "Those who do not remember the past are destined to relive it." (G. Santayana, 1905) "To remain ignorant of what occurred before you were born is to remain a child always." (Cicero)

"It ain't so much what a man doesn't know that causes him so many problems, but what he knows that just ain't so." (Will Rogers)

"The mystery which has shrouded the subject of banking is every whit as deep as that which obscures the hocus pocus of witch-doctoring; and with just the same blind respect with which the simple natives [citizens] of Sumeria once gaped and goggled while their priests muttered their incantations and examined the entrails of chickens. For centuries we have listened with awe to the dictums of finance, believing its high priesthood is possessed of knowledge superhuman and that its mysteries are sacrosanct and incomprehensible to the common run of man." (G. W.L. Day--'This Leads to War')

"Seigniorage-Royalty or prerogative of a sovereign [king]." (Black's)

"... the essential prerogative of money became vested and centered in various crowned heads... [later] attempts were made to steal [assume] the prerogative from the State. It was not the truculent [defiant] Nobel who claimed this right, it was the sneaking billonuer, who stealthily sought to acquire it through the art[ifice] of forgery, falsehood and conspiracy... \*

The Estates formerly consisted of the Crown, the Church, and Parliament [House of Lords (Representatives) & House of Commons (Senate)]. Now, the Financiers, or billonuers, have almost entirely swallowed them Originally, the Financiers consisted of 215 monopolists...they now comprise the entire world of money-changers and bankers." (A. D. Mar--'History of Monetary Crimes', 1899)

These commercial kings and master merchants occupy the ne plus ultra echelons of international finance; guiding via loaning, i.e., funding (financing) world planning and social engineering. They're investing in the "new order of things". (Talbot vs. Jansen)

"We shall have world government, whether or not we like it. The question is whether World government will be achieved by conquest or consent." (J. Warburg, 1950)

"The evidence that reconsideration of the world monetary system is overdue. Therefore, national economies need monetary coordination [control] mechanisms and that is why an integrated [centralized] world economy needs a common [monopolized] monetary standard, which is the best neutral coordinating [controlling] device [method]. But no national currency will do...only a world currency will work." (R. Reagan-Earth Summit at Rockefeller's Colonial Williamsburg, VA., 1983) Why did bankers (debt swappers) attend the 1993 Earth Summit in Rio? Loans for lands?

"None of the funds appropriated in this title shall be used to pay the United States contribution to any international organization which engages in the direct or indirect promotion of the principle of one-world government or one-world citizenship." (Public Law 495, Section 112,82" Congress)

"The CFR is the American Branch of a society which originated in England and believes national boundaries should be obliterated & a one-world rule established... \*

The powers of financial capitalism had another far reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole... P

This system was to be controlled in a feudal fashion by the central banks of the world in concert, by secret agreements [Bretton Woods, etc.] arrived at in frequent private meetings [Bilderbergers, etc.] & conferences." (C. Quigley--'Tragedy&Hope', 1966)

In his introduction he wrote: "It is not easy for an outsider to write the history of a secret [private] group of this kind [financial elites], but...it should be done, for this group is... one of the most important historical facts of the twentieth century... I suppose in the long view my attitude would not be far different from that of society...but agreeing with the group on goals, I cannot agree with them on methods.. In this group were persons who command the admiration and affection of all who know of them On the other hand, in this group were persons whose lives have been a disaster to our way of life. Unfortunately, the influence of the latter have been stronger. I've been told that the story I relate here would be better left untold...but I feel the truth, once told, can be of injury to no men of good will." (ibid.)

