

THE NAKED PHOENIX

**HOW, WHO, WHY, WHERE,
WHAT AND WHEN THE BIRD
WAS PLUCKED**

**A GUIDE TO DO-IT-
YOURSELF FEATHER GROWING**



BY

GYEORGOS CERES HATONN

"dharma"

A PHOENIX JOURNAL

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The Phoenix Journals are intended as a "real time" commentary on current events, how current events relate to past events and the relationships of both to the physical and spiritual destinies of mankind.

All of history, as we now know it, has been revised, rewritten, twisted and tweaked by selfishly motivated men to achieve and maintain control over other men. When one can understand that everything is comprised of "energy" and that even physical matter is "coalesced" energy, and that all energy emanates from God's thought, one can accept the idea that the successful focusing of millions of minds on one expected happening will cause it to happen.

If the many prophecies made over thousands of years are accepted, these are the "end times" (specifically the year 2000, the second millennium, etc.). That would put us in the "sorting" period and only a few short years from the finish line. God has said that in the end-times would come the WORD--to the four corners of the world--so that each could decide his/her own course toward, or away from, divinity--based upon TRUTH.

So, God sends His Hosts--Messengers--to present that TRUTH. This is the way in which He chooses to present it, through the Phoenix Journals. Thus, these journals are Truth, which cannot be copyrighted; they are compilations of information already available on Earth, researched and compiled by others (some, no doubt, for this purpose) which should not be copyrighted. Therefore, these journals are not copyrighted (except SIPAPU ODYSSEY which is "fiction").

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If the Truth is to reach the four corners of the world, it must be freely passed on. It is hoped that each reader will feel free to do that, keeping it in context, of course.

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HOW, WHOM, WHY, WHERE, WHAT AND WHEN THE BIRD
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A GUIDE TO DO-IT-YOURSELF FEATHER GROWING

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DEDICATION

I particularly wish to thank the ones who run the gauntlet. I cannot even begin to recognize them all but I shall ask that, even though for security they remain unnamed, they recognize my intent--to the publisher and to the printer goes appreciation beyond expression. They have both suffered the assault in every facet of their lives from home relationships to business attack. Their legacy shall be great indeed and further, earthly reward shall also be theirs for God desires no more martyrs. He sends not the Christos to again be drawn and quartered, He comes this journey to reclaim the Kingdom and show you the way home. God shall, and does, bless the ones who crew this ship of which He is Captain.

Look unto the heavens from whence cometh thine help for we are there! Behold for He shall come on wings of the Eagles and the ships will be radiant as the sun for they are your transportation home---after you have provided preparation for His coming "home" unto you, his people. IS YOUR TEMPLE READY? GET THE BROOMS FOR SOME STOOPS ARE YET IMPASSABLE. GOD WANTS NO BLOOD SMEARS ON YOUR DOORS OF HIS OTHER CREATIONS; HE WANTS MAN TO STAND WITH HIM IN THE PERFECTION OF HIS CREATION! SO BE IT AND MAY YOU WALK IN LIGHT FOR THE TEACHER IS RETURNED TO LEAD YOU HOME.

FOREWORD

BEFORE YOU BEGIN

The subject of this Journal is the Federal Reserve System and the Federal Reserve banks. This is the one most important deception and subterfuge ever foisted upon the world. It actually is only the conduit through which the Conspirators have perfected their "PLAN". The Journal would be ten times this length if we unfolded details but while we would be unfolding you would be consumed. Let us please take the information, confirm it if you will, and allow us to move into action.

Consider the situation through the eyes of the past Journals, move to shelter yourself in protection of your assets as well as possible and then reach out, my friends. There are daring groups already established and, as they become privy to the whole along with solutions as to movement, you can move rapidly.

If you can require that your country move back within the laws as projected in the Constitution, you shall again rise like the Phoenix and be rebirthed as the great nation of freedom which you once experienced. It is NOT HOPELESS, this is the HOPE OF YOUR WORLD AND IT CAN COME TO PASS IN THIS GENERATION UPON YOUR GLOBE. You begin from disadvantage but do not be deterred by the disadvantage for remember, the right of God-ness is your bastion. If you consider the alternative of enslavement to be easier and appropriate--think again; the plan is to enslave you in every manner you think of in your nightmares. If you act, and even though the road be rough, you have the promise of prevailing, if you "quit" and buy the lie, you are finished.

It is time to stop laughing at the antics of your politicians; get your government back under your control and do it now. You most certainly can if you join together in unity and simply refuse to allow further. Oh, yes, they plan to come down hard. The unlawful "laws" are written every day--now, even your head of the Federal Reserve is touting "need for a Constitutional Amendment to balance the budget"--that means you are on "home stretch" to the convention and replacement of all your "rights" through lawful installation of the "New" Constitution.

Provisions for balancing the budget are well laid forth in the Constitution as it now stands. The conspirators are depending upon the masses of citizens to be misinformed or uninformed and plan to "sock it to you" before you wake up.

Just yesterday (7/11/90) a new set of small laws came forth which will increase the numbers of crimes eligible for capital punishment, including crimes into the listing of "crimes" which prior attention was not given and include "treason" as a "high level" crime. What does that mean? It means anyone speaking out against the behavior of your government will be incarcerated or executed. It will be the END OF FREEDOM OF SPEECH! YOUR "BILL OF RIGHTS" HAS BEEN ASSASSINATED EFFECTIVELY AS YOU NOW FUNCTION UNDER THE "ASSUMPTION" OF THE "NEW" CONSTITUTION.

Why do we focus on America, ask our brothers and friends in other nations? Because as America falls or stands, so falls or stands freedom in your world. It is the last

bastion with ability to recover control of itself. All other nations have been swallowed by the Dragon and Americans only have their toes remaining from out the teeth.

Yes, there are things you can do to take action and we have laid them forth. Will it be easy? NO! You will need to start at "home" in the community and unify and get rid of the thieves and conspirators which you continually send back to be wardens of your prison and robbers of your property. They, too, are vulnerable to the nuclear bombs and confiscation--they just have forgotten as much. Your Senator is as physically mortal as are you and will die as quickly and suffer as greatly from the collapse which is coming. Preparation? You have all but waited too long, but you still have time, while the elite vie for position to see who will outdo who and gain the ultimate control--the messages, unfortunately, of the prophecies tell you who that will be and those ones will bring devastation of physical nature--not just glean all property and wealth.

In for a hard time? Yes! But also a wondrous time of unity, brotherhood and freedom from boredom and degradation as fed to you by the silver spoons of the puppet masters.

For your confirmation, look around you and see that you are fed naught in the press, the media of any kind is rerun lies and half truths to deceive you and distract the population.

Beware of those who will tell you all you need do is raise your vibrations and someone, somewhere, sometime will come and "save" you. No, there will be no one except self to save self from anything. We can assist but YOU will do of the saving if it be done. Then ones will tell you, "God would not participate in things of Caesar's." YOU, and all things created are God's--Caesar has only stolen that which is God's--- where else would God be except with his creations in time of need? You have asked for help and help has been sent--what you accept or do with it is truly your own free choice--it is the ONLY FREEDOM LEFT TO YOU! I suggest you ponder that most carefully and choose well, indeed.

Which will it be, citizens of World Earth? Freedom or enslavement? The choice is yours, for God so loves this world that he again sends his Hosts and his being to show you the way! Who will see and hear?

In service unto God and unto you, my fellow higher universal man, I thank you for your attention.

Gyeorgos C. Hatonn

CHAPTER 1

REC #2 HATONN

MONDAY, JULY 2, 1990 10:32 A.M. YEAR 3 DAY 320

MONEY

Money, beloved ones, is the alienated essence of man's work and existence; this essence dominates him and he worships IT, and somehow it has become your sixth sense without which you cannot seem to make a complete use of the other five. There are many amusing, things regarding money, one of which is at one time it was said that a fool and his money are soon parted--no longer so; it now happens to everybody.

The LOVE of money is the root of evil and one must choose, in life, between making money and spending it. There is little time for doing both so we must play the game at least as well as does the enemy. We have offered unto you that the means of barter in your world this day is money. Well, actually more accurate would be to say that it is "paper". You must put it all into perspective.

It is urgent and necessary that we, too, have large sums of barter material to build our businesses and factories. But to understand how money has lost its value as a substance, you must understand how the privilege of control of your own wealth has been stolen from you and given into the hands of an elite few who now own your world.

FEDERAL RESERVE

It matters not that we begin this segment somewhere in "the middle" of the story for you can delve into the background of the Conspirators and Global Planners from other Journals and myriads of other documents. It does matter that you realize what subtlety has been used to lure you in and capture you as a people. Since we speak of predominantly the United States at this writing we shall speak of your Federal Reserve Bank and System and you will see the connection with the World Bankers.

FEDERAL RESERVE AUDIT

Your Federal Reserve has never been audited. What good that would do is debatable but one thing that it would do is bring the truth to the attention of the citizenry. This effort to cause an audit of the system would accomplish some things as touted but mostly it is another game of "look how hard we are trying".

As we list a few of them, get rid of your shock and open your minds for data input. The Federal Reserve is NOT a federal branch of anything. It is supported by the government but it is a totally run and operated private banking corporation over which your government has no control--even the laws affecting the banking "industry" are laid forth by this private system--not the Treasury Department. There are a couple of legislative bills under consideration; both of which would require an annual audit of the system and in addition, would include the making of the Secretary of the Treasury

a voting member of the Fed's Open Market Committee. Now I bet you thought surely that he was a big participant already.

The term of the Fed's chairman would parallel that of the President. I bet you thought somehow the President had say over that one already.

The Fed's budget would be published in the budget of the U.S. government for the current year and two succeeding years.

And, all monetary policy decisions by the Fed would be announced on the day they are made. I would guess little hope of such a thing since this is the most manipulated secret organization in your world today including the Freemasons, Church of the Vatican, etc.

There is some speculation that these measures would somehow enhance popular control over the Fed's monetary decision-making policy, which, until now, has been strictly the prerogative of the private banking houses that control the Fed. Magic clue: "Banking Houses that CONTROL the Fed!" You see, the Fed has a monopoly over the power to create money and it is in violation of Article I, Section III of the U.S Constitution, which states that Congress (representing the people) alone has that power.

There is also a third bill flopping about which would increase the number of members on the twelve regional Federal Reserve branch bank boards of governors from nine to twelve. The bill would also require that one member have a background in agriculture, one in small business, one in labor and one in consumer affairs. Funny thing, someone finally noticed that these sectors of the economy are most affected by the monetary policies of the Fed and have no representation on the boards of the Federal Reserve banks.

At the current time there is a total of some 112 members of Congress now co-sponsoring Fed audit or reform legislation and those can be supplied to you. Sad part is that there are 100 senators and 435 representatives, so look at your odds. If nothing else it will be confirmation of the manipulation of Congress by the Cartel.

Check out your Congressmen and see where they stand and then either encourage them or DEMAND that they support these measures. At the same time you can DEMAND that the Constitution as written, be followed. Most of Congressional membership do not have the foggiest notion of what is in your Constitution.

WHAT CAN YOU DO?

You can check in the Appendix and find the list of supporters. Shown will be the four Fed audit-and-reform measures before the House and the Senate. In the House: HR. 844, H.R. 3512 and H.R. 3066. In the Senate: S. 734.

Check the list and see if your representatives and/or senators have signed on as co-sponsors of the legislation. If not, write or call!

You may write your representative in care of: The House of Representatives, Washington, D.C. 20515.

Senators: The U.S. Senate, Washington, D.C. 20510.

Telephone number for the U.S. Capitol switchboard is (202) 224-3121. Call this number and ask to be connected to the office of your representative or senator.

I want to tell you, however, that this is such band-aid surgery as to be indeed foolish except as to bring the problem into open acknowledgement. Your government is totally controlled by the system and enforced by your judicial branch.

You can find listings of your representatives, etc., at any local library and for national Congress listing you can obtain a current copy of the U.S. Congress Handbook for \$6.95 from Liberty Lobby, 300 Independence Avenue, SE, Washington, D.C. 20003. We will place a copy of the ordering information in the Appendix also. This should become one of your most precious library acquisitions and I urge you to keep it updated.

I give this information and request right up front so that you can be getting your ducks lined up while you read the Journal. There are other excellent books written on the Federal Reserve System, many of which can be obtained from Liberty Library--so request a book list with your order for the Handbook. The one you will enjoy the most for its absolute truth, with humor and astounding bluntness is the one written by Eustace Mullins. Eustace will always give you names, ranks and serial numbers. We need not give you more than enough for confirmation of truth for others such as Eustace have already done your legwork. Dharma has had no exposure to this resource so any who would jot her a note of confirmation, please feel our appreciation. It is indeed hard for our writers to work in blindness. Again, as with other subjects, I will ask if America West might make Eustace's book available in some manner--either obtain distribution or give information upon request. Thank you. We simply want to open your eyes, shake your mind into alertness and then you will please do any background you feel necessary to convince yourselves of the truth of it.

