

The Federal Reserve Bank

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Article I, Section 8, Clause 5, of the United States Constitution provides that Congress shall have the power to coin money and regulate the value thereof and of any foreign coins. But that is not the case. The United States government has no power to issue money, control the flow of money, or to even distribute it - that belongs to a private corporation registered in the State of Delaware - the Federal Reserve Bank.

The Federal Reserve System was established by President Woodrow Wilson in 1913. The premise used by President Wilson and his financial advisors for the establishment of the Federal Reserve System was to "supplant the dictatorship of the private banking institutions" and "to stabilize the inflexibility of national bank note supplies". The previous system of banking was "feudal" in nature, in which private bankers control communities and could issue their own bank notes. They had little regulations concerning reserve assets and loan policies. Banking was a patch-quilt of institutions scattered across the face of the nation with no central policy.

With the advent of the Federal Reserve a new currency was issued - Federal Reserve notes, which at the time were based on the gold standard. The Federal Reserve was to unite and supervise the entire banking system, control the expansion or contraction of currency, and regulate the flow of money to the commercial banks through the establishment of 12 Federal Reserve Banks. The Federal Reserve is controlled by private banking interest and by Presidential appointment - but it is still a private organization and not a government entity. In 1913, President Wilson's creation of the Federal Reserve System established a three-tier monetary system in the United States - the holders of money (public, government, business and institutions; the commercial banks that borrow from the public and issue loans; and the central bank or Federal Reserve that has a monopoly on the issuing of money. The Federal Reserve is technically owned by the commercial banks.

FEDERAL RESERVE CONTROLS THE MONEY, NOT THE GOVERNMENT

The monetary policy of the United States is the domain of the Federal Reserve Bank and not the government. This process is in direct contradiction of the U.S. Constitution that reposes the responsibility of the monetary system with the Congress of the United States. On April 27, 1936, hearings were held by the House Committee on Banking and Currency. The preamble of the bill - HR 9216 of the Seventy-fourth Congress, states, "The committee had under consideration the bill (HR 92163 to restore to Congress its constitutional power to issue money and regulate the value thereof; to provide monetary income to the people of the United States at a fixed and equitable purchasing power of the dollar, ample at all times to enable the people to buy wanted goods and services at full capacity of the industries and commercial facilities of the United States; to abolish the practice of creating bank deposits by private groups upon fractional reserves, and for other purposes."

The Congress declared, "Whereas the permanent welfare of the people and the protection of the economic life of the Nation are dependent on the establishment of a monetary system wholly subject to the control of Congress that will promote the interests of agriculture and labor, of

industry, trade, commerce, and finance for the economic well being of all citizens by the maintenance of an adequate supply of money with a unit of fixed average purchasing power, which will avoid excessive expansion or disastrous contraction." That preamble led to the body of the text, Section 1. "That it is hereby declared to be the policy of Congress to provide such issuances of certificates of national credit as shall be requisite so to increase the purchasing power of the consumers of the United States as to make it conform to the capacity of the industries and people of the United States for the production and delivery of wanted goods and services, which capacity be declared to be the measure of national credit." The Congress attempted to issue non-interest bearing Treasury Notes. A Federal Credit Commission linked to the Secretary of the Treasury was the goal of Congress.

The Commission was to consist of seven commissioners appointed by the President with approval of the U.S. Senate. U.S. citizenship was a prime requirement and they could not have more than four from one political party. It was also made unlawful for anyone to interfere with the commission. The concern of Congress was that banks were issuing loans without the backing of real deposits and that it was controlling money based on the price it attracted on international money markets or by the amount of interest they could charge. The Congress wanted to withdraw from the banks the right to issue credit on fractional reserves, and leave the banks the right to issue credit on account of actual deposits, which means that permanent money will be loaned not bank manufactured money.

"By this bill, Congress resumes its constitutional duty of issuing money and regulating its value, a duty and a right which it has long been abdicated to the private banking system," read the preamble of the bill. The bill would have eliminated the private manufacture of money - a direct contravention of the mandate of the Constitution, which places the right to coin money in the hands of Congress.

PAYING OFF THE NATIONAL DEBT

The bill would have allowed the nation to pay off its national debt and stay out of debt. In one year's time, with this bill, the national debt could have been paid, and without any tax increases, plus it would have allowed for full employment. "Because of the unsound practice of relying on the private manufacturing of monetary credits by private groups, you are preparing to lay heavier taxes on the shrunken income of the people, without hope of balancing the Budget perhaps for years to come," was the testimony of Allen B. Brown, chairman of the New Economic Group. Remember, this testimony is in 1936. "In order to meet the Budget deficits, this administration and the preceding one committed themselves to a program of borrowing, so that now the national debt has doubled with every prospect of further increase. More than half of this great sum of added debt represents merely book figure which the banks have lent the Government. To pay for their service of writing figures on their books and canceling the Government checks in their clearing system, the Government has engaged to tax the American people. They must pay back the billions of book figures with sweat and labor, with goods and services to which they are now denied access of purchasing power for their families, and they must pay enormous debt charges." Brown said that the bill before Congress would "put a stop to this process of privately manufacturing monetary credit for the use of business out of added government debt."

