

America's greatest problem: Its debt-money system!

The Corrupt Federal Reserve Corporation. The Government will own nothing. The people will own nothing. The Bankers will own everything. *By Melvin Sickler*

If you would ask any American citizen what the Federal Reserve is, he probably would tell you that it is a government agency that creates all of the money to run the United States. This unfortunately, is the misconception most American have: that the **Federal Reserve** is a government agency, probably because the word "**Federal**" is used in its name. And this is exactly what the Bankers want: ignorance among the population!

In the next few paragraphs, I am going to simply explain what the Federal Reserve is really all about, and how it is being used to control the United States. A good resource book that I am using is entitled "Billions for the Bankers - Debts for the people" by Sheldon Emry.

* * * A private corporation

The first thing that must be understood is that the Federal Reserve Corporation is not a government agency, as most people think. It is a private corporation controlled by the Bankers, and therefore it is operated for the financial gain of the Bankers over the people, rather than for the good of the people. When our Founding Fathers wrote the Constitution of the United States back in the 1700's, they specifically stated in Article 1 of this Constitution:

Congress shall have the Power to Coin Money and Regulate the Value Thereof.

It was the wish of the Founding Fathers that the power to create and control the money be in the hands of the Federal Congress, and not in the hands of private Bankers who could charge enormous amounts of interest, and who could actually then control the country by controlling the money.

They understood the tricks of the Bankers, for what did Mayer Anselm Rothschild, the great European Banker, once say: "Permit me to ussue and control the money of a nation, and I care not who makes its laws..." It was their belief that all citizens should share in the profits of its creation, not just private Bankers, and therefore the national Government must be the only creator of money.

So what happened! For several years after the Constitution was signed, the money in the country was handled both legally and illegally, the Bankers having devised all kinds of tricks to try to take control of the nation's money.

The Federal Reserve Act

But the final blow came in 1913, on Christmas Eve, when the Congress passed the Federal Reserve Act, which officially took the power to create the money to run United States away from the Congress, and gave it over to private Bankers, who called themselves the Federal Reserve Corporation. But note: they are private Bankers.

The passage of this Federal Reserve Act authorized the establishment of a Federal Reserve Corporation, with a Board of Directors (The Federal Reserve Board) to run it. And the United States was divided into 12 Federal Reserve Districts.

This new law completely removed from the Congress the right to create money or to have any control over its creation, and gave this function over to the Federal Reserve Corporation. The Fed printed "Federal Reserve Notes", which are still accepted today as money among the citizens of the country.

But we have to understand that these Federal Reserve Notes, used as money in the country, cannot be considered as being constitutional money. Why, you ask? Because the Congress went against the Constitution of the United States when it passed this Federal Reserve Act, for it specifically states that Congress, and only Congress shall have the power to coin and regulate the money of the country.

Some might ask: "**What does it matter if Congress or private Bankers create the money? It is accepted by the people just the same as a medium of exchange with which to perform business transactions**".

Yes, the Federal Reserve Notes are accepted as a medium of exchange by the people of the United States. But this is a debt-money, being interest is charged on every dollar that is created, but the interest is not created!, Let me give an example to illustrate this point.

To obtain the money

Let us say that the Federal Government needs \$1,000,000,000 (\$1 billion) more, after it collects the taxes, to continue financing its projects. Since it does not have the money, and Congress has given away its authority to create it, the Government must go to the Federal Reserve, which is now in charge

of creating the money for the country. But the Federal Reserve does not just give its money away! The Bankers are willing to deliver \$1 billion in money or credit to the Federal Government only in exchange for the Government's agreement to pay it back - with interest! The Congress then authorizes the Treasury Department to print \$1 billion in U.S. bonds, which are then delivered to the Federal Reserve Bankers.

The Federal Reserve then pays the cost of printing the \$1 billion (about \$1,000), and makes the exchange. The Government then used the money to pay its obligations.

Now, what are the results of this transaction! The \$1 billion in Government bills is paid, but the Government has now indebted the people to the Bankers for \$1 billion, on which the people must pay interest! And, of course, the interest is not created!

Thousands upon thousands of such transactions have taken place since 1913, so by now the United States Government is indebted to the Bankers for \$5,000,000,000,000, (\$5 trillion), on which the people pay over \$400 billion a year in interest alone, with no hope of every paying off the principal. Because of the interest charged on the money created, the borrower must always pay back more than he borrowed, so the Bankers will always get back more than they lend.

And, to top it all, on this \$1 billion that the Federal Reserve received in bonds from this transaction, it is legally allowed to create another \$15 billion in new credit to lend to states, municipalities, businesses, and individuals. Added to the original \$1 billion, they could have \$16 billion of created credit out in loans paying them interest, with their only cost being the \$1,000 they spent for printing the original \$1 billion lent to the Government. Is it diabolical? You bet it is!