YOU SHOULD HAVE LISTENED TO JEFFERSON

"I believe that 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 the government to whom it properly belongs."

"If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and the corporations that will grow up around them, will deprive the people of all property until their children wake up homeless on the continent their fathers conquered."

Even after some half century of the distraction set up for that purpose, of "fighting communism" the great array of anti-communists have failed to deter the rising tide of revolution. Patriotic organizations still have NO REAL STRATEGY for effective

action because of the failure to recognize the obvious; The real enemy of the people lurks in New York and Washington, D.C.

It must be realized that an "elite" segment of conspirators has seized control of policy-making and conflict management in the United States. International financiers and industrialists, in secret alliance with revolutionary forces, are merging American and Soviet societies under a master plan of infiltration, subversion and rebellion.

General reaction of the muzzled majority to increasing exploitation and oppression has been a defense of the status quo. Yet, it must be clear that a political system perpetually on the defensive is doomed to ultimate defeat. Somewhere you must counterattack! And, you must do it before a new Constitution replaces your foundation.

The problem can be considered as basically one of inducing movement and action. Relatively few people in America are pro-communist, or even socialists, and the definitions have so long been incorrect that you wouldn't know whether or not you fit into either category. At this point in history your "Democratic" form of government has truly turned into the force of tyranny. Well, facts are that the revolutionaries in government have taken their own legislative and judicial "rights" and "misappropriation" of constraints, laid forth their "voted-in" rules and usurped rights directly from your Constitution granting government for the people, by the people and of the people and are depriving you of your God-given rights to life, liberty and pursuit of happiness. You have long since left the one nation under God, indivisible, with liberty and justice for all. You have cast God aside from any of your workings, you are a divided people and there is no liberty nor justice for any!

These conspirators and treasonists retain an iron grip on your domestic and foreign policy, manipulating economic, social and political disciplines to expand their dream of world empire at the expense of the Republic.

Meanwhile, the vast majority of the (Korton's definition) Sheeple, both captives and targets, remain oblivious and totally calm and passive while your very existence is decided by your deadliest enemies.

This passivity is certainly in no way accidental. World government conflict managers have long realized the significance of the vast gulf between spectators and participants. Their whole strategy is geared to maximize the victim's spectatorship and minimize his participation in the struggle.

Let us look at this for it is basically a "principle" of behavior and was exemplified beautifully in South Vietnam. It is estimated that out of every hundred people in rural areas, twenty were actively aiding the Communist Viet Cong, forty were passively anti-communist, and forty were neutral. That active twenty was enough to turn the country into a major battlefield leading to ultimate defeat of American forces (oh yes, you were defeated), aided and abetted, of course, by concealed conflict managers in New York and Washington.

What good might have come out of the Vietnam non-war? Oh brother, so much good that you cannot imagine; perhaps the very saving of your nation and ultimately the

world. You are going to have ones such as officers P. Egoscue, J. Wright, "Bo" Gritz, A.E. Roberts and on and on who saw first hand, the writing on the wall and the prevailing evil of the "managers" at full scale work. The full measure of the good from Vietnam is yet to come to full flower for it was when America looked up and first blinked her eyes as a nation full of sleeping zombies.

Conservative attempts to influence the spectator-participant ratio have been mainly confined to vague educational programs, insipid protest, and generalized talk--none of which has been able to inspire much favorable movement. Indeed, many conservative organizations obviously regard the national crisis as a popularity contest, not a war for survival.

In contrast, misinformation, disinformation, denunciations of truth, and FEAR has been the elite conspirators' chief weapon; economic, political and social coercion, for maximizing passivity and spectatorship. Effective though it is, oppression is a two-edged weapon. Its application generates potential reaction. These suppressed reactions can explode with most sudden violence. Channeling anger and frustration into constructive action is the task of knowledgeable participants everywhere. The individual can do very little if anything to protect himself and his family until he is armed with truth and knowledge--and a plan of action.

Defeat of these "elitists" now leading America into the twilight zone of national disaster demands intelligent acceptance of the facts behind the crisis. And, it requires courageous marshalling of resources, and the commitment of motivated citizens who will take whatever action is necessary to reverse the mindless march toward dictatorship and total loss of your Constitutional national rights.

THE SOLUTION IS AT "HOME", NOT IN WASHINGTON

YOU HAVE CLEARLY LOST CONTROL OF ALL BRANCHES OF YOUR GOVERNMENT. The solution to economic chaos, social rebellion, and political revolution is planned action at the county level of government to force the respective state legislatures to protect the lives and property of the people. It must take place "at home"; in Washington is too late, my chelas.

Political theorizing and personal knowledge of the conspiracy must be translated into practical plans and implemented at a level of government which the individual can effectively influence. American citizens, if they are to escape the socialist society planned for them, must bring their authority to bear at the point of jurisdictional decision: County and State government. And, it must be done in spite of the grass-roots infiltrated corruption of an injustice judicial system.

No amount of agonizing or protesting to some distant congressman will change greatly the design of the elitists who seek to overthrow the Constitution and reduce Americans to the status of economic serfs on the land which once was yours. Only the individual can demand that his County official act to defend and preserve Life, Liberty and Property. You must do this by a positive act, by challenging "the secret government of monetary power" at its weakest point - the Community and County.

But do write to Washington, for it puts those YOU elected on notice and at first will be ignored; but the handwriting will spread across the halls of government and you will find that from community to top government echelons, the system based on evil control shall fall. Even a community board of a water district feels no need to comply longer with the wishes of the people who MAKE in office--oh yes, they must! You ones must cease your apathy and it function as intended.

THE FOUNDATION IS THE COUNTY

Although all sovereignty originates from the State, the states delegated a few of their powers to their common agents in Washington, D.C. However, the vast governmental powers that touch your daily lives are placed in the hands of County Governments, that are closest to the people and still the effort is to control the elections by partisan backing and the pouring in of political financial bribes and undercover backscratching. The corruption spreads like metastatic cancer throughout your judicial, political and business circles--all attached to each other so that the secret manipulations cannot be isolated. Well, you can and MUST isolate them and bring them public for all to see as it is the only way you shall stop of the malignant disease.

The county must establish jurisdiction and not relinquish, it from taxation right through the judicial system. It CAN be done and has been done--try Mecklenburg County, North Carolina. Look at the following excerpts wherein the first steps toward independence were taken by that County on May 31, 1775, in order to prevent a legal vacuum....

First, the PROPERTY TAX remained in the hands of the county, which early established its jurisdiction. The people of an area thus controlled their tax assessor and their county supervisors, so that the taxing power was not beyond their jurisdiction. "When the power to tax leaves the county, tyranny will then begin in the United States. Socialism or Communism will be only a step away. The people of a county will be helpless as their property is taxed to the point of expropriation..."

Second, CRIMINAL LAW was and is county law in essence. That was an important safeguard against tyranny and against the political use of criminal law. Law enforcement officers, including judges, were and are officers of the county, in the main, or of its constituent units. Not too many years ago even executions were also held at the county seat. Police power and criminal law are thus matters of local jurisdiction of the American system.

The third, CIVIL LAW, is also county law to a great degree, enforced by local courts and by locally elected officials. The American citizen is thus for the most part under county government. His basic instruments of civil government are local, residing in the county, and the county is his historic line of defense against the encroachments of state and federal governments. In early America, town and county elections were properly regarded as more important than state and federal elections, and property qualifications were strict on the local level.

I am not here to say that the above is perfection and the entire government and judicial system can be lost at the level above. Note in the judicial system that Admiralty courts have replaced common-law at all levels.

In the past, I have kept my groups of workers off the public voting lists for privacy and security but as we move into participation at a basic community level we must take a stand and therefore, I request that each of you now get registered--in Golden Hills if possible--for you must stop the steam-roller bearing down on you, at that level, right now, this week. To participate on any Board thereof, you must be registered to vote and we now need participation.

Necessary knowledge, and a plan of action enabling the individual to harness powers of County and State governments to financial and political survival, will be found in this Journal. May we please transform you from a 'spectator' into a 'participant' in this, probably your last, struggle for LIFE, LIBERTY AND PROPERTY. LET US, TOGETHER, RESTORE THE CONSTITUTION.

Dharma, get away from this computer instantly

CHAPTER 2

REC #3 HATONN

MONDAY, JULY 2, 1990 2:45 P.M. YEAR 3 DAY 320

COUNTY

What you call "county" is the building block of the American political system. The sheriff, county judge and county commissioner are local chieftains in the proper functioning of county government. These offices present the greatest challenge to the misuse of authority by a central government.

It is wasteful, at this point, to wrestle with the convoluted problems of the world for you must start wherein you can make impact. More progress will be made by concentrating on local issues affecting your money, your property and your family. Only you can demand that your county official, whom you elected to represent you, discharge his obligation to you. He must do this by a positive act, by challenging the unconstitutional Federal Reserve System. You must cause him to do so for he will not do so on his own account in almost every instance.

By such direct and positive action you and he can escape the "New World Order" planned for you and your children and now upon your very doorstep. There are some actions to take which are to mobilize local leaders and promote county government participation in the Federal Reserve project, the Constitution preservation project, and so on. We will give you some instrument and petition forms as examples in the Appendix.

SOLUTION TO THE CONSTITUTIONAL CRISIS: CORRECTIVE STATE
LEGISLATION

LAW OF AGENCY

"Law of Agency" is central to resolving the constitutional crisis.

The original thirteen Nations, recognized as such by the Treaty of Peace which concluded the Revolutionary War, created the Federal government. Following the War for Independence, the thirteen nation-states organized themselves as the United States under a mutual compact, the Constitution of the united states.

Every succeeding State entered the union of states, "...upon an equal footing with the original states in all respects whatsoever," (Chapter XXXVI, 13 United Statutes at Large, 1864).

The constitutional contract established, in the first three Articles, three branches of government: Legislative, Executive and Judicial. The People, through their state deputies, delegated to these three agencies certain limited powers, retaining unto themselves all powers not so delegated.

Each sovereign State, as a Principal under the constitutional compact, is supreme over its Federal agencies. The State is empowered to correct acts by its Federal agents which IT deems violate delegated powers enumerated in the Articles of the Constitution. Each sovereign State has the authority and the responsibility to enforce provisions of the Constitution within its borders, and to provide criminal sanctions for violators.

The People, from whom flow all political powers, are responsible for instructing their State senators and representatives to challenge unconstitutional acts by Federal agents, as they are required to do by oath of office. You can see that you have come a long way down the road to destruction of your wondrous system. The bribe givers and lobbyists have long since "bought" those representatives for the large part. Each citizen is charged with the mission of defending and preserving freedoms of person and property guaranteed to the People by the Constitution of the United States.

Ones ask, "How can a Cranston who has taken every kind of bribe and payoff, yet still wield the power he does and continue to be elected?" BY YOU THE PEOPLE!

So, where have you gone? From what into what?

Benjamin Franklin: *"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."*

And where might you be in this current day? Worse, for you have taken the same system and have now enlarged and fed it and it has thrived beyond your ability to comprehend.

The money must be put where the needs are and the power to spend it where the people are. The further away government is from people, the stronger government becomes and the weaker people become. A nation with a strong government and a weak people is an empty shell.

The idea that government in Washington, D.C. is inevitably more wise, more honest, and more efficient than government at the local or State level should BE REJECTED. The idea that a bureaucratic elite in Washington knows best what is best for people everywhere and that you cannot trust local government is really a contention that you cannot trust people to govern themselves. This notion is completely foreign to the American experience. Local government is the government closest to the people and it is most responsive to the individual person; it is people's government in a far more intimate way than the government in Washington can ever be.

People came to America because they wanted to determine their own future rather than to live in a country where others determined their future for them. What this change means is that once again in America you are placing your trust in people etc., etc., etc.

I wrote the above for it sounds so perfect in concept that you will be quite fooled, I'm confident, to learn it was projected by one called Richard Nixon. It should prove something else to you which is more important. The elite manipulators will tell you

anything and do the other; further, they KNOW what will sell to the populace and also know the populace does not expect the politician to keep his promise--"Read my lips!"

The rhetoric is desirable and sounds most encouraging; the words unfortunately are made suspect by the actions. By consistently asking for more and more tax funds for more and more Federal programs which add to the Federal payroll and increasing number of bureaucrats who increasingly control more and more facets of the daily lives of citizens; by grouping the States into regions with unelected Federal overseers, thereby removing power farther from the people; and by promoting such programs as the Atlantic Union which, if it were effected, would remove power still more distant from the people, the Chief Executive is, in effect, fostering power OVER THE PEOPLE INSTEAD OF "POWER TO THE PEOPLE".

