

The Federal Reserve: Its Origins, History and Current Strategy

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Few perceive the truth about the Federal Reserve. Rare are those who know its origins. It is right in front of us, but our relative ignorance of economics and history is their protection. A quick history lesson is in order.

On October 14, 1066, AD., King William I (the Conqueror) founded the English monarchy. The Corporation was created by William in 1067 AD. to facilitate trade, and assure the continuation of the wealth of the monarchy. The City of London's legal name is The Corporation of the City of London. The City of London has unique political and economic privileges that do not apply to Greater London, or anywhere else in the British realm. The "City" even has its own police force that is sovereign.

The Bank of England was granted a royal charter on July 27, 1694, by William III to regularize the monarchy's finances. This scheme was invented by a Scot promoter named William Paterson. The scheme was to create a bank with a "fund for perpetual interest". Fractional reserve banking was created, along with the radical monetary concept of a "monopoly" bank which would create money for loans that would never be repaid. A perpetual money machine for the monarchy was born. The permanent National Debt was born. The Bank of England would finance the emerging empire from its headquarters in the City of London. Never again would the lack of money, or liquidity, hamper the British empire under normal economic conditions. Conveniently, the monarchy also controls the City of London. This assures that the heart of the economic machine will always be protected.

The United States fought a hard and expensive war against England in 1776 to achieve sovereignty. That included the right to have her own currency, control her own tax policies, and the avoidance of involvement in the affairs of other nations.

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The United States declared War on Great Britain on June 12, 1812. The war was declared as a result of long simmering disputes with Great Britain. The central dispute surrounded the impressment of American soldiers by the British. The British had previously attacked the USS Chesapeake and nearly caused a war two year earlier. In addition, disputes continued with Great Britain over the Northwest Territories and the border with Canada. Finally, the attempts of Great Britain to impose a blockade on France during the Napoleonic Wars was a constant source of conflict with the United States.

The US did everything in their power to remove British influence and control from this continent. Again and again we defeated all attempts to allow our money to be controlled by a National (Central) bank. When Central banks were established, we abolished them. Times changed, and Thomas Woodrow Wilson was elected. The

intellectual who wanted the League of Nations (the progenitor of the United Nations) was elected. Under his leadership, we received the Federal Reserve, and the Sixteenth Amendment (Income Tax) shackling us into slavery to the British Crown forever. In 1917, Wilson made the world safe for democracy by plunging the US into World War I

On December 23, 1913, the Federal Reserve Act, also known as the Glass-Owen Bill, was passed. The Republican controlled Senate rammed the bill through when many members of the US Congress were home for the holiday. The President, Dr. Thomas Woodrow Wilson, signed it into law one hour after being passed by the Congress! Somebody very powerful really wanted this law passed. The Federal Reserve System is an independent central bank. Although the President of the United States appoints the chairman of the Fed, and this appointment is approved by the United States Senate, the decisions of the Fed do not have to be ratified by the President, or anyone else in the executive branch of the United States government. Buried in the legislation was the granting of total power over the monetary policies of all US banks. A very curious statement is found in the original 1913 law. SEC. 30. The right to amend, alter, or repeal this Act is hereby expressly reserved. Reserved expressly to whom, or what? No definition is provided. This is the entire Section 30 statement! "Curiouser and curiouser, cried Alice".

Stock not held by member banks shall not be entitled to voting power. This clause guarantees that no outsider can justify buying shares in the Federal Reserve. "But wait! There's more!"

Sec. 341 Second. To have succession for a period of twenty years from its organization unless it is sooner dissolved by an Act of Congress, or unless its franchise becomes forfeited by some violation of law. The Federal Reserve was only given a corporate life of 20 years! Their time was up in 1933 Who was President at that time? Franklin. D. Roosevelt, of course. Somehow, the Federal Reserve's termination did not occur. Reader, do I have your attention yet? My research failed to find any reauthorization of the Federal Reserve Act of 1913, other than the tacit approval given by the Sarbanes-Oxley Act of 2002.

