

GETTING RID OF THE "FED", STANDING UP ON OUR OWN

(September 24, 2008)

Making Good News from Bad

In 2005 the amount paid by in individual income-tax to the Internal Revenue Service was \$927 billion, or about 36% of the U.S. Federal Budget of \$2.5 trillion for that year.

All of 2005's wide-ranging Federal expenditures (Defense, Education, Medicaid and Medicare, Social Security, ...) were in the \$2.5 trillion Budget.

Now, September into October of 2008, we face a Bail-out Bill and other U. S. Government funding of speculator Corporations' bad debts that already totals more than \$1.2 trillion.

That is, what's commonly known as 2008's ongoing "bail-out of Wall Street" (the Bear, Stearns and J.P.Morgan Chase investment-banks last March, the Fannie Mae and Freddie Mae mortgage-guarantors earlier this month, the American International Group or A.I.G. conglomerate last month, and an unknown number of exposed lending institutions in the future) is to cost almost \$300 billion more than individuals paid in U.S. income-tax to support our Government's entire operations three years ago, and to cost about half the amount allocated in the nation's whole Budget for the fiscal year 2005.

These numbers are presented to give a sense of the "bail-out" that's underway.

It's colossal; it's unprecedented in this nation before 2008; it demands 'unreviewable' powers; and it's doomed to fail due to the irredemably more colossal amounts of debt in 'derivatives' that are owed by its principal U. S.-based and Europe-based beneficiaries.

It throws bundles of money onto sinking ships so that these ships' officers can continue to sail in yachts.

No School, no Road, no wind-farm, and no lasting home will come from it.

And the instrument that the U. S. Government has used and proposes to use for funding of the \$1.2 trillion-and-counting to the specualtor/debtor Corporations is one that requires interest be paid to it for any funding it provides: the Federal Reserve System, that unaccountable intermediary that has plagued the United States for almost one century.

We can turn the enormity of this year's bad economic news into salvational transformation if we use it to get rid of the Federal Reserve System.

What is the Fed?--

**"The Worse Legislative Crime of the Ages is Perpetrated
by This Banking and Currency Bill"**

The Federal Reserve System, or Fed, is a unique part of our Government. Relatively few Americans know that the Fed is privately owned.

Created in 1913 by bankers and legislators representing the Rothschild and Rockefeller families to govern the United States' money-supply, the Federal Reserve System is controlled by a consortium of Banks, most of them based in Europe. It has never been audited by the U. S. Congress. Upon passage of the Act that established the FRS just before World War I, Congressman Charles A. Lindbergh said: "When the President [Woodrow Wilson] signs this bill, the invisible government of the monetary power will be legalized.... The worst legislative crime of the ages is perpetrated by this banking and currency bill."

The primary of the FRS' 12 regional Banks, the Federal Reserve Bank of New York, sets daily interest-rates for the System's 8.437 (or less, now) Member Banks. The Federal Reserve Bank of New York is thus the most central controller of capital's daily flow in the U. S. The former Chairman of A.I.G., fortunate recipient of \$85 billion in U.S. Government funding this month, Maurice Greenberg, is a former Chairman of the Federal Reserve Bank of New York.

Like its nominal parent, the Federal Reserve Bank of New York is owned by a consortium of Banks independent of the U. S. Government. In 1997 the Chase Manhattan Bank owned 32.35% and Citibank owned 20.51% of the total 19,752,655 shares of the Federal Reserve Bank of New York, according to a study by Eric Samuelson.

By 2002 the Chase Manhattan Bank was merged into J.P. Morgan Chase and Citibank was named Citigroup. During that year, six years before the current "bail-out" to prevent a supposed "melt-down" on Wall Street, J.P. Morgan Chase was at risk for \$23.5 trillion in "derivatives" (debt derived from revenue-producing assumption of responsibility for others' investments), Citigroup was at risk for \$9 trillion in derivatives, and Bank of America for \$10 trillion. The mind-boggling enormity of the three top U. S. Banks' total liability from derivatives, \$42.5 trillion, was more than \$40 trillion more than their assets then.

In short, the current "crisis" has had a very long foreground, one that's been calculated daily by experts who continued to make billions of dollars per year through issuing credit and printing and lending money. In 2005 the current U.S. Treasury Secretary, Henry Paulson, he and Ben Bernanke of the FRS the main pitch-men for the proposed "bail-out", made \$37 million as Chief Executive Officer of the Goldman, Sachs investment-bank, according to *Forbes Magazine*.

All of this unchecked progress toward crisis, a crisis now most felt by would-be homeowners or those already homeless across the U. S., came under the watch of the Fed, the entity somehow in place to lend funds at interest to the most richly endowed nation on Earth.

Now the game that the Fed has led appears to be foundering. Speculator Corporations lurch like dinosaurs bloated and diseased. Then they topple and are eaten by even more bloated bettor/debtor Banks, while we, the public, live with their carcasses and pick up their losses.