Power to the people is a traditionally American concept which is what the Constitution of the U.S. is all about. When the necessary number of the Original Thirteen Colonies ratified the U.S. Constitution, they established a government in which political power was decentralized. By the constitutional contract they surrendered to the Federal Government only specified powers. Powers not delegated to the Federal Government were reserved to the States and to the people. And rather than to permit such a logical conclusion from being misunderstood, the 10th Amendment so specified the intent.

Under this concept of government, power was concentrated at the bottom -at the lowest denominator of government -- the level closest to the people and most responsive to the desires and wishes of the individual person.

Locally controlled governments and systems of education, a basically religious people who in large measure recognized the Holy Bible as a guide to conduct, and a free enterprise economic system with a minimum of government interference produced the most prosperous and powerful Nation on earth. America abounded in Peace, opportunity, and true progress so long as America adhered to concepts of the Holy Book and directly to the Constitution.

The second decade of your present century saw the beginning of a major trend in the direction of removing power from the hands of people at the State and local level and concentrating more and more power over the lives of people into the hands of unelected bureaucrats at the regional and Federal levels, in fact, even the surrendering of national powers and prerogatives to international bodies. In retrospect it all seemed quite logical and appropriate for circumstances--but it was already set into motion and circumstances planned and well orchestrated from long prior to the actual events. Clever manipulation? Indeed, for you are dealing with the Chief Master Deceiver of the Universe, and he has had no shortage of willing helpers.

The trend was given incredible impetus in the year numbered 1913, with the enactment of an Act which was called the Federal Reserve Act, which took away people's control over their money; the 16th Amendment to the Constitution calling for the graduated Federal income tax--a plank of the Marxist platform--and in 1919, with the establishment of the Council on Foreign Relations which has been instrumental in promoting world government. Do you see the tapestry beginning to produce the picture in whole cloth? It never slackened pace, the entrapment has just closed tighter and tighter about you.

The ratification of the U.N. Charter, a plan for world government, by the U.S. Senate in 1945, transferred "people power" still farther away from the people at the local level. The present emphasis is being given to regional government and to an Atlantic Union, both of which had your president's approval and further eroded the Constitution and remain major obstacles to circumvent "people power".

There have been seeds of knowledge planted during the past recent decades by various daring constitutional groups and individuals but too many of the citizens were in the sound sleep or early awakening stupor and failed to notice. Well, here we are again and perhaps more Americans will see and hear and pitch in. You the people will learn who the anti-American treasonists actually are who would bring you down and what they are doing to emasculate your Constitution and to destroy your country by trapping you into regional and world government. They have set up systems to simply brainwash you as a nation, destroy your children, obliterate education and ease the new system into working order through power of the gun as soon as they have removed all of your guns. It now requires ACTION--it starts with action at the local and State levels by informed groups and individuals to salvage and restore the Constitution.

HONOR TO WISCONSIN

You of America owe great gratitude to the State of Wisconsin for it has brought forth great patriots gifted with wondrous help from your Guardian Hosts. In 1971 the Wisconsin State Legislature established a special committee to study the constitutionality of the federal government's relations with the United Nations, and from that resource came proof of a conspiracy to overthrow the Constitution of the United States and erect a socialist state governance over the American people.

That documented study provided evidence to indict an ambitious and morally degenerate group of financiers and industrialists who seek to erect an international, non-elected authority upon the ruins of the American civilization. This study explained how, via interlocking subversion, the Council on Foreign Relations captured principal agencies of the Federal Government and created the United Nations Organization as their private instrumentality for global conquest. Revenue sharing and Regional government is the final technique for stripping away State sovereignty and eliminating elective office at State and national levels. Now, dear ones, go look closely at the planned "new" states and read the plans for the new constitution to accompany the plan, from prior Journals.

Most of your families began in this wondrous new world as farmers, preachers, soldiers and laborers. They came, good or bad, and challenged a wilderness with a confidence borne of an abiding faith in God. Most of your ancestors fought in the Revolutionary War and served this country in every succeeding conflict to the present day.

Your forebearers raised up mighty cities and established a civilization of free men--the envy of all others. The blood and sweat, prayers and pain of your clans fertilized the soil of America. Their achievements constitute your heritage; their culture a legacy for

your children and your children's children as well as for those who would come and join with you as brothers in citizenship from other nations.

PERILOUS CHANGE HAS OCCURRED

America has changed. Within the span of two or three generations the civilization of your forefathers has come under sophisticated assault. The structures of freedom erected at such great cost in blood, sweat and treasure, are crumbling about you. God is blasphemed, your lineage reviled, and your Constitution dismantled. Dear ones, your destiny has turned to dust and settled upon you as the suffocating destruction of the Plan closes in about you.

Your wondrous descendants of the pioneers, the warriors, and the engineers of this unique order are now economic serfs in an industrialized society ruled by a self-anointed elite. You are manipulated by massive propaganda, betrayed in international military adventures and exploited by a rapacious, insatiable bureaucracy. The founders of your nation, in the Declaration of Independence, established a course of action to which every responsible citizen must adhere when government becomes master instead of servant.

"Governments are instituted among Men, deriving their just powers from the consent of the governed. . . whenever any form of Government becomes destructive of Life, Liberty, and the pursuit of Happiness it is the right of the People to alter or abolish it..."

If you are to survive as a race and as a nation, the People must regain control over the centers of power in America.

To understand, however, you need to understand better how they were lost. THE MOST SECRET KNOWLEDGE, a science which outdates history, is the science of control over people, governments and civilizations. The foundation of this ultimate discipline is the CONTROL OF WEALTH. THROUGH THE CONTROL OF WEALTH COMES THE CONTROL OF PUBLIC INFORMATION AND THE NECESSITIES OF LIFE.

THROUGH THE CONTROL OF NEWS MEDIA COMES CONTROL OF INFORMATION.

THROUGH THE CONTROL OF BASIC NECESSITIES COMES DIRECT PHYSICAL CONTROL OF PEOPLE.

DO ANY OF YOU RECOGNIZE ANY OF THE ABOVE?

The rule is to finance the education of members of the money aristocracy in the professions, business, political science, management, research, public speaking, writing and education and to dive forth information in the form of "education" which further limits the ability of knowledge to flow. By placing trusted members of the elite conspirators, well trained and financed, in positions of influence in their communities, and in positions of leadership in nearly all organizations, including the religious order and in opposing associations, it is possible to direct local, regional and national policy

toward long-range objectives. Passing this through one generation and then another, the original concept and truth is buried and lost as the old is destroyed in order never to be allowed re-birthing.

SURFACE ROCKEFELLER

The fate reserved for less fortunate citizens, those not born of the money aristocracy, was succinctly stated by Mr. John D. Rockefeller, Sr. In a policy statement published by his General Education Board, forerunner to today's ill-famed Rockefeller Foundation, John Rockefeller heralded the plan to mold an American peasantry through control of educational process. Harken, students, this is serious material so don't get distracted by it surfacing herein for the plan is so interwoven that these fragments cannot be extricated.

"In our dreams," said Rockefeller, "we have limitless resources and the people yield themselves with perfect docility to our molding hands. The present educational conventions fade from our minds", Rockefeller predicted, "and, unhampered by tradition, we work our own good will upon a grateful and responsive rural fold. . . .(Occasional Letter No. 1, General Education Board, 1904).

A significant portion of the American public is yet to become aware of the "The Invisible Government of Monetary Power" although this knowledge has long been common in Europe. Americans still mostly believe that they are working toward a better way of life. Surreptitiously, however, social customs and forms of administration in the United States are being carefully and gradually modified with the pace of modification now compounding as the effort is thrust forward to remove your Constitution as it was written and before you realize what has happened the Laws will be operable according to the dictatorial new document. The change from one type of culture to another is thus accomplished without arousing serious public challenge for you were being fed tempting luxuries and credit buying, etc., as you took your medicine with so much sugar that you forgot there was responsibility for the medicine.

This Journal is about the financiers, their fellow conspirators and the plot to destroy Western "Christian" civilization. It is written for the concerned American--not the skeptics. You have too far to go and too much to accomplish to spend time on skeptics for they shall come into truth at any rate as the axe falls.

In all likelihood, the skeptic will, without ever having read it, dismiss this work with a roll of the eyes and wave of the hand while at the same time declaring it to be outrageous fiction--just another attempt to promote the "conspiracy theory of history". Well, as Bob Girard said of Dharma, "Just the ravings of a human insane mind." We shall see who eats the bitter potion and reaps the rewards from his listeners whom he turned away from truth. Woe unto the man who pulls his brother into the pit.

HOW QUICKLY YOU FORGET

The arch-Bolshevik Lenin once boasted that the capitalist would sell the communists the rope with which they would hang them. Well, we shall endeavor to tie some of the loose ends of this incredible story together but we will effort at doing so in a series of Journals which will be more easily digested than in one huge and unwieldy historical

document. Then you had the delightful Russian who said the Russians would "bury you". Further, you were directly told that you would become enslaved "without need of firing a single bullet". Did you think Mr. Gorbachev changed all bets to "off"? How did this man with his drastic changes come into such power? Because it was planned that way and while you pick up the shreds of nations and send 'through unbreakable treaty' all your grain supply--where will you go to eat bread and mop thine tears? To God, perhaps, from whom you turned away and "voted-in" false morality to ease your evil behavior as to conscience? Would it not be better to take note of thine plight and consider change before it becomes irreversible?

The stark naked truth of the matter is that the United States of America is passing from a constitutional Republic into a totalitarian, world wide government. World dominion is the ages-old dream of the elitists who have mastered the science of control over people to gain world domination.

There are two central issues which have assured their success as it unfolds:

One: Transfer of money control from the people into the hands of an international banking combine, and,

Two: Creation of a complex and confusing judicial system designed to totally frustrate and bewilder justice.

We will take up the judicial system at another sitting for our thrust, as succinctly as possible, will concern itself with the first principle--money, and those who control it.

MAJOR ADVANCE TOWARD WORLD DOMINION

In 1913 the money aristocracy effected a major advance toward their long-range goal of world dominion. They duped the United States Congress into adopting the Federal Reserve Act. This coup resulted in the transfer of the power to coin and regulate U.S. money from the Congress to their private banking combine, the Federal Reserve System.

Since passage of the Federal Reserve Act, the American destiny and the personal life of every citizen has been controlled by a financial elite whose sick-brained policies have spawned depression, war and revolution.

The existence of an "Invisible Government of Monetary Power" was dramatically confirmed in 1933 by the late Louis T. McFadden, Chairman, Banking and Currency Committee, U.S. Congress, who said:

"Every effort has been made by the Fed to conceal its powers but the truth is--the Fed has usurped the government. It controls everything here (in Congress) and it controls all our foreign relations. It makes and breaks governments at will."

Then in 1971 Representative John Rarick denounced President Nixon's plan for deficit spending and revealed the dominant position held by the Federal Reserve System over American economy:

"He" (Nixon), said Rarick, "has asked the independent Federal Reserve System to come up with enough new money to reach a projected increase in the GNP by \$88 billion in order to achieve his 'objective of prosperity without inflation.'" Yes, this was the same Nixon who touted government by the people at the people level.

"The Federal Reserve", Rarick continued, "is not an agency of Government. It is a private banking monopoly. As I have said many times before, the policies of the monarch are always those of his creditors."

The safety of the State and the peace and security of citizens now urgently requires an immediate action against the Federal Reserve System, an "audit" will not suffice, my friends, but you start reclaiming where you can.

CONSTITUTIONAL CONSIDERATION

The first consideration must be a public examination of the authority which the Federal Reserve System says established its legal status as a Government agency. Such authority is quoted in a statement submitted to Congressman Wright Patman, House Banking and Currency Committee, by the Board of Governors, Federal Reserve System and Federal Reserve Banks, dated April 14, 1952.

"The 12 Federal Reserve Banks", said the Federal Reserve Board, "are corporations set up by Federal law to operate for public purposes under Government supervision."

The Board further advised Mr. Patman that, 'The Board of Governors was created by Congress and is a part of the Government of the United States. Its members', they said assuringly, "are appointed by the President, with the advice and consent of the Senate, and it (the Fed) has been held by the Attorney General to be a Government establishment (30 Op. Atty. Gen., 308, 1914)."

Retorting to these impressive "claims" to "legality" and "public service" Congressman Patman stated:

"There is no free market that can cope with a national debt of \$272 billion (1952), with \$85 billion of it to be refunded within one year. Free market means private manipulation of private credit."

PRIVATE MANIPULATION OF PUBLIC CREDIT IS OF COURSE, THE PURPOSE AND OBJECTIVE OF THE FEDERAL RESERVE SYSTEM. This international banking cartel, as will be shown, manages the credit of the United States for the profit and advantage of its foreign and domestic members. In so doing the Federal Reserve exploits the entire producing strata of the American society for the gain of a select, non-producing few.

"The Federal Reserve Board, to my mind," continued Mr. Patman, "is guilty of the grossest kind of misconduct in failing to support the Government of the United States at a time of its greatest economic peril in Government securities." And he hadn't seen anything yet.