"Final aim is centralized control overall financial institutions with the Federal Reserve System in absolute control; it in turn being under the control of a global bank." (D. Bell Reports, 5-17-85)

"The sack of the United States by the Federal Reserve is the greatest crime in history." (Louis McFadden)

"The Federal Bank System has proved a failure. The country is in a state of irretrievable bankruptcy. (Senator Carter Glass, 1938)

"We are here now in Chapter 11. Members of Congress are official trustees presiding over the greatest reorganization [repossession?] of any bankrupt entity in the world--the United States [DC] Government. We are setting forth hopefully, a blueprint for our future. There are some who say that it is a coroner's report that will lead to our demise." (Congressman James Trafficant--House Record 1303,3-17-93)

"The aim of international financiers is world control [order] by the creation of inextinguishable debt." (A. Kitson--British National Review, 1935)

The end (goal) rarely justifies the means, but the means (method) often determines the end (outcome). Ask Nimrod &Hitler.

## MONEY (Monetized Debt?)

"The dollar represents a one dollar debt [owed] to the Federal Reserve System [Syndicate]. Federal Reserve Banks create money out of thin air to buy bonds from the United States Treasury, loaning money into circulation at interest, by bookkeeping entries of checkbook credit to the U.S. Treasury. The Treasury writes up an interest bearing bond for one billion dollars. The Federal Reserve gives the Treasury a one billion dollar credit for the bond, and has created out of nothing a one billion dollar debt which the American people are obligated to pay for with interest." ("Money Facts-Banking & Currency Committee, 1964)

"Currency is so widely accepted as a medium of exchange that people do not think of it as debt. Technically, however, Federal Reserve Notes are liabilities [debts] of the U.S. government." (Two Faces of Debt-Federal Reserve Bank of Chicago) Do you receive debts for your labor? Are debts taxable?

"When you or I write a check there must be sufficient funds in our account to cover the check, but when the Federal Reserve writes a check there is no bank deposit on which that check is drawn. When the Federal Reserve writes a check, it is creating money." ('Putting It Simply'-Federal Reserve Bank of Boston, 1980)

"There are no longer any specific backing requirements for Federal Reserve Notes." ('I Bet You Thought'--Federal Reserve Bank of Boston)

"The enfranchised [incorporated] person [US citizen] can be compelled to use Federal Reserve Notes to pay their Federal taxes, but not State taxes, which are not debts." (Lane County vs. Oregon; Perry vs. Washburn) Are Federal Taxes Feudal Duties?

"Where did the 12 Regional Federal Banks get the money to buy the securities [bonds] on which earn such a handsome [& tax exempt] income? The Federal Reserve Banks didn't get the money from anywhere; they simply created the money with which they bought those government securities." (P. Schlafly, syndicated columnist, 3-29-84)

"Where does the Federal Reserve get the money with which to create bank reserves [deposits]? Answer: It doesn't get the money, it creates it. When the Federal Reserve writes a check for a government bond it does exactly what any bank does, it creates money [bank reserves-demand deposits]...it created money simply and purely by writing a check...the Federal Reserve, in short, is a total money making machine." (Congressman Wright Patman)

"In the U.S. today we have in effect, two governments...we have the duly constituted government...then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress by the Constitution." (Patman) If Congress is to lay & collect taxes', how does the IRS [a collection agency] do it, being from the executive branch?

"Federal Reserve Banks loan credit dollars created by the stroke of a pen." (Summer Slichter--Professor of Business Economics at Yale)

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand ever invented." (L. Angus)

"We want to sell four billion dollars worth of bonds, and we sell it in New York to those who haven't got a dime, and they don't need any money because they simply enter credit to the government on their books---And then, before such money is paid out, they get the currency because they bundle up those bonds and bring them down here to Washington [DC] and get an equal amount of currency. Then they've got the money! But they didn't have the money before the government gave it to them" (Congressman Usher Burdick, 1959)

"In purchasing offering of government bonds, the banking system as a whole creates new money, or bank deposits. When the Banks buy a billion dollars of government bonds as they are offered--and you have to consider the banking system as a whole, as a unit--the banks credit the deposit account of the Treasury with a billion dollars. They debit their government bond account a billion dollars, or they actually create, by book-keeping entry, a billion dollars." (M. Eccles, then Chairman of the Board of Governors of the Federal Reserve System, in testimony before the Banking & Currency Committee of the House of Representatives on the Banking Act of 1935)