"Creating" money

We should probably clarify the term "**create**". When we use this term, we refer to the process used to bring money into existence. The Bankers create money out of nothing, simply by writing numbers in their ledger books, and then giving loans to the American people with this money, allowing them to write checks on the numbers written in their accounts, and then requiring payment with interest. Money is nothing but numbers, be it numbers in a ledger book, on checks, or on dollar bills. Using this process, most banks are legally allowed to lend out up to 50 times of what they have on deposit, creating the money out of nothing and then charging interest on it. You have to admit that it is quite a racket!

And the Federal Reserve prints the paper money we use in circulation, the Federal Reserve Notes, by having numbers printed on pieces of paper of little value, since a few cents will print a \$1 bill or a \$10,000 bill (at the same cost). Money is very cheap to make, and whoever has the legal right to create the money in a nation can make a tremendous profit.

The national debt

The United States has plunged itself terribly into debt since the Federal Reserve Act was passed.

In 1910, before the passage of the Federal Reserve Act, the federal debt was only \$1 billion, or \$12.40 per citizen. State and local debts were practically non-existent.

By 1920, after only 6 years of Federal Reserve "**shenanigans**", the federal debt had jumped to \$24 billion, or \$228 per person.

In 1960, the federal debt reached \$284 billion, or 1,575 per citizen, and state and local debts were mushrooming.

By 1981, the federal debt passed \$1 trillion, and was growing exponentially, being the Banker's tripled the interest rates. State and local debts were more than the federal, and with business and personal debts, the total was over \$6 trillion, 3 times the value of all land and buildings in America.

In 1992, the federal debt alone was over \$4 trillion. Now in 1996, the federal debt has reached the \$5 trillion and it is continuing to grow wildly out of control.

As it is now, with the federal debt, we could sign over to the Bankers all of America, and we would still owe them almost three more Americas. And the debt continues to snowball. The people do not even realize that they are being conquered!

Our people have become tenants and debt-slaves to the Bankers and their agents in the land our fathers conquered. Our children and following generations will be paying the debt for ever and ever! Right now the people are being taxed more and more each year just to try to pay off some of the interest on the debt, never mind about the principal, as not enough money is created to pay off both! We are coming to a point where, eventually, the Government will own nothing, the people will own nothing, and the Bankers will own everything! We are becoming enslaved by the financial institutions of the nation!

And to think that way back in the 1700's, Thomas Jefferson had warned the American people about such a thing happening. He said: "If the American people ever allow private banks to control the issue

of their private banks to control the issue of their money...the banks and corporations that will grow up around them (the banks) will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered!

It is conquest through the most gigantic fraud and swindle in the history of mankind. And to think that the key to their power and wealth is simply their legal right to create money out of nothing and to lend it out at interest. If they had not been allowed to do that, they could never have gained secret control of the nation.

The Depression

Now it is predicted that a depression is to take place soon in the United States. You might be asking, "Does this have anything to do with the operation of the Federal Reserve?" You bet it does!

Let us go back to the 1930's when some of you probably experienced what they called "The Great Depression". During that time, America had skilled and willing workers, good farmland, a highly efficient transportation system, industries; all that was needed to form a rich nation - all except an adequate supply of money to carry on trade and commerce.

Few people knew that the Bankers had purposely withheld \$8 billion from going into circulation by refusing loans to the population while, at the same time, demanded payment on existing loans, so that money was rapidly taken out of circulation and not replaced.

Because of this control on the money, America was put into deep trouble. Jobs were waiting to be done, goods were available to be bought, but there was no money. Food was thrown into the ocean while people were starving. Twenty-five percent of the workers were laid off. The greedy Bankers took possession of hundreds of thousands of farms, homes, and business properties.

Believe it or not, some of the economic experts of that time blamed the moon for bringing about all the economic hardship. Others blamed the politicians. Still others blamed the consumers for not wisely spending their money. But the truth is: the Depression was purposely brought on by the Bankers through their artificial control of the money.

To the end the Depression, the United States Government borrowed huge sums of money from the Bankers for military equipment, which put a new supply of money into circulation. People were hired back to work, industries began to blossom, farmers sold their produce, and the economy boomed.

The same Bankers, who in the early 30's had no loans for peacetime houses, food and clothing, suddenly had unlimited billions to lend the Government for war purposes. The nation, which a few years earlier could hardly feed its own people, was now producing bombs to send free to its allies. Upsetting? You bet it is! And to think it is all because some private Bankers, who call themselves the Federal Reserve, have the legal right to create and control the money to run the country - as they so wish!