Congressman Patman then revealed the contradiction in the spurious Federal Reserve claim of "Government agency" status and explained how the Fed generates illegitimate profits for its members.

"The Open Market Committee of the Federal Reserve System", he said, "is composed of the 7 members of the Board of Governors and 5 members who are presidents of the Federal Reserve banks and who are selected by private commercial banking interests. The Open Market Committee has the power to obtain, and does obtain, the printed money of the United States--Federal Reserve Notes--(free) from the Bureau of Engraving and Printing, and exchanges these printed notes, which of course are not interest bearing, for United States Government obligations that ARE INTEREST BEARING. After making the exchange the interest bearing obligations are retained by the 12 Federal Reserve banks and the interest collected annually on these Government obligations goes into the funds of the 12 Federal Reserve banks."

Exploding the myth that the Federal Reserve System is an instrumentality of the Federal Government Mr. Patman declared:

'These funds (interest from Government obligations) are expended by the (Federal Reserve) system without an adequate accounting to the Congress. In fact there has never been an independent audit of either the 12 banks or the Federal Reserve Board that has been filed with the Congress where a Member (of Congress) would have an opportunity to inspect it. The General Accounting Office", he stated, 'does not have jurisdiction over the Federal Reserve. For 40 years (1952) the system, while freely using the money (credit) of the Government, has not made a proper accounting."

Then came along Governor W.P.G. Harding of the Federal Reserve Board, in testimony before Congress in 1921, some years prior to Mr. Patman and admitted that the Fed is a private banking monopoly. "The Federal Reserve Bank is an institution owned by the stockholding member banks. The Government has not a dollar's worth of stock in it."

The Government does, however, give the Federal Reserve System FREE USE of its billions of dollars of credit. This gives the Federal Reserve the characteristic of a central bank; the power to issue currency on the Government's credit. Nice work if you can get it! Americans do not have Federal Government notes or gold certificates as currency. You have Federal Reserve Bank notes, fiat money issued by private banks. Every dollar the Federal Reserve System prints is a dollar in their pocket, dear citizens.

The compatible meshing of the Federal Reserve System with a network of international banking was explained by a W. Randolph Burgess of the New York Federal Reserve Bank in an address before the Academy of Political Science (that mutually exclusive and contradiction of terms should sicken quite a few of you) in 1930.

"In its major principles of operation the Federal Reserve System is no different from other banks of issue, such as the Bank of England, the Bank of France, or the Reichsbank."

It is obvious that when control of money is transferred from the People to private banking centers, as is the case in Europe and America, the sovereignty of the People is surrendered, too. Control of wealth confers upon those who control it the final decision in the domestic and international affairs of nations. When the financial aristocracy usurp the "coin of the realm", the People are disfranchised and real political authority passes into the hands of an "Invisible Government of Monetary Power".

Your Founding Fathers knew this principle very well. Mr. Jefferson said, "I believe that 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 of money, should be taken from the banks and restored to the people to whom it properly belongs."

It is hardly perceived today but the Declaration of Independence was actually a proclamation that the colonists would not serve a money aristocracy. The American Revolution was a struggle to wrest control of wealth from the Bank of England and to restore the centers of power to the People where it "properly belongs".

The Constitution is specific about the authority of the People, through their elected officials, to control the money, and thus, the affairs of their Government.

"The Congress shall have the power. . . To coin money (and) regulate the value thereof.." Article I, section 8, U.S. Constitution.

Nowhere does the Constitution authorize or permit the transfer of this vast power to a money aristocracy. Exposure of the hidden forces which have cheated the people of their birthright must be of gravest concern to members of the State Legislatures, each of whom has sworn to "defend and preserve the Constitution". It is time to identify the men behind the Federal Reserve conspiracy.

Mr. Paul Warburg is the man who got the Federal reserve Act together after something called the Aldrich Plan aroused such nation-wide resentment and opposition. The mastermind of both plans (hold your breath, chelas) was Alfred Rothschild of London.

Paul Moritz Warburg, whom President Wilson subsequently appointed first Chairman of the Federal Reserve Board of Governors, was an immigrant from Germany. His primary allegiance was to his family banking house of M.M. Warburg Company of Hamburg and Amsterdam.

During World War I the M.M. Warburg Company financed German's war against the Allied forces. Paul's brother, Max, headed the German Secret Service.

During the war years, Paul Warburg's firm of Kuhn, Loeb Company had five representatives in the United States Treasury Department in charge of Liberty Loans, thus financing America's war effort against the Kaiser. It is most unlikely, however, that patriotism or humanitarianism inspired such interlocking, international financing of the agony of World War I.

Woodrow Wilson, Carter Glass, Wm. Jennings Bryan, etc., have been given credit for the treason but the money and credit resources of the United States were now in the

complete control of the bankers' alliance between J.P. Morgan's First National Bank group, and Kuhn, Loeb's National City Bank, whose principal loyalties were to the international banking interests then quartered in London, and which moved to New York during the First World War.

Congressman Charles A. Lindbergh made a prophetic statement on the swindle which had been foisted on the American people. Speaking on the floor of the House on Dec. 23, 1913, the day the Federal Reserve Act became law, Mr. Lindbergh said:

21 "This Act establishes the most gigantic trust on earth. When the President (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."

These crimes herein alleged were subsequently defined by the Honorable Louis T. McFadden on May 23, 1933 when he actually brought impeachment charges against members of the Federal Reserve Board and the heads of the 12 member banks (Congressional Record, BOUND VOLUME, PP. 4055-4058). But you can see how that went. However here are excerpts:

"I charge them...with having arbitrarily and unlawfully taken over \$80,000,000,000.00 (eighty billion dollars) from the United States government in the year 1928...

"I charge them...with having arbitrarily and unlawfully raised and lowered the rates on money...increased and diminished the volume of currency in circulation for the benefit of private interests...

"I charge them...with having conspired to concentrate U.S. Government securities...and thus...having conspired to transfer to foreigners and international money lenders title to and control of the financial resources of the United States...

"I charge them...with having published false and misleading propaganda intended to deceive the American people and to cause the United States to lose its independence...

"I charge them...with the crime of having treasonably conspired and acted against the peace and security of the United States, and with having treasonably conspired to destroy the constitutional government of the United States."

Let us consider herein for just a moment for that was May of 1933. Well, Congressman McFadden's shocking indictment of the members of the Federal Reserve System, and those who maneuvered its adoption by the Congress, was moved to the Committee on the Judiciary. It STILL awaits reporting to the House floor and action to impeach both former and present members of the Board of Governors and Federal Reserve Banks for criminal conspiracy against the People of the United States. So be it.

FINAL DECISION RESTS WITH CITIZENS

The final decision as to whether or not an "Invisible Government of Monetary Power" will continue to control the American destiny and the lives and fortunes of her People must ultimately be made by the citizens of your nation--no one will do it for you.

To begin the task of exposing and neutralizing the men and the system which seeks to overthrow constitutional government and impose a world governance over your domestic and foreign affairs, resolutions must be drawn and presented to State legislative bodies. These resolutions must call for and demand investigation by the various State Legislatures of the actions of Federal agents who have purported to negotiate with foreign governments and with private interests to transfer vast powers of government, and to surrender rights and liberties assured to the People under the Constitution of the United States, to foreigners and to international money lenders in violation of the prohibitions of the Constitution.

The resolution must further request that the State Legislature promulgate and enact appropriate statutes which will provide for the enforcement of the Constitution of the United States within the boundaries of the various States, to include criminal sanctions for violators, with regard to the United Nations Charter, the Federal Reserve Act, and other ultra vires acts by agents of the Federal Government who have, by these ultra vires acts, attempted to amend the constitution of the United States in a manner not sanctioned by Article V.

You must demand, if it be God's will, that the elected representatives of the People of the various States act at once to restore America's legacy of Freedom to the descendants of the pioneers, the warriors, and the engineers who gave their blood, sweat and treasure to establish and defend it and unto those who lost their property unto those pioneers through ignorance and coercion.

Allow us to close this segment, please. As we continue we shall speak of actions of various States through petitions. I shall have to use material from several resources so that confirmation as to dates, names and places can be made. It will be tedious, Dharma, but most necessary for continuity and example for you ones must have a plan of action.

We will close for this day. Thank you for your service. Salu.

CHAPTER 3

REC/ #2 GERMAIN

WEDNESDAY, JULY 4, 1990 7:40 A.M. YEAR 3 DAY 322

I am Germain and I come in Radiance to speak with you this day.

This is the Day of Independence of your Great Nation...will it stay standing for yet another year? Will your brothers hear their call to Freedom? Great, great men came for land and fought courageously on the battlefield. Great visions and thoughts of securing a land for generations. And yet modern man has grown fat and complacent and cares not for matters of freedom. It saddens me, it angers me...for I KNOW what it took to create the greatness of the Constitution. I KNOW what vision it took to stir a nation. Your mission is no less important than that mission for indeed the entire nation must once again be stirred into that passion for independence and freedom and liberty...liberty, it conjures so many emotions for me it is difficult to speak of it, and yet it is one of the areas that are of the greatest and most urgent concern for man. Man has become lost in the confusion of the so-called modern living and he will become even more lost. When man, enmasse, comes across this material it will stir him...for these are the roadmaps for man to find his way back. FREEDOM AND LIBERTY MUST NOT FALL. THE HOST OF HEAVEN ARE HERE TO SEE THAT IT DOES NOT HAPPEN AND YET WE MUST AWAIT MAN, TO SEE WHAT MAN WILL DECIDE TO DO. WILL FREEDOM AND LIBERTY BE IMPORTANT ENOUGH FOR MAN TO ACT IN TIME OR WILL HE CONTINUE TO GIVE HIS POWER UNTO THOSE ONES OF EVIL VILENESS WHO MISLEAD, LIE, AND SELL THE COUNTRY INTO THE HANDS OF THE ENEMY?

This great nation is the last bastion for a dying world. Take up the banner of courage and continue as you ones have been...for we greatly honor you and the mission before you. We shall be working closely indeed in the days and years ahead. This is merely something of an introduction, for I have not come to Thomas for some time now...I have been most busy indeed. Greetings Thomas, you are coming along nicely. We shall get there, friend, we shall get there.

I stand and salute all ones of the circle who have given so much of themselves to the putting forth of the Journals. You may not know the magnitude yet of that which you do, but I tell thee surely that it will change of a world and it will be recorded through the eons. Your work is affecting hundreds at present...eventually it will affect millions throughout the globe. Keep your shields ever about you for the HOST stand present to assist. Honor one another for the load is different and heavy on each. Blessings this wondrous day of independence. Give great thanks and breathe the breath of freedom, and hope that man awakens in time to ensure that you live to experience yet another year of it.

So be it, I take my leave. May the violet flame transmute all negativity in your lives to the perfection that you are. Blessings. I Am Germain

REC #1 HATONN

4TH OF JULY--HOW LONG WILL YOU CELEBRATE

INDEPENDENCE?

Hatonn present in the Light of Truth and in service unto God and You of His wondrous people. Forgive yourselves for that which you knew not and allow us to move forward that we might reclaim of freedom. Honor the magnificent message from Germain, the leader of the unfolding of your nation back into the freedom which has been stolen from you in your sleeping and trusting. Do not spend wasted time in mourning that which is past--reclaim that which is yours and rejoice! Place Germain's message afore this writing that your brothers can share of the truth of it.

We will continue on with our Journal for much lies in front of us. We enjoy watching the children at play as they figure and encourage one another in their ignorance, to "set us up" for the disclosure of who knows what? Those who carry a hate and destruct against God's truth shall surely perish in their own laid traps. Do not tremble, Dharma, for as they toy with "how" to get Hatonn in Las Vegas and discount truth, they will cease to need to butcher you physically. Enjoy the respite, chela, that we can accomplish our text-books. We shall speak later of the Center for Action meeting which suddenly has Stockwell, Cooper and other major adversaries added to the program opposite Patrick. What a stupid game is being played while your nation writhes in her death throes. I shall take time later to write an appendix to this segment of time regarding the ones planning to unseat Hatonn; your brothers are waiting for information which matters.

The truth is laid before the world and even I am all but embarrassed for ones who tout lies. I will go forth on record, right here--that not only did Billy Goodman KNOW that his program from Las Vegas was going to be cancelled but so did all the people working with and around him. Yet, the hype for the upcoming UFO Conference touts him as "Vanishing", "time loss", "sudden cancellation without notice", "mysterious silence during the hours he would ordinarily fill on the radio" and on and on with such jibberish and falsehoods as to allow anyone connected to the man to KNOW the sham. Come, Dharma, do you really "fear" the harbingers of lies?