"Federal Reserve Banks create & destroy bank credit money, the money we do most our business with, not that currency which we usually think of as money." (M. Eccles)

"Commercial banks are important financial institutions since they can create money--checkbook money." ('Money's Economic Balance'--FR Bank of NY, pg. 17, 1979)

"Checkbook money is not legal tender." ('Story of Checks'--FR Bank of NY, pg. 20) "The Federal Reserve System is nothing more than a group of private banks which charge interest on money that never existed." (Senator Jack Metcalf, 1982)

"We the people, allow a private banking system to create money at will, out of nothing, call it a loan to our government and then charge us interest on it forever." (J. Metcalf)

The US/DC pledges (hypothecates) its citizen's (subject's) property as collateral to the Federal Reserve, who then converts or credits this into bank money (demand deposits), loaning this at interest and charging fees for this service (special privilege), which only it can do.

"The function of money is not to make money but to move goods, money is only one part of our transportation [commerce/traffic] system. It moves goods from man to man. A dollar bill is like a postage stamp: it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run." (Henry Ford) For a medium of exchange, i.e., to move goods & pay for services, not to multiply money.

"Checks aren't money...they're order forms instructing banks...to move transaction balances, which are money." (I Bet You Thought'--Federal Reserve Board of NY)

"When a bank lends or invests, it extends credit, that is, creates checkbook money. When it gets loans paid, or sells investments, it contracts [withdraws] credit, that is, destroys checkbook money. In normal times such creation and destruction of money roughly balance. But if not in balance, the Nation's money is inflated and deflated and causes a boom or a depression." (I. Fischer-Professor Emeritus Yale Economics)

"Inflation is a method of taxation which the government uses to secure the command over real resources [human & natural]; resources just as real as those obtained by ordinary taxation. What is raised by printing notes is just as much taken from the public, as is an income tax. A government can live by this means, when it can live by no other. It is the form of taxation that the public finds hardest to evade, and even the weakest government can enforce it when it can enforce no other.\*

By a continuous process of inflation, government can confiscate secretly and unobserved an important part of the wealth of their citizens. By this method, they not only confiscate, they confiscate arbitrarily, and while the confiscation impoverishes many, it enriches some. Lenin was certainly right, 'There is no surer way of overturning a society, than to debauch the currency.' The process engages all the hidden forces of economic law on the side of destruction, and does so in such manner that only one man in a million is able to diagnose it." (John Maynard Keynes-'The Economic Consequences of Peace', 1920)

"A bank is not a holder in due course upon merely crediting the depositor's account." (Bankers Trust vs. Nagler, 229 NYS 2<sup>nd</sup> 142)

"Want or failure of consideration [\$] is grounds for cancellation or rescission of a contract, since as to a person who receives nothing of value in exchange for property [collateral] transactions operates as constructive or legal fraud." (Radford vs. Synder, 121 SW 2<sup>nd</sup>, 478) What consideration does a Bank give to be able to hold your property for collateral, to which, you must give (\$) via your labor in return to repay?

If the extension of credit (a loan) is not the giving of value (UCC 3-303.7) and a holder who does not give value cannot qualify as a holder in due course (UCC 3-303.1), then how can a bank hold the title/deed to a house?