Centuries ago, U. S. Presidents warned us about our current predicament and also pointed the way toward prosperity. Jackson, Jefferson and Lincoln all rejected the nonsense of a private, central Bank or System issuing or controlling the nation's money-supply.

The basic changes and choices we need to make for remedy to our predicament are simple as a hand-clap. We need to be rid of the Fed, to throw out distant middle-men,

and to take control of our nation's money-supply and hence our destiny.

'The Government's Greatest Creative Opportunity'

Asked on his death-bed what he judged to be his Presidency's most important accomplishment, Andrew Jackson, who had successfully fought renewal of the charter for the United States' second privately owned, money-issuing central Bank, the so-called Bank of the United States, said: "I killed the Bank."

Battling against the United States first such Bank, an institution especially championed by Alexander Hamilton, U. S. President Thomas Jefferson wrote the U.S. Treasury Secretary, Albert Gallatin, in 1802: 'If the American people ever allow private banks to control the issue of currency, first by inflation, then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered. The issuing power should be taken from the banks and restored to the people, to whom it properly belongs.'

Upon taking the step of issuing interest-free "greenbacks" as the U. S. currency during the Civil War, a war promoted by European financiers, Abraham Lincoln wrote in 1862: 'The privilege of creating and issuing money is not only the supreme prerogative of Government, but it is the Government's greatest creative opportunity ... By the adoption of these principles, the ... taxpayers will be saved immense sums of interest. The financing of all public enterprises, and the conduct of the Treasury, will become matters of practical administration. Money will cease to be the master and become the servant of humanity.'

Big Bankers' Worries, Plots and Admissions

The year after Abraham Lincoln ordered the printing of \$450 million in "greenbacks", the *London Times* wrote: 'If this mischievous financial policy, which has its origin in the North American Republic, shall become endured 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 without precedent in the history of the world.... That government must be destroyed or it will destroy every monarchy on the globe.'

For 'monarchy' then, read money-lending, interest-collecting middle-man now. By the latter 19th century, anyway, Kings and Queens of Europe and empire-builders such as Cecil Rhodes and John D. Rockefeller were borrowing heavily from private Banks.

A memo that was circulated among the American Bankers Association in 1891 anticipates our current, supposed "credit-crisis". Read its calculating plot and devastating aim. 'On Sept. 1st, 1894, we will not renew our loans under any consideration,' this memo says. 'On Sept. 1st we will demand our money. We will foreclose and become mortgagees in possession. We can take two-thirds of the farms west of the Mississippi, and thousand of them east of the Mississippi as well, at our own price.... Then the farmers will become tenants as in England.' The memo, in short, urges dispossession of families so that can be returned to feudal servitude.

The plot that led to creation of the Federal Reserve System in 1913 is well-documented in Ellen Hodgson Brown's recent The Web of Debt, G. Edward Griffin's The Creature from Jekyll Island, and in Eustace Mullins' monumental The Secrets of the Federal Reserve (a book so revealing that all 10,000 copies of its first German edition were burned in 1955 with the approval of the then U.S. High Commissioner to Germany, James B. Conant, a future President of Harvard University).

Most succinct and germane to our predicament, now, however, is this stark admission by Sir Josiah Stamp, speaking at the University of Texas in 1927, when he was President of the Bank of England and reputed to be the second-richest person in Britain. For whatever reason or reasons, Sir Josiah spoke to problems and solutions with a clarity startling as splashes of fresh water. Sir Josiah told his audience: "The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking was conceived in inequity and born in sin . . . Bankers own the earth. Take it away from them but leave them the power to create money, and, with a flick of a pen, they will create enough money to buy it back again. . . . Take this great power away from them and all great fortunes like mine will disappear, for then this would be a better and happier world to live in. . . . But, if you want to continue to be the slaves of bankers and pay the cost of your own slavery, then let bankers continue to create money and control credit."

What We Can Do within the U.S. Government

First, I think, we must be rid of the Fed.

Its controlling families, many of them based in Europe, have gorged long enough--gorged for decades on this country's riches and the goods our bodies and minds produce. "Is there no danger to our liberty and independence in a bank that in its nature has so little to bind it to our country?" Andrew Jackson said in 1832 about vetoing a second charter to the privately owned Bank of the United States.

What do we face in this work-week of September 22-26, 2008?

The almost unbelievable arrogance of the still expanding Bailout Bill grants unilateral and 'unreviewable' powers of limitless lending to the Treasury Department, the FRS, and the U. S. President, accomplishing a *coup d'etat* by legislative declaration even more extreme than 2002's similarly headlong USA PATRIOT Act.

What we can see in the Bill's provisions are like the effects of another 9/11 without the pretext of another terrorist incident.

Passage of this Bill will mean the end of even the theater of democracy in this nation.

The Bill also cannot succeed in any of its pitchmen's stated aims. The amount of speculator Corporations' debt through derivatives (commonly called Collectivized Debt Obligations, or CDO's, now) far exceeds even nations' resources.