I do herein request that George speak with Eustace and alert him to the setup for Eustace will be an early speaker and we might well have a bit of fun early on. This meeting was not set forth for this purpose of foolish encounter. It was touted to be a conference to restore the Constitution and how blisteringly deceitful to see it fall into another NEW AGE/UFO LIE AND SHAM. It is an insult unto the credibility and integrity of Commander Gritz. But then, why does Commander Gritz spend so much time in Washington? Could it be that ? I shall monitor most closely for they know not that which they do for us and truth! So be it. I do sincerely request that we be informed about the possibilities for I would want our people to all know in advance so they do not miss the show. We are going to get your Constitutional mess covered, my friends, and perchance have a little truth finding session in addition, IF THE ONES WHO REFER TO DHARMA AS A "SLIMY LITTLE PUKE" ARE NOT, INDEED, TOTAL COWARDS IN ADDITION TO OTHER ILL-BEGOTTEN TALENTS.

GOD DOESN'T LOSE, PRECIOUS ONES. REMEMBER WELL, GOD DOES NOT LOSE IN A CONFRONTATION WITH EVIL INTENT! THESE ONES BELIEVE THEY ARE GOING TO TROUNCE ALL OVER A LITTLE 58 YEAR OLD GRANDMOTHER--I THINK NOT!

THE POWER OF MONEY

Conspiracies to seize the power of government are as old as the institution of government. In politics, nothing happens by accident. If it happens, you can know it was planned to happen that way. During the past two centuries when the peoples of the world were gradually winning a partial freedom from monarchies, the major banking families of Europe and America were reversing the trend by forming new dynasties of political control through international financial alliances. The goal was to create a world-wide system of financial control in order to dominate the economy of the world and the political system of each country. And, furthermore, they have thus far been inconceivably successful and the Plan 2000 is at this point, ahead of schedule.

The United States is dominated by a hierarchy of wealthy families. The control of private wealth is held by families and family alliances, reinforced by marriages among their members, that guide the banks and control the corporations. Historically, government has been the servant of private wealth. The first fortunes in the New World were political creations. Land and trading privileges were granted by the British and Dutch crowns upon favored individuals and companies. Every great fortune that came out of the nineteenth century was rooted in fraud. In their absorbing passion for the accumulation of wealth, men were plundering the resources of the country like robbers and burglars looting a palace. The public has been deluded about the material aims of a few and the very existence of those who rule the majority. Rule through money has been fashioned into the ultimate system for securing and maintaining power.

Nineteenth century American author Edward Bellamy, concerned with the extent and consequences of man's inhumanity to man, describes how the "system" operates in a writing called **THE PARABLE OF THE WATER TANK**: There was a very dry land and the people needed water very badly. They did nothing but look for water and many perished because they could not find any. There were, however, certain men in that land who were more cunning than the rest and they gathered supplies of water where others could find none. Mr. Bellamy labelled these ones as Capitalists. Because it is his story, I shall not take objection to the title but it is not accurate in the whole.

The people came unto the capitalists and begged for water and the capitalists answered: "Be ye our servants and ye shall have water." And so the capitalists organized the people and they made a great tank for the water, and the tank was called the Market. The capitalists said unto the people: "For every bucket of water that ye bring us, we will give you a penny, but for every bucket that we give unto you, ye shall give to us two pennies, and the difference shall be our profit, seeing that if it were not for this profit we would not do this thing for you and you would all perish." And after many days the water tank, which was the Market, did overflow and the capitalists said unto the people: "Bring us no more water till the tank be empty." But when the people received no more pennies from the capitalists, they could buy no more water. And when the capitalists saw that they had no more profit, they were troubled and said

among themselves, "We must advertise." But the people had no pennies to buy the water and the situation was called a "crisis".

The thirst of the people was great, but the capitalists would not give of the water, saying "Business is business." But the capitalists were disturbed because the people bought no more water, and so they acquired no more profits. They then sent for the soothsayers to interpret this predicament. The soothsayers were men learned in dark sayings, who joined themselves to the capitalists so that they would have water, and they spoke for the capitalists and did their bidding for them. The soothsayers said that the people bought no more water because of "overproduction" and others said it was because of "lack of confidence". The capitalists were comforted and they sent the soothsayers unto the people who saw the emptiness of their wisdom and did mock them. The capitalists became fearful that the people would come upon the tank and take the water by force. And so they brought forth certain holy men who were false priests to testify to the people that this affliction was sent to them by God for the healing of their souls, and if they would bear it in patience and lust not after the water, nor trouble the capitalists, it would come to pass that after they had given up the ghost they would come to a place where there would be no capitalists but an abundance of water.

When the capitalists saw that the people were still discontent and would not be still, neither for the words of the soothsayers nor of the false priests, they came forth themselves and set their fingertips in the water that overflowed from the tank and they scattered the drops upon the people and the drops were called "charity". But still there was great unrest among the people. The capitalists sought out the mightiest and all who had skill in war and they became a defense unto the capitalists. And after many days the water was low in the tank, for the capitalists wasted the water for their pleasure. When the capitalists saw that the tank was empty, they said, "The crisis is ended". They hired the people to fill again the tank that was the Market, and gave the people a penny for each bucket the people brought and took two pennies for each bucket they did give unto the people. - - -

WHERE FITS THE RULING ELITE AND WORLD

GOVERNMENT?

Nineteenth century British Prime Minister Benjamin Disraeli commented that the world is governed by very different people from what is imagined by those who are not behind the scenes. We have already spoken at great length about operations within this network. When we speak of an Atlantic alliance, etc., it refers to the belief that England was an Atlantic rather than a European Power and must be allied, or even federated, with the United States and must remain isolated from Europe. This intent is shown more clearly in the antagonism engendered by the tunnel under construction between England and France. There is pure hatred festering into terror actions over that one connection. The chief point of this belief, however, is not so much that ones feel this way about the matter, but rather that the instigators demand to remain unknown and within secret working societies so that this can be accomplished without citizen knowledge.

Political and economic power in the United States is concentrated in the hands of a "ruling elite" that controls most U.S.-based multinational corporations, major communications media, the most influential foundations, major private universities and most public utilities. Founded in 1921, the Council of Foreign Relations is the key link between the large corporations and the federal government. It has been called a "school for statesmen" and is simply an organ of the "Power Elite" -- a group of men, similar in interests and outlook shaping events from invulnerable positions behind the scenes. The creation of the United Nations was a Council project, as well as the International Monetary Fund and the World Bank. Council members are headed by Henry Kissinger and include dozens of prominent men such as Gerald Ford, Jimmy Carter, Haig, Schultz, Weinberger, Mondale

Twelve Council members were part of President Lyndon B. Johnson's Senior Advisory Group on Vietnam. (Does this make you feel cuddly safe and secure?) Even though we have been over the lists prior to this, a reminder is in order. Richard Nixon appointed more than 110 Council members to key government positions during his administration. The majority of major appointments to the State Department by Jimmy Carter in 1977 were members of the Council. Most CIA directors have been Council Members, including Bush and Casey. Nearly all (well, now it is ALL) major media in the U.S. are attached to the Council. The president of your country's largest labor union, the AFL-CIO, Lane Kirkland is a member. Membership includes a high concentration of corporate leaders from companies such as ITT, IBM and all the major Oil companies. David Rockefeller has been a director of the Council since 1949 and chairman of the board since 1970. The Council has been called "The Establishment", "The Invisible Government", "The Parallel Government", "The Shadow Government", "The Kissinger Government", "The Zionist Government" and "The Rockefeller Foreign Office".

THE GOAL OF THE COUNCIL IS THE *ESTABLISHMENT OF A "WORLD GOVERNMENT" TO BE IN FULL OPERATION BY THE YEAR 2000 (GLOBAL PLAN 2000).*

Please recall my discussion regarding gold and diamond magnate Cecil Rhodes who stated his total commitment to the establishment of a World Government in his will called the "Secret Society Will". His aim was indeed clear: "The extension of British rule throughout the world." The secret society at that time was called "The Round Table", which worked behind the scenes at the highest levels of the British government. They organized Round Table Groups in those nations under British dominion and in the United States. In New York, it was known as the Council on Foreign Relations. The members of the council are persons of tremendous influence in their communities. They have used the prestige that their wealth, their social position, and their education have given them to lead your country into total bankruptcy and military debacle. They should check their hands for they are covered with blood, dried and fresh. Administrations are set up by them and there is no longer any semblance of outward appearances otherwise. The "insiders" control both the Democrat and Republican parties completely.

There is, on the international level, the organization equivalent to the Council, called the Bilderbergers as you will recall, created by former Nazi SS storm trooper Prince Bernhard of the Netherlands. This is called the most exclusive club of the Western

establishment, and this group includes the world's most powerful financiers, industrialists, statesmen and intellectuals, who meet each year for a conference on world affairs and set the plans for world function. Attendees are the same as listed above with Henry Kissinger always noted first; then also you will find British Prime Minister Margaret Thatcher, and leaders such as Helmut Schmidt, Giscard D'Estaing and so on from all prominent nations.

COMMUNISM OBJECTIVE

A World Government has always been the objective of Communism. Remember that the Bolshevik Revolution of November 1917 was a turning point in world history. The main purveyors of funds for the revolution, however, were neither the crackpot Russian millionaires nor the armed bandits of Lenin. The real money came from certain British and American circles which for a long time past had lent their support to the Russian revolutionary cause.

Some of the world's richest and most powerful men financed the Bolshevik Revolution, a movement that claims it will strip these very same men of their power and wealth, men like the Rothschilds, Rockefellers, Schiffs, Warburgs, Morgans, Harrimans and Milners. There is no proletarian, not even a Communist movement, that has not operated in the interest of money, in the direction indicated by money, and for the time being permitted by money--and that without the idealists among its very leadership having the slightest suspicion of the fact of it.

Well, it is happening again and now the money-mongers are even smarter--they take your blood and money and send it all away to your very deadliest enemies while you are flushed down the toilets, and worse, you applaud while they do of it. You line the streets to glimpse the major enemy and bow to him for a shard of freedom only spoken of--no freedom in practice, my dear ones.

The program of the Communist International of 1936 states that world dictatorship can be established only by victory of socialism in different countries or groups of countries, after which the Proletariat Republics would unite on federal lines with those already in existence, and this system would expand, at length, forming the world union of Soviet Socialist Republics. Socialism means government ownership and/or control over the basic means of production and distribution of goods and services. State ownership and regulation of the entire economy means government control over everything. The evolution of economic history shows a straight line movement toward consolidation of wealth. This evolution flows from competition to combination, and from large combination to colossal combination, and it flows on to socialism, which is the most colossal combination of all. Communism is totalitarian socialism.

Communism is a movement created and manipulated by some of the world's most powerful and wealthy men in order to gain control over the world, first by establishing socialist governments in different countries and then consolidating them through a "Great Merger" into an all-powerful socialist dictatorship. CAN YOU NOT SEE IT COMING DOWN EXACTLY AS PLANNED?

Well, it is written that before the great epic of Millennial peace, humanity would be subjected to a ruthless, world-wide dictatorship which would attempt to make all men subservient to it or be killed. Reread Revelation 13:17. If you do not learn from the

past and pay attention to the prophecies as given, how else can you make of the changes in course to avert the disaster?

INTERNATIONAL MONETARY FUND

Founded in 1944 at a U.N. Monetary and Financial Conference at Bretton Woods, New Hampshire, the International Monetary Fund oversees the world economy. With its headquarters in Washington, the International Monetary Fund encourages financial cooperation between nations and lends money to governments which **MUST COMPLY WITH PRECONDITIONS BEFORE THE LOANS ARE GRANTED**, as in this week's Bush forgiving of \$15 billion to Latin debtors. The preconditions will strip them bare with no recourse whatsoever.

Dominated by Western nations, the International Monetary Fund manipulates the economies of industrialized nations and the developing countries. British economist Lord John Maynard Keynes envisioned it as the central world bank that would issue currency and control the world economy. Founded in 1944 along with the International Monetary Fund, the World Bank lends billions of dollars for economic development projects in underdeveloped countries, which must first join the International Monetary Fund before becoming eligible for World Bank aid.

The Trilateral Commission, conceived by David Rockefeller, consists of an elite group of prominent business, political and intellectual leaders from Western Europe, North America and Japan. Membership holds the same persons along with strategic additions. The Commission, established in 1973, promotes central management of the global economy by the largest of the multinational corporations in order to bring about the New World Order.

PLATO'S REPUBLIC

Oh sorrow, beloved ones, and forgive Plato's divergence from the wondrous and balanced teachings of Socrates (who probably has returned to diligently set things to right; feeling responsible for misinterpretation of truth). Similarly, I would suspect "Saul" Paul might be back to set his own erroneous teachings to straight.