No Senator or Representative in Congress shall be a member of the Federal Reserve Board or an officer or a director of a Federal reserve bank. No member of Congress is have access to the inner sanctum! Hello, what is this? Are they afraid that an American might come upon something untoward? 12 USC 3019 Federal reserve banks, including the capital stock and surplus therein, and the Income derived therefrom shall be exempt from Federal, State, and local taxation, except taxes upon real estate. People, I think we are a roll now.

SEC. 25. Any national banking association possessing a capital and surplus of 1,000,000 dollars or more may file application with the Federal Reserve Board, upon such conditions and under such regulations as may be prescribed by the said board, for the purpose of securing authority to establish branches in foreign countries or dependencies of the United States for the furtherance of the foreign commerce of the United States, and to act, if required to do so, as fiscal agents of the United States.

Such application shall specify, in addition to the name and capital of the banking association filing it, the place or places where the banking operations proposed are to be carried on, and the amount of capital set aside for the conduct of its foreign business. The Federal Reserve Board shall have power to approve or to reject such application if, in its judgment, the amount of capital proposed to be set aside for the conduct of foreign business is inadequate, or if for other reasons the granting of such application is deemed inexpedient. Wow, the US government has no formal control over the foreign operations of the Federal reserve banks! The Federal reserve banks are exempt from all taxation. These people are very independent. Independent of audits, independent of congressional supervision, and independent of the American voter.

The Federal Reserve claims that nobody owns it – that it is an "independent entity within the government." The Federal Reserve is subject to laws such as the Freedom of Information Act and the Privacy Act which cover Federal agencies but not private corporations; yet Congress gave the Federal Reserve the autonomy to carry out its responsibilities insulated from political pressure. Each of the Fed's three parts – the Board of Governors, the regional Reserve banks, and the Federal Open Market Committee – operates independently of the federal government to carry out the Fed's core responsibilities. Once a member of the Board of Governors is appointed, he or she can be as independent as a U.S. Supreme Court judge, though the term is shorter. As the nation's central bank, the Federal Reserve derives its authority from the U.S. Congress. It is considered an independent central bank because its decisions do not have to be ratified by the President or anyone else in the executive or legislative branch of government, it does not receive funding appropriated by the Congress, and the terms of the members of the Board of Governors span multiple presidential and congressional terms. (The Fed's financial independence arises because it is hugely profitable due to its ownership of government bonds. (It gives the government billions of dollars each year.) However, the Federal Reserve is subject to oversight by the Congress, which periodically reviews its activities and can alter its responsibilities by statute. Also, the Federal Reserve must work within the framework of the overall objectives of economic and financial policy established by the government.

The only statements of ownership made by the Federal Reserve Board is an allusion to the twelve Federal district banks. This circle puts us back at the beginning, for no information is provided regarding the ownership of the twelve Federal district banks. However, a 1976 government study commissioned by the Federal Reserve Directors revealed the following:

OWNERSHIP OF THE FEDERAL RESERVE Most Americans, if they know anything at all about the Federal Reserve, believe it is an agency of the United States Government. This article charts the true nature of the "National Bank." Chart 1 Source: ** Federal Reserve Directors: A Study of Corporate and Banking Influence ** - - Published 1976 Chart 1 reveals the linear connection between the Rothschilds and the Bank of England, and the London banking houses which ultimately control the Federal Reserve

Banks through their stockholdings of bank stock and their subsidiary firms in New York. The two principal Rothschild representatives in New York, J. P. Morgan Co., and Kuhn, Loeb & Co. were the firms which set up the Jekyll Island Conference at which the Federal Reserve Act was drafted, who directed the subsequent successful campaign to have the plan enacted into law by Congress, and who purchased the controlling amounts of stock in the Federal Reserve Bank of New York in 1914. These firms had their principal officers appointed to the Federal Reserve Board of Governors and the Federal Advisory Council in 1914. In 1914 a few families (blood or business related) owning controlling stock in existing banks (such as in New York City) caused those banks to purchase controlling shares in the Federal Reserve regional banks. Examination of the charts and text in the House Banking Committee Staff Report of August, 1976 and the current stockholders list of the 12 regional Federal Reserve Banks show this same family control.