President Woodrow Wilson had this to say about the Federal Reserve: "A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation 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 completely controlled and dominated Governments in the world - no longer a Government of free opinion no longer a Government by conviction and vote of the majority, but a Government by the opinion and duress of small groups of dominant men."

(Just before he died, Wilson is reported to have stated to friends that he had been "**deceived**" and that "**I have betrayed my country.**" He was referring to the Federal Reserve Act passed during his Presidency.)

Unbelievable corruption!

We know the Bankers, the hidden controllers of the countries, purposely instigate wars, financing both sides of the same war, to frighten the people into going billions of dollars into debt for national defense. They even finance Communism, and then turn around and have foreign aid sent to stop the Communism that they financed!

The tens of thousands of young people who are killed, and the hundreds of thousands who are crippled and morally corrupted from war, means nothing to them. In fact, it doesn't even matter who wins or loses the war, as long as all the countries involved are in debt to these Bankers.

It was Henry Ford Sr. who once said: "**The youth who can solve the money question will do more for the world than all the professional soldiers of history.**" I think you can understand why!

The Bankers purposely try to corrupt the people so it be easier to control them, sweeping away anything that is honorable, such as morals, religion, family, love of country. They encourage drug use, alcohol, pornography, and crime. And they deliberately prevent real cures for diseases, stir up social and racial unrest, and work to degrade the educational system.

Many of our politicians have become agents of the Bankers, while our two political parties have become their servants. No matter who you elect into high office, Rockefeller and his agents will be running the Government behind the scenes - you can be sure of it! How else could something so diabolical as the Federal Reserve, something so destructive to the national interest of the people, be allowed to continue so long?

We know that the Bankers control all of the news media and information centers, even the financial writers, to prevent people from learning the simple truth about your money system. They blame the people for causing the increase in debt and the inflation of prices, when they know that the real cause is the debt-money system itself.

The ultimate solution

By now you must surely agree that the only real solution to solve our financial problems is to put pressure on the Government to repeal the Federal Reserve Act of 1913 and to demand that Congress again be allowed to create and control the money of the nation, issuing interest and debt-free **"United States Notes"** as the legal currency. John F. Kennedy had begun to do this very thing just before he was assassinated!

With a reform in the money system, no private Bankers would be able to rob the people. Government banks, under the control of the people's representatives, would issue and control all money and credit. A \$60,000 loan made a build a house would require only \$60,000 in repayment (with a little service fee), not \$255,931.00 as it is now. Everyone who supplied materials and labor to build the house would get paid just as they are today, but the Bankers would not get \$195,931.00 in usury.

A debt-free America would mean that mothers would not have to work but could remain home with their children. Juvenile delinquency would decrease rapidly. The elimination of the usury and debt would be the equivalent of a 50% rise in the purchasing power of every worker. The Bankers would no longer be able to steal billions of dollars from the people every year in interest. America would become the envy of the world, being prosperous and powerful beyond the wildest dreams of its citizens.

America created its own money in 1750

How Benjamin Franklin made New England prosperous

The following historical story is taken from a radio-address given by Congressman Charles G. Binderup, of Nebraska, about 50 years ago (reprinted in **"Unrobing the Ghosts of Wall Street"**)

By Charles G. Binderup **Colonies more prosperous than the Home Country**

Before the American War for Independence (1776), the colonized part of what is today the United States of America was a possession of England. It was called New England, and was made up of 13 colonies, which became the first 13 States of the great Republic.

Around 1750, this New England was very prosperous. Benjamin Franklin was able to write:

"There was abundance in the Colonies, and peace was reigning on every border. It was difficult, and even impossible, to find a happier and more prosperous nation on all the surface of the globe. Comfort was prevailing in every home. The people, in general, kept the highest moral standards, and education was widely spread."

When Benjamin Franklin went over to England to represent the interests of the Colonies, he saw a completely different situation: the working population of this country was gnawed by hunger and poverty. **"The streets are covered with beggars and tramps,"** - he wrote. He asked his English friends how England, with all its wealth, could have so much poverty among its working classes.

His friends replied that England was a prey to a terrible condition: it had too many workers! The rich said they were already overburdened with taxes, and could not pay more to relieve the needs and poverty of this mass of workers. Several rich Englishmen of that time actually believed, along with Malthus, that wars and plague were necessary to rid the country from man-power surpluses.

Franklin's friends then asked him how the American Colonies managed to collect enough money to support their poorhouses, and how they could overcome this plague of pauperism. Franklin replied:

"We have no poorhouses in the Colonies; and if we had some, there would be nobody to put it them, since there is, in the Colonies, not a single unemployed person, neither beggars nor tramps."