Plato's **REPUBLIC** is the source book of all dictatorships. Plato's blueprint for a new society begins with breaking up the existing social structure by whatever means necessary, including force, in order to establish the "ideal" society. There would be three classes: the special ruling class, a powerful army and the working class. There would be slaves also, but slaves would not be considered citizens. Marriage would be eliminated. Women would be equal with men--equal to fight wars with men and perform labor like men. Sexual activity would be controlled and limited by the State. There would be selective breeding of children and children considered inferior or crippled would be destroyed. People would be induced to believe falsehoods taught as religious principles. Myths would convey important "truths" to young or untrained minds. Religious institutions would be regulated by a recognized national authority. Priests would have no authority over beliefs, but would be officials whose duty it would be to perform rituals. War would cease when all states are united in a world-state according to the principles prescribed by Plato. And Plato was prepared to place the control of the State in the hands of a single man. So you suppose Henry Kis-er, er-

a, umm, Plato is feeling success breathing on his neck? Do you suppose the Zionist Khazars are grinning in their boxes? So be it!

THE FLAG OF THE UNITED STATES OF AMERICA

I am going to close this portion with a discussion regarding your heavenly banner--your flag.

Much is made of flag burning, etc., in the present days and of making amendments to set laws and so on and so forth. YOU HAVE LAWS GOVERNING THE FLAG AND THEY COVER IT ALL. TRY STUDYING THE "FLAG CODE": Title 36, U.S.C., Chapter 10, as amended by P.L.344, 94th Congress, Approved July 7, 1976.

I am not going to do your homework for you--you go look it up and study it well. Herein, however, I shall give you (§)176. **Respect for the flag:**

No disrespect should be shown to the flag of the United States of America; the flag should not be dipped to any person or thing. Regimental colors, state flags, and organizations or institutional flags are to be dipped as a mark of honor.

(a) The flag should never be displayed with the union down, except as a signal of dire distress in instances of extreme danger of life or property.

(b) The flag should never touch anything beneath it, such as the ground, the floor, water, or merchandise.

(c) The flag should never be carried flat or horizontally, but always aloft and free.

(d) The flag should never be used as wearing apparel, bedding, or drapery. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free. Bunting of blue, white, and red, always arranged with the blue above, the white in the middle, and the red below, should be used for covering a speaker's desk, draping the front of the platform, and for decoration in general.

(e) The flag should never be fastened, displayed, used, or stored in such a manner as to permit it to be easily torn, soiled, or damaged in any way.

(f) The flag should never be used as a covering for a ceiling.

(g) The flag should never have placed upon it, nor on any part of it, nor attached to it any mark, insignia, letter, word, figure, design, picture, or drawing of any nature.

(h) The flag should never be used as a receptacle for receiving, holding, carrying, or delivering anything.

(i) The flag should never be used for advertising purposes in any manner whatsoever. It should not be embroidered on such articles as cushions or handkerchiefs and the like, printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.

(j) No part of the flag should ever be used as a costume or athletic uniform. However, a flag patch may be affixed to the uniform of military personnel, firemen, policemen, and members of patriotic organizations, the flag representing a living country and is itself considered a living thing. Therefore, the lapel flag pin, being a replica, should be worn on the left lapel near the heart.

(k) THE FLAG, WHEN IT IS IN SUCH CONDITION THAT IT IS NO LONGER A FITTING EMBLEM FOR DISPLAY, SHOULD BE DESTROYED IN A DIGNIFIED WAY --**PREFERABLY BY BURNING!**

Please take note of how many of the "shoulds and should-nots" are flagrantly disregarded. The obvious intent is to allow morality and freedom to the individual by use of the word "should" and not "must" by law.

TO USE FLAG BURNING AS AN EXCUSE TO CALL A CONSTITUTIONAL CONVENTION OR TO AMEND IN ANY MANNER, IS A BLATANT ATTEMPT TO COVER THE ACTUAL PURPOSE OF SUCH A CALL. OPEN YOUR EYES!

Oh, by the way:

178. Modification of rules and customs by president

Any rule or custom pertaining to the display of the flag of the United States of America, as set forth in section 171-178 of this title, may be altered, modified, or repealed. or additional rules with respect thereto may be prescribed, by the commander in chief of the armed forces of the United States, whenever he deems it to be appropriate or desirable; and any such alteration or additional rule shall be set forth in a proclamation!

So, dear ones, why would President Bush call for an Amendment in such manner as projected upon you ill-informed citizens---BEWARE! THE REPEAL OF YOUR ENTIRE CONSTITUTION IS AT HAND AND ITS REPLACEMENT WRITTEN AND WAITING, ALL PRINTED AND IN FORCE--JUST AWAITING THE MAGIC MOMENT WHEN YOU DEMAND IT IN THE NAME OF CRIME STOPPING AND WHATEVER ELSE OF NONSENSE AND IRRESPONSIBILITY YOU CAN MUSTER. SO BE IT--IT IS YOUR LIFE, AMERICA!

Walk carefully and gently, friends, for the road is washed out ahead and the bridge removed. God will guide thine feet in passage if ye will but ask, listen and act!
Saalome

May this not be America's last celebration of Independence for your days are surely numbered.

Hatonn to clear, please.

CHAPTER 4

REC #1 HATONN

THURSDAY, JULY 5, 1990 10:07 A.M. YEAR 3 DAY 323

CURRENT EVENTS MANDATING ATTENTION

Pandora's box is open, friends, and we must stand with our brothers that they do not need stand alone against your adversaries.

JIM TUCKER

First we give honor and appreciation to a Special Investigator, James P. Tucker Jr., for he has now paid the price of his obtaining information from the Bilderberger meeting near White Plains, New York (May 10-12, 1985).

Keep in mind that the Bilderbergers are not a Congressional branch. They are the very ones who are out to destroy your Constitution and your country by any means possible. Their meetings are secret and yet they, above all, control your world.

Jim Tucker infiltrated the Bilderberger meeting and was given opportunity to view Sen. Charles Mathias' (R-Md) portfolio--at least the portfolio which was "assigned" to the Senator. He did not steal it nor take it from the Senator's possession--it was only "assigned" to Mathias.

INSTANT RETALIATION

Instantly upon revealing truth to the *Spotlight*, your "Congress" stripped Mr. Tucker of his credentials as a congressional correspondent. Mathias brought immediate demand for the action.

Mathias was angry because Tucker obtained viewing of the portfolio which contained texts of speeches, private telephone numbers and the confidential (as opposed to the public) list of the several hundred global power brokers attending the shadowy secret conclave.

Information was confirmed to be accurate and portions were printed in the *Spotlight* on May 27 and some small portions were utilized in the story. However, most information put to press was gleaned simply from observation and connections with persons at the hotel who thought Tucker was a member of the Bilderberg group simply because he was "there". Tucker has specialized in Bilderberg and Trilateral Commission coverage for over ten years and the service performed for "you the people" is beyond measure. The meeting was held behind the locked and guarded doors of the exclusive Arrowwood Hotel.

Let us look at how the incident has been handled and then discern for yourselves the extent of control by these groups of secret elite.

Word that Tucker had been found out and that his credentials as a member of the congressional press galleries would be revoked came in an angry phone call from Roy L. McGhee, superintendent of the Senate periodical press gallery.

McGhee said he was acting on the complaint by Charles Muller of New York, who heads the Bilderberg staff in the United States.

McGhee shouted, 'They (the Bilderbergers) have a right to a private meeting. None of the other papers carried anything.'

Tucker countered, "This was NOT a 'private meeting', it involved elected officials and other high officials of the State Department and other agencies. The public has an overriding right to know when public business is conducted behind closed doors."

McGhee threatened to lift the credentials of all correspondents for the nonpolitical publication Tucker was serving on a free-lance basis unless Tucker surrendered his own credentials.

(The Congressional press galleries give credentials to publications, not individuals, so a writer serving several will be technically representing one.)

Tucker called his supervisor at the publication that had provided him the credentials, asked to be fired, and surrendered his credentials.

"If not offending a senator is a condition of carrying the card, I don't want it. I have a lot more senators yet to offend,." he said.

The incident that enraged Mathias and his fellow Bilderbergers occurred after Tucker had entered the Bilderbergers' hotel meeting place. Once inside, Tucker spent considerable time interviewing hotel staff members (who were required to have at least three years service and promise secrecy) as well as Bilderberg members. Tucker also examined numerous secret "in-house" documents.

Tucker saw a stack of simulated leather portfolios, each bearing the name of a participant, called a cab, explained that "the senator needed a briefing" and read the documents, then departed.

It is assumed that a member of the Bilderberger staff discovered Tucker's identity in the brief moment when he flashed his press card as "identification" just prior to departing.

It is closed meetings of these types attended by some of the world's most powerful individuals who chart the course for the entire world operation and control that McGhee of the Senate press gallery defended, saying that these elitists have a "right to a private meeting".

At such "private meetings", however, decisions are made over whether the Federal Reserve Board will generate inflation or deflation (refer to your Constitution as outlined earlier in this Journal), profit-producing wars are ignited or heads of state toppled.

WHERE IS THE ACLU WHEN YOU NEED THEM?

Well, they didn't rush to defend James Tucker, I assure you. They are part and parcel of the plan to pull your country down; making great distractions regarding incidents already well covered for attention within the Constitution.

What has happened to your Constitution? What has become of the First Amendment? Where is the freedom of speech that your Founding Fathers bequeathed you?

Without the First Amendment (or even that which is left of it), newspapers such as the National Educator, The Spotlight, Christian News, and the Justice Times--as well as scholarly publications like the quarterly Journal of Historical Review--couldn't publish these stories that (if known by enough people) could turn world politics upside down--which, of course, is the point of the shut-out. The Phoenix Journals and Express is a prime, prime target as is the scribe putting the information to paper. But they can't do much with us except effort to stop the press for we don't need the investigators except as to give confirmation to you readers. It is most infuriating to the elite who will stop at nothing to shut us down. And what might be some of the stories in point?

* The drive to audit, reform and abolish the big banker-controlled private money monopoly known as the Federal Reserve System.

* The backstage maneuvering of the Bilderberg group, the Trilateral Commission and the Council on Foreign Relations;

* Who killed John F. Kennedy--and why?

* Rockefeller's secret ownership of a vast share of "Japan, Inc." [This one thing should shout CLUE, CLUE, CLUE TO ALL JOURNAL READERS!] The big boys are livid, furious and irrational regarding our telling you of the counterfeit plates, etc., from the Antarctic. Now you can see how Rockefeller is rebounding from the coup against him set up in that region by the Brits/Falklands/Haig firing, and so on.

* The hidden truths about World War II history, such as the secrets of Pearl Harbor, Eisenhower's death camps, and the Establishment's favorite myths about the holocaust, and

* Who really profited from communism since 1917? This alone, is one very big and important subject, dear ones.

THE ESTABLISHMENT PRESS

All of these subjects are buried, distorted and cover-up stories conjured by the Establishment press--the cover-ups are endless. Independent ideas and opinions--and the facts--are suppressed, distorted or altogether ignored by the Media Monopoly in your country.

It is, however, a fact that freedom of speech is fast becoming a dim memory of the past in all the "democracies"; in France a man was sent to jail for committing a "hate

crime". His crime? Having in his possession a small pamphlet which claimed there were no gas chambers at Auschwitz! Well, there were no gas chambers in Auschwitz--not even for purposes of parasite control which had to be handled in an outside area--but that is not yet our central subject; we will get to that one after we investigate your vanishing Constitution.

Can the First Amendment be trampled like that in America? Of course. Right now well-organized groups such as the Anti-Defamation League (ADL)--an unregistered foreign lobby for Israel--is pressuring your Congress to adopt similar measures to the incident above. This is, of course, the same ADL that once gave pornography kingpin Hugh Hefner the ADL's coveted "Freedom of the Press" award! This is the same one who has offered false evidence and sent LaRouche and his staff to prison with life sentences. This is the same Zionist lobby along with the World Zionist Organization who sets-up anybody who questions America's one-sided support of Israel's imperial aim, to be considered a danger to the community, to be guilty of a "hate crime". If you take a stand of belief in any of the "commandments" as given in the Bible, you are "bashing" those who practice otherwise; this little law could include any of you.

The U.S. Justice Department is already laying the groundwork for such legislation. And remember, the Israel lobby controls over 60% of your Congress--hook, line and sinker! Under a new law just passed by Congress, federal agencies are now compiling official annual statistics of so-called hate crimes and who is involved. Everything from a "joke" to speaking out against any area of perceived "negative" behavior. I speak not of "criminal actions", I speak only of telling a "joke" or making a statement of opinion.

The United Nations is working on a scheme that would allow that one-world body to regulate the free press in every sovereign nation around the globe. The UN calls this a plan for "a new world information and communications order".

It is nothing more than another insidious ruse by the UN and their Bilderberger and Trilateral-backers to limit your freedom of speech, among other things. This conspiracy is not news, it has been in working form for years.

WHAT CAN YOU DO?

Study your Constitution and KNOW IT! Then find groups with which to participate as we are bringing to your attention. Choose up a favorite or get with them all and contribute whatever talent you have. There is one already established and fighting to protect your freedom of speech: the Foundation to Defend the First Amendment (FDFA), and is the only foundation of its kind. You MUST begin active participation in these groups or found your own but it is easier to gain momentum if you work together in unison.