The Switzerland-based Bank of International Settlements estimates the 2008 total of derivatives' debt to exceed \$450 trillion, far more than the staggering heap resting indigestibly inside JP Morgan Chase, Citigroup and the Bank of America circa 2002. That is, the fat-with-debt have grown by 2008 immovably gargantuan. They're irredeemably corrupt and beyond saving. They sit like parasitic Jabba the Huts on the Boulevards of Capitols.

Such a fantastical amount as \$450 trillion can't be whittled down or attacked.

Rather, it should be left alone. Let it explode on itself, thereby exploding the clearly unfit system that created it. The Earth won't mind any missing credit- or debit-entries, nor will we need them in our abilities to make and share wealth from technology and resources.

Likewise, the imposition of \$1.2 trillion more in debt to the U.S. Federal Budget on top of the \$480 billion deficit already projected for this nation in 2008 makes no sense as an intended remedy. It makes sense only as an inflationary monster, certain to hasten devaluation of the U. S. dollar and disempowerment of the U. S. public at the same time as the U. S. Military is threatened with more bogging warfare in the Middle East and Central Asia. It makes sense, in short, only if it's intention is to further sap and wreck the U. S. public's ability to resist orders imposed on us.

The Bill must be rejected, I think, as firmly as Andrew Jackson and Thomas Jefferson rejected the first and second Europe-based 'Bank of the United States' in their eras. It must be opposed, I think, as courageously as Abraham Lincoln, Mohandas Gandhi, and Martin Luther King, Jr stood against irrational inequity and for the public's well-being in their places and times.

Article 30 of the U.S. Constitution lets Congress rescind the Federal Reserve Act. If we wish to urge elected Representatives to action, let's urge them to rescind the Fed.

What, then, could we have instead of the Federal Reserve System? Ellen Hodgson Brown's The Web of Debt quotes Richard Russell, an analyst for nearly 50 years, from his April 2005 'Dow Theory Letter.'

'To simplify, when the US Government needs money, it either collects it in taxes or it issues bonds. These bonds are sold to the Fed, and the Fed, in turn, makes book entry deposits. This "debt money" created out of thin air is then made available to the US government. But if the US government can issue Treasury bills, notes and bonds, it can also issue currency, as it did prior to the formation of the Federal Reserve. *If the US issued its own money, that money could cover all the its expenses, and the income tax tax wouldn't be needed. So what's the objection to getting rid of the Fed and letting the US government issue its own currency? Easy, it cuts out the bankers and eliminates the income tax.*'

Ellen Hodgson Brown and many others have proposed practical means by which banking of all kinds could be nationalized and middle-men removed from public works. The American Monetary Institute, headed by Stephen Zarlenga, is one source of alternatives. The A.M.I.'s Momentary Reform Conference happens to be taking place in Chicago next weekend.

What We Can Do to Create Our Own Sustainable Worlds, Both Little and Global

'Every one shaded / By dat Mountain of Debt / Waiting to fall / On our children's heads'

'We're gonna fight-fight-fight for this century / Now we have the tools for all to be free'

We know, of course, that we can't rely on elected Representatives to act for us. The

majority of them serve their campaigns' dominant funders, we know--and many of those funders are the speculating Banks and other Corporations that have brought about 2008's " 'crisis' " and " 'bail-out' " and predicaments for us.

For one specific response to free ourselves, we in the United States can consider the refusal to pay Individual Income Tax until such time as our Federal Government funds peoples' needs and children's futures instead of Corporation's bad bets and debts.

That \$927 billion or so, mentioned at the start of this piece, can be used for far better purposes than its allocation has previously been employed.

Think what we could do with \$927 billion! Imagine!

With health-care. With education. With employment. With transformations that can make the 21st century sustainable and further centuries sustainable for our descendants.

With wind-farms and wetlands and Internet streaming of Music Festivals from wherever and anyone and everyone doing different dances simultaneously.

With "Everyone doing and doing their best!"

Taking back control of our food-supply as well as our money-supply or means-of-fiscal-exchange will also be vital for our survival. Please see the Organic Consumers Association website--it's loaded with excellent articles. The 'Local Control and Organic Solutions' pictorial brochure on that site lists many 'Resources'.

One last cautionary. As said above, I think the only rational reasons for the " 'bail-out' " are 1) to temporarily float ships that are going to sink anyway and 2) to more sap the U.S. public's ability to resist orders imposed on us.

Many measures for martial law in a declared 'Emergency', with the U.S. President as effectual dictator, are already waiting, enacted in the seven years since 9/11/01.

And the Bank of International Settlements, the hub of the Western world's Central Bank transactions, waits to substitute a global currency for the wrecked and devalued U.S. dollar and to thereby allow European financiers fulfillment of their centuries-old desire: outright and 'unreviewable' possession of the 'North American Republic'.

They want to steal all of our homes.

Now is the test of our lives.

9/24/08

Don Paul is the author or co-author of several books, among them To Prevent the Next " 9/11' ", the co-producer of a DVD titled "9/11 Guilt / The Proof Is in Your Hands", and the leader or producer of several albums (www.wireonfire.com/donpaul/). He works with Rebuild Green in New Orleans.