George Bush presided over a minor change in the Federal Reserve Act. The Sarbanes-Oxley Act was passed in 2002. The American Congress failed again to deal with the Federal Reserve. Bush managed to keep all discussion and changes confined to some reporting requirements for financial institutions. Bush knows very well who he serves, and he really serves his master well. It's amazing how few grasped the significance of Alan Greenspan being knighted by the Queen of England! Greenspan was knighted on September 26, 2002. An obvious reward for preventing any real discussion, or change, of the Federal Reserve during the Sarbanes-Oxley Act debates. Had an American President been knighted, serious questions would have arisen. It was so much easier to reward her manager, Alan! Do you still believe that Alan Greenspan has the power of Darth Vader? He is only a little man, faithfully serving his queen.

The British Crown, or the British monarchy is the owner of the Federal Reserve. This is their real secret. The strategy of the Federal Reserve is their other secret. Again, it is right in front of us, but no one sees the obvious. The strategy of the Federal Reserve is to accumulate all the wealth through the very slow, but effective, technique of currency debasement. The monarchs of old used to shave or clip the coins as they passed through their treasuries. Now the process is more sanitary (no more clipping and scraping all those dirty coins). John Maynard Keynes clearly stated that there is no more effective method of destroying a society than through currency debasement.

The primary reason for its success is the inability of most people to understand that more is not necessarily better. A recent conversation highlighted Keynes's observation. There is some agitation to raise the minimum wage in my state. I listened to a proponent of a higher minimum wage. I attempted to point out that an increase in a large number of people's income would only result in prices going up, along with the obvious tax increases. "What was I talking about?" was the response. I explained that some percentage of people might wind up dealing with tax bracket creep (increases), and all will have with the obligatory tax increases that follow from any price increase. If nothing else, the sales tax must go up because the prices have gone up. I was immediately informed that I was the most negative person they had ever talked to.

The Federal Reserve will always debase the currency to take its cut, and guarantee that the government has a tax base available to feed its bureaucratic family. The government is a total slave of the Federal Reserve. For example, analyze the latest real estate boom. There will be a major boost in property taxes based on the new valuations. Many people will be surprised when they receive their new tax bill. This will guarantee more money for the government coffers. They know that people will do almost anything to keep their homes. What's another job or two per family? Besides, the extra job will provide more tax revenue for the government. This will require more day care, or baby-sitting services for many families, which create more income for the government. This will cause more meals to be eaten out, which creates more revenue for the government. Meanwhile, prices will continue to go up, which creates more sales tax revenue for the government. Are you getting the point yet? Deflation is end of the government. The local, state, and federal government will all fail!

This is the strategy of the Federal Reserve. The majority of the people will always believe that more is better. Knowing that, and now having a democracy ensconced in the US, it was time to feed and breed. Prices always go up, and everything is "Wunnerful, Wunnerful" Bring on the Champagne Lady. Alan runs the bubble machine. The illusion of money has destroyed most people since society (government) developed socialism. Democracy feeds on the illusion of something for nothing. As each demagogue promises more than his competition, the tax burden becomes oppressive. The monetary illusion serves to conceal the costs through currency debasement. This assures the complete destruction of the society that embraces this perversion. Any attempt to introduce logic into a dialogue will be defeated by claiming you're an elitist devoid of compassion. Envy, hate, and manipulated passions are the hallmark of democracies. While all this destruction is occurring, money diverted by the mechanism of currency debasement is constantly being transferred to the British Crown in the City of London.

Any questions, gang?

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