"The banks manufacture, without borrowing it, the monetary credit which they loan to the Government. For every dollar they themselves contribute to the loaning process, they manufacture 10 credit dollars, and call them their own, although they base the credit dollars on human sweat and labor and productive genius that is not their own." The comments by Brown were a direct slap at the Federal Reserve System - that was only 23 years old, at the time. "The crying fault of our

prevailing money system is its impermanence. It fluctuates wildly in volume, because it is debt-money, loans, and subject alternately to the fears and the sanguine expectations and speculative propensities of its private owners who have become the debt-masters of all business." He added, "We need to be delivered of the curse of a money system that is not owned, as a cash-credit system, by the American people. We want no longer a system that can at any time be cancelled out of existence with the dumping of pledged securities and, simultaneously, with the depression and deflation of all the physical and intangible assets of the American people."

The bill would have ended immediately the private monetary credit inflation. The Federal Reserve can create money out of nothing, simply printing it, lending it and printing more. You could have guessed that this bill never became law in 1936 - the banking interest was too powerful.

KENNEDY TRIED TO CHANGE IT

In 1963, President John Kennedy wanted an end to the Federal Reserve System, which had a strangle-hold on the United States and virtually the world. By a simple stroke of the pen, President Kennedy dismissed the Federal Reserve System and ordered the U.S. government to restore its Constitutional-mandate of controlling the money. President Kennedy was dead three weeks later. When President Lyndon Johnson took office, he immediately rescinded Kennedy's order and the Federal Reserve won another round.

Representative Charles A. Lindberg, Sr., the father of the famous aviator, was a member of the Banking and Currency Committee. He opposed the Federal Reserve Act and gave a speech on January 20, 1915. "The system is private, conducted for the sole purpose of obtaining the greatest possible profits from the use of other people's money, and in the interest of the stockholders and those allied with them." Representative Louis T. McFadden, chairman of the Housing Banking and Currency Committee, stated on June 10, 1932, "Some people think the Federal Reserve Banks are United States Government institutions. They are not Government institutions. They are private credit monopolies that prey upon the people of the United States for the benefit of themselves and their foreign and domestic swindlers; and rich and predatory money lenders."

FOREIGN BANKERS OWN MAJORITY OF FEDERAL RESERVE

More than half the shareholdings in the Federal Reserve Bank are controlled by large New York City banks, including National City Bank, National Bank of Commerce, First National Bank, Chase National Bank, and Marine National Bank. When Rockefeller's National City Bank merged with J.P. Morgan's First National Bank in 1955, the Rockefeller group owned 22 percent of the shares of the Federal Reserve Bank of New York, which in turn holds the majority of shares in the Federal Reserve System - 53 percent. But who really owns what? Here are the top controllers of the Federal Reserve Bank

1. Rothchild banks of London and Berlin.
2. Lazard Brothers Banks of Paris.
3. Israel Moses Seif Banks of Italy.
4. Warburg Bank of Hamburg and Amsterdam.
5. Lehman Brothers Bank of New York.

6. Kuhn, Loeb bank of New York.

7. Chase Manhattan Bank of New York, which controls all of the other 11 Federal Reserve Banks.

8. Goldman, Sachs Bank of New York.

This ownership combination has been challenged by the Federal Reserve Bank, but a study of Standards and Poors will verify the ownerships. This means that the controlling interest of our national monetary system is foreign. In 1797, John Adams wrote to Thomas Jefferson, "All the perplexities, confusion and distress in America arise, not from defects of the Constitution or Confederation; not from any want of honor or virtue, as much as downright ignorance of the nature of coin, credit and circulation." In simple terms, the United States Government borrows money from the Federal Reserve Bank with interest. Here is how it works: The Government wants \$1 billion. The Federal Reserve prints \$1 billion - based upon no hard asset - and lends it to the Government at a high interest rate. The bank did not have the original money, it created it and made a bookkeeping entry - like you writing yourself a check without funds and cashing it. The Federal Reserve controls the flow of money, making it tight and creating unemployment or printing more than actually exists and creates inflation. It is, in essence, a paper corporation, which controls the entire economic well-being of the nation.

CONCLUSION

No Congress, no President has been strong enough to stand up to the foreign-controlled Federal Reserve Bank. Yet there is a catch - one that President Kennedy recognized before he was slain - the original deal in 1913 creating the Federal Reserve Bank had a simple backout clause. The investors loaned the United States Government \$1 billion. And the backout clause allows the United States to buy out the system for that \$1 billion. If the Federal Reserve Bank were demolished and the Congress of the United States took control of the currency, as required in the Constitution, the National Debt would virtually end overnight, and the need for more taxes and even the income tax, itself. Thomas Jefferson was concise in his early warning to the American nation, "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."

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