Thanks to free money issued by the nation

His friends could not believe their ears, and even less understand this fact, since when the English poorhouses and jails became too cluttered, England shipped these poor wretches and down-and-outs, like cattle, and discharged, on the quays of the Colonies, those who had survived the poverty, dirtiness and privations of the journey. At that time, England was throwing into jail those who could not pay their debts.

They therefore asked Franklin how he could explain the remarkable prosperity of the New England Colonies, Franklin replied:

"That is simple. In the Colonies, we issue our own paper money. It is called 'Colonial Scrip'. We issue it in proper proportion to make the goods pass easily from the producers to the consumers. In this manner, creating ourselves our own paper money, we control its purchasing power and we have no interest to pay to no one."

The Bankers impose poverty

This information came to the knowledge of the English Bankers, and held their attention. They immediately took the necessary steps to have British Parliament pass a law that prohibited the Colonies from using their scrip money, and then ordered them to use only the gold and silver money that was provided in insufficient quantity by the English Bankers. Then began in America the plague of debt-money, which has ever since brought so many curses to the American people.

The first law was passed in 1751, and then completed by a more restrictive law in 1763.

Franklin reported that one year after the implementation of this prohibition on Colonial money, the streets of the Colonies were filled with unemployed and beggars, just like in England, because there was not enough money to pay for the goods and work. The circulating medium of exchange had been reduced by half.

Franklin added that this was the original cause of the American Revolution - and not the tax on tea nor the Stamp Act, as it has been taught again and again in history books. The Financiers always manage to have removed from school books all that can throw light on their own schemes, and damage the glow that protects their power.

Franklin, who was one of the chief architects of the American independence, wrote it clearly:

"The Colonies would gladly have borne the little tax on tea and other matters had it not been the poverty caused by the bad influence of the English Bankers on the Parliament, which has caused in the Colonies hatred of England and the Revolutionary War."

This point of view of Franklin was confirmed by great statesmen of his area: John Adams, Jefferson, and several others. A remarkable English historian, John Twells, wrote, speaking of the money of the Colonies, the Colonial Scrip:

"It was the monetary system under which America's Colonies flourished to such an extent that Edmund Burke was able to write about them: 'Nothing in the history of the world resembles their progress. It was a sound and beneficial system, and its effects led to the happiness of the people.'"

John Twells added:

"In a bad hour, the British Parliament took away from America its representative money, forbade any further issue of bills of credit, these bills ceasing to be legal tender, and ordered that all taxes should be paid in coins. Consider now the consequences: this restriction of the medium of exchange paralyzed all the industrial energies of the people. Ruin took place in these once flourishing Colonies; most rigorous distress visited every family and every business, discontent became desperation, and reached a point, to use the words of Dr. Johnson, when human nature rises up and asserts its rights."

Another writer, Peter Cooper, expresses himself along the same lines. After having said how Franklin had explained to the London Parliament the cause of the prosperity of the Colonies, he wrote:

"After Franklin gave explanation on the true cause of the prosperity of the Colonies, the Parliament enacted laws forbidding the use of this money in the payment of taxes. This decision

brought so many drawbacks and so much poverty to the people that it was the main cause of the Revolution. The suppression of the Colonial money was a much more important reason for the general uprising than the Tea and Stamp Act."

Charles G. Binderup.

The scrip of the Bankers

Today, in America as well as in Europe, we are under the regime of the Scrip of the Bankers instead of the scrip of the nation. Hence the public debts, everlasting interest charges, taxes that plunder purchasing power, with the only result being a consolidation of the financial dictatorship. The first point of the monetary reform advocated by the Michael Journal is precisely by the replacement of the bank's debt money by free money issued by the nation.

The correct salutation for writing your elected officials is:

(Sample letter)

Number and Street

City, State

The date

The Hon. (name)

United States Senate

Washington, D.C. 20510

Dear Senator:

We all know that our country is in bad shape economically. After reading how our money system operates and who controls it, I am firmly convinced that most of our trouble lies with the Federal Reserve Corporation's control of our money.

As a voting and taxpaying citizen, I urge you to take action to get this burden removed from the American people. A 1913 Congress created this injustice, and now it is time for this present Congress to correct this situation by repealing the Federal Reserve Act of 1913, and taking back its power to again create the money of this nation, with out interest. It is insane to have to borrow all the money to run this country, at interest, piling up unpayable debts, when the Congress could create the money itself, without interests, according to the Constitution.

To obtain more information on monetary reform, you can write to: **"Michael" Journal, 1101 Principale Street, Rougemont, Quebec, Canada, JOL 1M0**

As my elected representative, I expect you to act in getting our country back on a stable and sound money system.

Very truly yours,

(signature)

Your name

You may also write to the President of the United States. His letters may be addressed to:

The President

The White House

Washington, D.C. 20500 debtmoney.htm