"The most sinister and anti-social feature about bank deposit money is that it has no existence. The banks owe the public for a total amount of money which does not exist. In buying and selling, implemented by check transactions, there is a mere change in the party to whom the money is owed by the banks. As the one depositor's account is debited, the other can go on owing for it all the time. \*

The whole profit of the issuance of money has provided the capital of the great banking business today. Starting with nothing of their own they have got the whole world into their debt irredeemably, by a trick. \*



This money comes into existence every time the banks lend and disappears every time the debt is repaid to them So mat if industry tries to repay, the money of the nation disappears. This is what makes prosperity so dangerous as it destroys moneyjust when it is needed and precipitates a slump." (F. Soddy-Wealth, Virtual Wealth and Debt-- Nobel Prize Winner, 1921)

"Banks create money by monetizing debt." (I Bet You Thought'-FR Bank of Chicago)

"We have borrowed money for the king's taxes [debts], collateralized our lands and vineyards...brought into bondage [encumbered] our children to be servants [subjects].. neither is it in our power to redeem them, for others have [hold title-have a lien on] our land [property] and vineyards [business]." (Nehemiah 5) Isn't property tax evidence of a lien (debt claim) against you for the government's debt?

"To lay with one hand the power of the government on the property of the citizen, and with the other to bestowit on favored individuals... is none the less robbery because it is done under the forms of law& is called taxation." (Loan Association vs. Topeka, 1874) "When a government has to issue money based on privately owned securities [corporate stock], it is no longer a free nation." (A. Crozier--'US Money vs. Corporation Currency)

"Every effort has been made by the Federal Reserve Board to conceal its powers, but the truth is ...the Federal Reserve has usurped the government. It controls everything here [in Congress] and it controls all our foreign relations. It makes and breaks governments at will." (L. McFadden, 1933-former Chairman of the House Committee on Banking & Currency from 1920-1931) Why did Alan Greenspan (FRB Chairman) take center seat in between the Clinton's during the President's inaugural address?

"When the Federal Reserve Act [formerly the 'Aldrich Bill'] was passed, the people of these United States that a world banking system was being set up here." (L. McFadden)

"Some people think the Federal Reserve Banks are U.S. government institutions. They are not government institutions. They are private credit monopolies; domestic swindlers, rich and predatory money lender which prey upon the people of the United States for the benefit of themselves and their foreign customers. The Federal Reserve Banks are the agents of foreign central banks." (Congressman Louis McFadden, addressed the House on 6-10-32, Congressional Record 12595-12603)

"A great industrial nation is controlled by its system of credit. Our system of credit is concentrated [monopolized]. The growth of the nation, therefore, and all our activities are in the hands of a few men... We have come to be one of the worst ruled, one of the most controlled and dominated governments in the civilized [?] world-no longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress [indebtedness to] small groups of dominant men." (President Woodrow Wilson, 1916) Why not quit making (voting for) rulers to rule over us? (1 Samuel 8:5) Self-rule, not representative rule.

"Some of the biggest men in the U.S., in the field of commerce and manufacture, are afraid of something. They know that there is a power somewhere so organized, so subtle, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it." (W. Wilson--'The New Freedom')

"Mr. Chairman, sir, there are approximately three hundred people, all known to each other and sometimes related to one another, who hold stock or shares in the Federal Reserve System They comprise an interlocking, international banking cartel of wealth beyond comprehension." (Lt. Col. Archibald Roberts before the Idaho Senate State Affairs Committee on 3-7-83)

"We have stricken the shackles from four million human beings and brought all laborers to a common level [of bondslaves], not so much by the elevation of the former slaves as by practically reducing the whole working population, white & black, to a condition of serfdom While boasting of our noble deeds, we are careful to conceal the ugly fact that by an iniquitous money system we have nationalized a system of oppression, though more refined, is not less cruel than chattel slavery." (H. Greeley-Founder and Editor of the New York Tribune in 1841)

"The national debt will be a blessing, a necessity for keeping up taxation and a spur to industry." (letter from A. Hamilton to R. Morris, 1781) Hamilton was instrumental in helping the Bank of England entrench itself in the United States, to which, Jefferson later branded Hamilton a traitor because of it.

In 1952, the debt was 272 billion. In 1983, it hit 1 trillion. In 1989, it grew to 3 trillion, the interest alone was 240 billion, enough to make every man, woman and child a millionaire. Since compound interest is illegal, this must be interest that compounds.