At this particular time (July, 1990) if you make even a \$20 contribution this group will send you, along with joining, a copy of the Bilderberg-Trilateral plan to ban free speech that the UN has prepared, and also additional explanatory materials which reveal the origins of this incredible scheme--and save me quite a lot of time. You need to see this document so that you can see for yourself the nature of this conspiracy hatched by these internationalists. Send it to FOUNDATION TO DEFEND THE FIRST AMENDMENT, P.O. BOX 70392, Washington, D.C. 20024 and please

mention the Phoenix Journals/Express and ask for the document. I will be speaking on the matter later but the thrust of this Journal is regarding the Federal Reserve and I do not wish the distraction. Thank you for your attention.

CHAPTER 5

REC #1 HATONN

FRIDAY, JULY 6, 1990 7:30 A.M. YEAR 3 DAY 324

TODAY!

Be alert! You have just witnessed the selling of a world. As Mr. Bush and Mrs. Thatcher emerge with their broad smiles signaling to the world PEACE; they have just finalized the joint contracts and bindings with Soviet Russia--a major step in disarming your world and now things will be moving rapidly into the final stages of fulfillment. It has been planned for years and years and came off without even a quarrel. May God have mercy on you blinded lambs.

Dharma, let us go back to the beginning of the Federal Reserve so that you can see how it was--

IN THE BEGINNING

In the 'beginning of darkness upon your lands' there came along one named Nelson Aldrich. On a special evening in November (22), 1910, a crowd of newspaper reporters gathered at the Hoboken, N.J., railway station. They had been tipped off that some very highly-placed people were coming over to Hoboken from New York City to board a train and go away on a secret mission. What the mission might be, or who the personages involved, none of them knew, but they were certain that an extremely important event was in the making.

Senator Nelson Aldrich was their proof of good copy. He was tied up with the powerful rubber trust and the tobacco trust. As one of the coalition of five Republican Senators then ruling the Senate, Aldrich had used his elective position to enact a series of tariffs and laws favorable to his own interests, and had been denounced many times for his callous disregard of his oath of office as he devoted his power to the program of the international financiers.

Aldrich had just recently returned from Europe with the National Monetary Commission, of which he was head. This was a Commission appointed by Congress in response to public feeling against big bankers after the artificial "Panic of 1907". The commission had been charged to make a thorough study of financial practices before formulating banking and currency reform legislation for Congress. It was pointed out at the time that such legislation seemed unlikely to offer genuine reform under the leadership of a man with Aldrich's known sympathies and employment but Congress was blithely impervious to this criticism.

Senator Aldrich and the National Monetary Commission had spent nearly two years touring Europe at the American taxpayer's expense. He and his entourage had dissipated more than \$300,000 of public money and in those days that was a LOT of money, although they had been wined and dined by all the important European financiers and seemed to live off the land wherever they traveled. Since his return to the U.S., Sen. Aldrich had made no effort to report to Congress the outcome of his trip,

nor had he yet offered any ideas as to banking reform. The nation waited for him to provide a cure for the recurring financial panics which had upset business and small fortunes continually since the Civil War. He had not come to any definite plan for such a cure.

There was another person with Aldrich who was most important, also, A. Piatt Andrew, professional economist and Assistant Secretary of the Treasury, who had traveled with Aldrich to Europe as Special Assistant to the National Monetary Commission. They were followed by Aldrich's private secretary, and a number of reporters. Since they carried a lot of luggage, evidently they were going away for an extended time. The crowd of reporters, representing most of the great New York daily papers, were convinced that the secret mission must have some connection with the proposed financial reform.

Aldrich, being an aloof elitist, dealt with the reporters by walking past them without answering any of the questions shouted at him--and his companions had obviously been instructed to not even acknowledge the reporters. This is how to win friends and influence people! It is also the assumption of silent conspiracy later to be labelled "top-secret" which the public accepts without question. You see the stage is always set in the most clandestine manner--a private train car, pull all the shades down and look mysterious and powerful mafia-like. And it always gets better as you look at the scenario from objective distance.

The curiosity level rose when they saw two more bankers come into the station, followed by a group of porters. Here was Frank Vanderlip, who had risen from working as a farmhand to become President of the National City Bank of New York, the most powerful bank in the U.S., representing the Rockefeller oil interests and the railroad systems owned by the banking house of Kuhn, Loeb Company. (Of course you have heard of them and you will hear more as we move into Rape, Ravage, Pillage and Plunder of Justice and Legal Murder by Profession--The Medical Profession. I repeat--your world is owned and operated by a mere handful of elite. You will see the same names come up at the top EVERY time and only the hoods who enforce the laws of the elite change from time to time according to pecking order.)

The National City Bank had large interests in South America, and had been charged in 1898 with getting the U.S. to go to war with Spain. At any rate, the National City Bank came out of the Spanish-American War as the proprietor of Cuba's sugar industry.

With Vanderlip was the austere Henry P. Davidson, senior partner of J. P. Morgan Company, and Charles D. Norton, President of Morgan's First National Bank of New York. These three financiers were dominant in the small group of New York bankers which had been accused of controlling the entire money and credit of the United States. In response to the reporter's question, Mr. Vanderlip declared that they were only going away for a quiet weekend in the country.

These men controlled the oil, railroads, communications and heavy industry of your entire country. What plan of action brought them skulking out of New York to board a private train on the other side of the river? Men as powerful as these had no reason to hide their comings and goings, and in the past they had been openly scornful of public opinion and public interest. No large new enterprise could be undertaken without

coming to one or more of these men, and they saw to it that their advice and aid were well recompensed. They elected Congressmen, appointed judges, and bought and sold newspapers and publishing houses whenever they needed a job done. One of their number had once earned a sort of fame by exclaiming "The public be damned!" These were the egotistical elite and it was not in character that they should cloak themselves in such mystery.

But the plot thickens, for the next person to appear was not so well-known; Paul Moritz Warburg, a German immigrant who had been in your country less than eight years, but who had so availed himself of the privileges of your land of opportunity that he was already a partner in the banking house of Kuhn, Loeb Company, New York, at a salary of \$500,000 a year. His family house of M. M. Warburg Company, of Hamburg and Amsterdam, was the chief German representative of the great European banking family, the Rothschilds. Now you knew we wouldn't leave the Rothschilds out in the cold. Liberal amounts of Rothschild funds had enabled Jacob Schiff (yes, the pharmaceutical giant) to purchase a partnership in Kuhn, Loeb Company and less than 20 years later achieve an unchallenged domination over the large railway systems in the United States. Some people are just incredibly multi-talented.

Paul Warburg had not devoted much attention to business since he arrived in your country. Instead, he had spent much of his time writing and lecturing on the subject of monetary reform. This seemed to be in direct conflict with his personal interests and the interests of his employers, for a genuine monetary reform would certainly reduce their profits and power, it would appear. But his work along these lines brought him an increased income and even more time to advocate banking legislation which would set up a central bank in the U.S. similar to those of Europe. Warburg was already known as the "banking brain" of New York, and commanded large audiences among the city bankers when he spoke at the meetings of the Chamber or other bankers' fraternal groups.

With Warburg was Benjamin Strong, who had come to prominence on Wall Street during the Panic of 1907 as an able lieutenant of J. P. Morgan, when he demonstrated his ability to carry out orders. This was a money panic which had been called by Morgan to wipe out the competition of the Heinze-Morse group in the banking, shipping, and iron industries. Strong's appearance as companion of Warburg was no accident, for the J. P. Morgan interests and Kuhn, Loeb interests had formed an alliance in 1901, known as the Northern Securities Company, which dominated the country ever since. This alliance had put Theodore Roosevelt in as President of the United States in 1904 to delay the prosecution of the Northern Securities Company by the Department of Justice. Roosevelt was successful in doing this, and the Morgan-KuhnLoeb alliance was able to work out a more complicated and much less vulnerable system. For this work, Roosevelt was given the name of "trust-buster" which story you probably should have herein.

Northern Securities was the consolidation of the Rothschild Empire in America, J. P. Morgan and Company having become international agency in 1869, when J. P. Morgan and Anthony Drexel went to London and concluded an agreement with N. M. Rothschild Company that J. P. Morgan Company would henceforth act as their agent. Thus Drexel Company of Philadelphia, J. P. Morgan Company of New York, Grenfell and Company of London, and Morgan Harjes and Company of Paris were able to hide

under a less known name. J. P. Morgan had been chosen for this high honor because of the affair of the Hall carbines during the Civil War, when he swindled his own government (your government) by selling to the Union Army from a Federal arsenal carbines which the Army had condemned. Is it any wonder he destroyed Nikola Tesla? Further, J. P. Morgan's father, Julius S. Morgan, was a partner of George Peabody and Company, the financial agents of the federal government in London during the Civil War, and as such, had acted in the interests of the Rothschilds. Isn't this just the most conspiratorial collusion you ever read about--since yesterday? Ah yes, truth is far, far stranger than any "fiction". The truth will always outdo the fabrications.

Warburg and Strong were silent as all the others, and the reporters just watched the train leave the station without so much as a quote from any of the bankers. NOT A SINGLE METROPOLITAN PAPER CARRIED THE STORY.

FIRST PUBLIC REFERENCE WAS SIX YEARS LATER

The first public mention of that mysterious mission appeared some six years later, three years after the Federal Reserve Act had been passed and was in operation. It is interesting to note names herein also, the reference was in an article by E.C. Forbes in *Frank Leslie's Magazine*, a feature in praise of Paul Warburg which incidentally told a story called "*Jekyll Island*", giving the first revelation of what happened in November 1910. Bit by bit, Forbes' account was enlarged upon during the next thirty years, in statements and biographies of the principal characters, until finally the entire story had come forth.

SO, WHAT WERE THEY DOING?

Aldrich's private car, which had left Hoboken Station with drawn shades, had taken the financiers to Jekyll Island, Ga., to the Jekyll Island Hunt Club, a very, very exclusive club owned by J. P. Morgan and a small group of influential New York bankers. The club was very isolated, and was used as a comfortable retreat far from the cares of the New York money market. Its advantageous location made it much in demand for pursuits other than hunting, and on such occasions members of the club were informed that they should not appear there for a certain number of days. When Aldrich's group left New York, the club's members had been notified that the club would be occupied for the next two weeks.

The Aldrich group was not interested in hunting for they had their prey already well stalked. They had come to get a lot of work done, and they wanted to do that work in absolute secrecy. For that reason, the customary attendants at the club were given two week vacations, and new servants brought in for the occasion. The Aldrich group felt that it was imperative that their identity be kept secret, and allowed no visitors during the next two weeks. They were so anxious to prevent any knowledge of their mission leaking out that they never used last names, calling each other by their first names only, such a Henry, Ben, Paul, etc.

This proved to be so satisfactory for all concerned that it was made more formal after their return to New York, when they organized the "first-name-dub" and limited its membership to those who had been on Jekyll Island.

Why all this secrecy? The Aldrich group went there to write the banking and currency legislation which the National Monetary Commission had been ordered to prepare. At stake was the future control of the money and credit of the United States, my dear friends--your future! If any monetary reform was passed by Congress which was not written by and for the New York bankers, their power would be ended. As the most technically-informed of the bankers, Paul Warburg was charged with doing most of the drafting of the plan. Sen. Nelson Aldrich was there to see that it came out in a form which could be gotten through Congress, and the other bankers were there to offer suggestions and help on banking problems. Instead of making a report to Congress or to the American people on the results of the National Monetary Commission's trip to Europe, Senator Aldrich went to Jekyll Island to write a bill which later was passed by Congress and signed by President Woodrow Wilson as the Federal Reserve Act of 1913.

The Jekyll Island group remained at the club for nine days, working steadily to complete their job, for Congress was already complaining that the National Monetary Commission seemed to have no solution ready. Despite the common interests of all present, the work did not proceed without friction. Senator Aldrich considered himself the leader of the group, and, as the dictatorial type, could not help ordering everyone about. Aldrich also felt somewhat out of place as the only member who was not a professional banker. He knew very little about the technical aspects of financial operations, previously having been content to see to it that the country's laws took care of this business for him. Paul Warburg felt that every question demanded a lecture, and he never lost an opportunity to go into a long discourse or to impress the others with the extent of his technical knowledge of banking. This often seemed a waste of time, and drew many barbed remarks from Aldrich, so that it sometimes required all the diplomacy of Henry P. Davidson to keep them at their work. Also, Warburg's thick alien accent grated on them all. As the lone outsider in this clique of American aristocrats, he realized the delicacy of this position, but nevertheless quarrelled on any occasion concerning technical problems, which he, of course, considered his personal field. Things and personalities change very little over the years and yet the "squeaking wheel" always gets the grease, does it not? You ones had best keep squeaking as much as you can.