In 1819's *McCulloch vs. Maryland*, US supreme Court Chief Justice John Marshall warned that the "power to tax involves the power to destroy".

Income is gain/profit, not earnings, wages or compensation. (*Stratton vs. Howbert*, 1913; *S. Pacific vs. Lowe*, 1918; *Eisener vs. Macomber*, 1920)

Compensation for labor is not profit. (*Staples vs. US*, 1946; *Oliver vs. Halstead*, 1955) Can "income" be derived from labor?

"One does not derive income by rendering services and charging for them". (*Edwards vs. Keith*, 231 Fed. Rep. 110)

"Reasonable compensation for labor on service rendered is not profit." (*Lauderdale Cemetary Assoc, vs. Mathews*, 345 PA. 239)

"Compensation for labor cannot be regarded as profit within the meaning of the law. The word profit, as ordinarily used means the gain made upon any business or investments-- a different thing altogether from mere compensation for labor." (*Commercial League Assoc, of America vs. People ex rel., Needles Ed.* 90 III. 166)

"Congress has taxed income, not compensation." (*Conner vs. US* 303 Fed. Supp. 1187,1191)

"Tips are gifts and are therefore not taxable." (Olk vs. US, 1975--Las Vegas, NV.)

So how do they get a third of your paycheck? Are they sneaky little profligates or are we stupid plebs? Both.

"Bankers are business people [money merchants], they are too cunning to declare openly and outright legal title to everything. They leave you with an illusion of ownership [Certificate of Title] so you and your children will continue to work [maintain tax base] and pay the bankers [their investment return] more of your earnings [corporate profit] on an ever increasing debt. Bankers [geopolitical financiers] have captured and controlled people better than if they had marched in with the military." (G. Coogan--'MoneyCreators')

"Capital must protect itself in every way, through combination and through legislation. Debts must be collected and loans & mortgages foreclosed as soon as possible. When through a process of law the common people [US citizens] have lost [Allodial Title to] their homes, they will be more tractable [malleable] and more easily governed by the strong arm of the law, applied [enforced] by the central power of wealth [DC], under control of [indebted to] leading [FR] financiers. People without homes [or guns] will [can] not quarrel with their leaders [representatives]. This is well known among our principle men now engaged in forming an imperialism of capital to govern the world. By dividing [distracting] the people we can get them to expend their energies in fighting over questions of no importance to us [abortion, environment, etc.] except as teachers [masters] of the common herd. Thus by discreet [subtle] action we can secure for ourselves what has been generally planned and successfully accomplished." (The Bankers Manifest'--from the Civil Servants Yearbook, in 'The Organizer'-Jan., 1934 and the 'New American'--Feb., 1934)

"The few who can understand the system 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 people, mentally incapable of understanding the tremendous advantages that capital derives from the system, will bear its burdens without complaint [of any substance] and perhaps without even suspecting that the system is inimical to their interests." (letter to Rothschild's London Branch Bank from Congressman John Sherman of Ohio)

"Slavery is likely to be abolished by the wa rpower and chattel slavery destroyed. This I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborers, while the European plan, led by England, is that capital [\$] shall control labor by controlling wages. This can be done by controlling money. To accomplish this the [war] bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make this recommendation to Congress." (Hazard Circular--circulated among American bankers by London bankers in July, 1862)

"We have limitless resources and the people yield themselves with perfect docility to our molding hands." (J. D. Rockefeller--Occ. Letter#1, Gen. Education Board, 1904)

"There was no man in the US great enough to wear his boots, and they went anew to grab the riches of the world. I fear that foreign bankers with their craftiness and torturous tricks will entirely control the exuberant riches of America..." (Bismark-Chancellor of Germany--regarding Lincoln's assassination)

"My agency in promoting the passage of the National Banking Act was the greatest financial mistake of my life. It has built up a monopoly, it should be repealed..." (Salmon P. Chase--Secretary of the Treasury--in re. 'The National Bank Act' of 1863)

"This Act establishes the most gigantic Trust on earth. When the President [Wilson] signs this Bill [FR Act, 1913] the invisible government of the monetary power will be legalized..the worst legislative crime of the ages perpetuated by this banking and currency bill..." (Congressman Charles Lindbergh Sr.)

"The money Trust caused the 1907 panic and thereby forced Congress to create a National Monetary Commission." (C. Lindbergh Sr.)

"Banking was conceived in iniquity and born in sin. The bankers own the earth. Take it away from them, but leave them the power to create deposits, and with the flick of a pen they will create enough deposits to buy it back again. However, take the power to create deposits away & all great fortunes like mine will disappear." (Sir Josiah Stamp--2<sup>nd</sup> richest man in Britain and President of the Bank of England in the 1920's)

Roosevelt said, "Sixty families in America control the wealth of the nation." and, "I intend to drive the money-changers from the temple." So did Jesus, and look what happened to him three days later.

"Can anything be more absurd than that a nation should apply to [contract with] an individual [private federal/foreign corporation] to maintain its credit and, with its credit, its existence as a State, and its comfort as a people." (B. Disraeli, in 1844, citing Lionel Rothschild)

"It is an astounding, an unbelievable thing, that Congress, would farm out to private corporations the creation of money and control of the nation's credit, free, then in an emergency [so called] force the government to borrow its own credit, and compel the people to pay billions of dollars in taxes a year as interest on Bonds the nation gave them" (S.W. Adams--money analyst, comments on 'The Federal Reserve System, Its Purpose & Functions', published in DC in 1939 by the FR Board of Governors)

"Congress cannot delegate or sign over its authority to any individual, corporation or foreignnation."(16 CJS 2<sup>nd</sup> § 141)

"The world is governed by very different personages from what is imagined by those who are not behind the scenes." (B. Disrael--from his novel 'Coningsby' in 1844--he was Prime Minister of England in 1868 & 1874-80 and Chancellor of the Exchequer in 1852, 1858 & 59 and 1866-68)

"The bold efforts that the present Bank has made to control the government, the distress is wantonly caused, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution of the establishment of another like it... if the people understood the rank injustice of our money and banking system there would be a revolution before morning." (Andrew Jackson--7<sup>th</sup> President) In 1832, he vetoed a bill that would recharter the Bank of the US, denouncing it as an unconstitutional monopoly. He was commander of the militia in Tennessee during the war of 1812 and paid off the national debt in 1935.

"It is well enough that the people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before morning." (Henry Ford) What would Robin Hood do-rob armored cars? Operation Robin Hood?

three others available:

**LAW**  
&  
THE LEGAL LABYRINTH

LAW (Legal Plunder?)

CON-STITUTION (Inspired or Conspired?)

UNITED STATES (United States or united states?)

UNITED STATES GOVERNMENT (A Foreign Corporation?)

**MEDI\$IN**  
(SCIENCE OR SORCERY?)

THE AIDS ARTIFICE GERM THEORY EXPOSE

MEDI\$IN BLAMES GERMS RELIGION BLAMES DEMONS

SILVER BULLET OR POISON NEEDLE? SORCERERS SERUMS & VENOMOUS  
VACCINES

TRUTH  
OR  
TRADITION?

(REINTERPRETING MISUNDERSTOOD DOCTRINES)

THE LAKE OF FIRE  
TO HELL WITH SATAN  
ETERNAL PUNISHMENT  
HOW LONG IS FOREVER?  
THE FIRST RESURRECTION  
RAPTURE OR RESURRECTION?  
FEAST OF TABERNACLES  
COMING OF THE LORD  
DIVINE JUDGEMENTS  
ULTIMATE PURPOSE