MONETARY REFORM DIFFICULTIES

One of the main difficulties in working out a monetary reform plan which could then be presented as the work of the National Monetary Commission was to keep hidden the obvious authorship of the bill. So great was popular resentment against bankers since the Panic of 1907 that no Congressman would dare vote for a bill bearing the Wall Street taint, regardless of who paid his campaign expenses. The plan which was being worked out at Jekyll Island was a plan for a central bank. There was in American history a long tradition of war against inflicting a central bank on the finances of your country, and there had until 1896 been a continuous struggle against totalitarian domination of your financial resources. It had begun with Jefferson's fight against Alexander Hamilton's scheme for the First Bank of the United States. It had continued with Andrew Jackson's successful war against Nicholas Biddle's Second Bank of the United States (Biddle had been backed in that fight by James Rothschild of Paris), a fight which was a financial Civil War, and it had resulted in the setting up of the Independent Sub-Treasury System which supposedly had kept the United States'

funds out of the hands of the great bankers. Because your funds were in the Sub-Treasury System, the bankers had precipitated the money panics of 1873, 1893, and 1907 and so the tradition continues to the current day. This caused widespread suffering throughout the country and aroused the public to demand that congress enact legislation to prevent the recurrence of artificially inspired money panics. Such monetary reform now seemed inevitable, and it was to head off and control such reform that the National Monetary Commission had been set up with the multimillionaire Nelson Aldrich at its head. The financiers' inner circle was now gathered at Jekyll Island to write banking legislation which would protect their interests; legislation which would be publicized as a "people's banking bill".

The main problem, so Paul Warburg informed his colleagues, was to avoid the name of "Central Bank", and for that reason he had come upon the designation of "Federal Reserve System". This would allay suspicion in the popular mind that the bill was a central bank plan. However, it would still function as a central bank, fulfilling the three main functions in that tradition, that is, it would be owned by private individuals who would draw profit from ownership of shares, and who could control the nation's issue of money; it would have at its command the nation's entire financial resources; and it would be able to mobilize and mortgage the United States by involving you in major foreign wars.

Are any of you sick to your tummies yet? Do you still think an entire world cannot be fooled? Satan always has brilliant, secret ways and it gets more horrendous as you move into the spiritual guidance of humanity. I mean *really rotten*.

CONCEALED FACTS

The next principal consideration was to conceal the fact that the proposed "Federal Reserve System" would be dominated by the operators of the New York money market. The Congressmen from the South and the West particularly could not survive a vote for a Wall Street plan. Farmers and small businessmen in these sections had suffered most from the repeated money panics, and there had been ever since the Revolutionary War a considerable amount of popular resentment against Eastern bankers. The private papers and letters of Nicholas Biddle, which were not publicly printed until nearly a century after his death, show that even at that time the Eastern bankers had to take into consideration the feeling against them.

Paul Warburg had already worked out the primary deception which would keep the people from recognizing his plan as a central bank. This was the regional reserve system, an organization of four (later passed as twelve) branch reserve banks located in different sections of the country. No person unacquainted with the details of the nation's credit structure would be likely to realize that the present concentration of most of the nation's debt and money in New York made the operation of a regional service system farcical, since the regions would finally be dependent on the amount of money or credits available to them from New York.

Most important of the provisions incorporated in the legislation drafted by the financiers was the selection of the administrators of the Federal Reserve System. Aldrich was the first to point out that the officials should be entirely appointive offices, and that Congress should not have anything whatever to do with them. As an

experienced Senator, he knew that any congressional control over the administration of the System would embarrass the Wall Street interests, because the hick Congressmen would lose no opportunity to investigate irregularities and prove to their constituents that they were fighting the traditional enemies, the Eastern bankers. This was indeed an astute observation.

Removal of the System from congressional control and supervision made the entire Federal Reserve proposition unconstitutional from its inception. Please allow me to repeat this: ***Removal of the System from congressional control and supervision MADE THE ENTIRE FEDERAL RESERVE PROPOSITION UNCONSTITUTIONAL FROM ITS INCEPTION. THIS WAS BECAUSE THE FEDERAL RESERVE WOULD BE A BANK OF MONETARY ISSUE, AND CONGRESS IS EXPRESSLY CHARGED IN THE CONSTITUTION WITH THE ISSUANCE OF MONEY.*** Article 1, Section 8, Paragraph 5, states that:

"CONGRESS SHALL HAVE THE POWER TO COIN MONEY AND REGULATE THE VALUE THEREOF; AND OF FOREIGN COIN."

The Supreme Court, in its great wisdom, has held that the delegation of the coinage prerogative to private banks is constitutional because Congress thought it "necessary and proper" to do so. "Necessary and proper," says the Court, "means convenient." Of course the most "convenient" method of handling a constitutionally delegated power is to abdicate that power to private interests. (McCulloch vs. Maryland, 4 Wheat 316, 4 L. ed 579.)

Enactment of Warburg's Federal Reserve System meant that the legislative department of your government would lose its sovereignty, and that the system of checks and balances of power set up with so great a struggle by Thomas Jefferson in the Constitution would be destroyed. Administrators of the System would control future issue of the nation's money and credit, and would themselves be controlled by the *executive* department of government. The judicial department (Supreme Court, etc.) already was controlled by the executive department through the wangle of appointive offices, and now the legislative department would be effectively castrated, making possible a rapid centralization of power behind the White House in Washington.

FIRST WORLD WAR

Four years after the passage of the Federal Reserve Act in 1913, the United States had been involved in the First World War, and was in the grips of an absolute dictatorship of three men, who imprisoned anyone who objected to them. A Presidential candidate of the Socialist Party, Eugene Debs, was sent to Atlanta prison by Woodrow Wilson (does this ring of LaRouche, my fair and just friends?). Your heavy industry was under the dictatorship of Wall Street gambler Bernard Baruch--(yes, the same one sent forth to meet our contact craft); food and agriculture were under the dictatorship of Paul Warburg, chairman of the Federal Reserve Board of Governors, whose first allegiance was to his family banking house of M. M. Warburg Company of Hamburg. M. M. Warburg was at that time financing the Kaiser's war against you, and Paul Warburg's firm of Kuhn, Loeb Company had five representatives in the Treasury Department in charge of Liberty Loans, thus financing your war against the Kaiser.

Baruch's partner in the Alaska-Juneau Gold Mining Company, Eugene Meyer, was head of the War Finance Corporation. Eugene Meyer collected commissions on the hundreds of millions of dollars of Liberty bonds which he bought from and sold to himself as head of the War Finance Corporation (this is REAL insider trading) to Eugene Meyer and Company, 14 Wall St., New York. No wonder he bought control of the enormous chemical trust, the Allied Chemical and Dye Corporation, and became publisher in Washington, owner of the extremely left wing Washington Post, the staunch defender of the traitor Alger Hiss.

I apologize, readers, I realize that you precious ones have asked for less repetition but there is no way to tell the story of your life without repeating--the same ones are endlessly responsible for your nightmares while you slept on.

POWER

With this sort of power at stake, it is not to be wondered that the Aldrich group traveled a thousand miles in a sealed railroad car to prepare their plans for taking over this country. The writing of the plan, however, was only the first step.

The first serious break in the work of the Jekyll Island group came when Sen. Nelson Aldrich declared that he could not let Warburg's proposed designation of "Federal Reserve System" be attached to the bill. His name had already been associated in the public mind with monetary reform, and he argued that it would arouse suspicion if a bill were put before Congress which did not bear his name. Warburg argued in vain that the use of Aldrich's name would certainly condemn the bill as representing the great Wall Street interests, for Aldrich was popularly known for his tariff bills in favor of the tobacco trust and the rubber trust. Aldrich, however, had made up his mind that the legislation must bear the name of Aldrich, and he would not hear any objection to it.

Most of Warburg's suggestions had already been incorporated in the bill, and his colleagues saw in this disagreement a chance to defeat him on at least one point, so that Warburg found himself alone in his opposition to Aldrich. Predicting that the name alone would make their work in securing its passage much harder, if not impossible, he devoted himself to helping them polish up the bill, and, some ten days after they had sneaked out of the city, they returned to New York with a completed financial act which would be presented to Congress under the name of "The Aldrich Plan".

The point which Warburg had most successfully gotten into the plan was the matter of a uniform discount rate, to be imposed on all the banks of the United States by the proposed system. This was the method employed by the big European central banks about which Warburg knew so much. A discount rate imposed by a central bank on the entire nation meant the power to create a money panic not only on the New York money market, as had been the case in the Panics of 1893 and 1907, but also the power to make the money shortage a truly nationwide condition. Consequently, there occurred the Agricultural Depression of 1920-21, and the Great Depression of 1929-39, for both of which, as you shall see, the Federal Reserve System was directly responsible.

Mr. Warburg was given credit, "The Federal Reserve Act is the work of Mr. Warburg more than any other man in the country." This credit being given by many historians giving later accounts from direct participants.

SENATOR ALDRICH

With the return of the Jekyll Island group to New York, the financiers now sponsored a nationwide propaganda movement to sell the people on 'The Aldrich Plan'. All national banks were forced to contribute to a slush fund of \$5 million, and the great universities were used as strongholds of propaganda, abetted by the university presidents and the professors of economics. This is the same type of tactics utilized by today's propaganda machines to sell the public on everything from gun control to world government. And over and over, the public repeats the same old mistakes and joins the hoopla with banners waving as they march to the sea-cliffs as the lemmings to jump in, sink and drown.

Woodrow Wilson, President of Princeton University, was the first prominent educator to speak in favor of the Aldrich Plan, a gesture which immediately brought him the Governorship of New Jersey and later the Presidency of the United States. During the Panic of 1907, Wilson declared that: "All this trouble could be averted if we appointed a committee of six or seven public-spirited men like J. P. Morgan to handle the affairs of our country." This plea for financial dictatorship had brought him favorable notice from the bankers, and he had been invited by Frank Vanderlip to a luncheon with James Stillman, then President of the National City Bank. Stillman afterwards remarked to Vanderlip that Wilson was not a great man. Nevertheless, the support of the National City Bank gave Wilson the Presidency of the United States after Wilson promised to enact the Federal Reserve Act.

Much of the bankers' campaign fund was spent under the auspices of an organization called the National Citizens' League, which was not national and might properly have been called an economists' league, since it was made up principally of college teachers who wished to get on in the world. It was headed by J. Laurence Laughlin, the most prominent gold standard economist in the country, and head of the Department of Economics at Rockefeller's University of Chicago. The League soon numbered among its members most of the economists and college presidents in the East and Middle West. The League printed and distributed many abstruse and technical volumes pointing out the need for a central bank and other features of "monetary reform".

The Aldrich Plan was presented to Congress as the result of three years of work, study, and travel of the National Monetary Commission, at an expense of more than \$300,000. Actually, only two members of the Commission had anything to do with the plan. Senator Aldrich and A. Piatt Andrew, who was not a member of the commission but a special assistant. The other members had a two year joy ride around Europe and cheerfully signed everything which Aldrich asked of them.

In 1911, the Aldrich Plan became the official platform of the Republican Party. This was a case of the broom riding the witch, for the Republican party had, ever since the Civil War, fought bitterly all efforts at monetary reform up to 1910, and had spent the largest sum of money employed in a Presidential campaign up to that time, in the campaign against William Jennings Bryan in 1896. Bryan was running on a campaign

of monetary reform, and was arousing such response that international bankers here and in Europe poured money into a Republican fund and purchased votes by the millions. The amount of money spent in the campaign has never been determined with any degree of accuracy, but subsequent congressional investigations put the figure at from \$6 to \$16 million. The same bankers who had given money to fight monetary reform in 1896 were in 1911 giving liberal donations to see that *reform legislation* was enacted.

The Republican Party had become identified as the representative of the conservative classes in money matters, and its sudden about face on this issue caused some suspicion. Monetary reform had, until this time, been the preserve of the Democratic Party. William Jennings Bryan had very nearly secured the Presidency on a bimetallism platform, although, as he remarked to the economist Arthur Kitson, "Free silver is only window dressing. The real issue is the control of the nation's money and credit." As the candidate of the Democratic Party, Bryan had made his famous "Cross of Gold" speech, in which he enjoined the New York bankers not to crucify the American citizen on a cross of gold. How picturesque is such a vision, but no one listened--and the full intent was to thoroughly crucify the American citizen in any manner possible, at any rate.

In 1911 there were still many independent and public-minded newspapers, whose editors were not in the pay of bankers and whose mortgages were not subject to foreclosure from New York. These editors saw in the Aldrich Plan its concealed threat to their communities, and began a forceful and vigorous campaign against it. They pointed out, as Paul Warburg had foreseen, that Senator Nelson Aldrich did not represent the common people of your country, or anyone else who had less than a million dollars, and there was plenty of evidence to prove the fact. Consequently a nationwide opposition sprang up against the Aldrich Plan. The outcry against it created an atmosphere favorable to passing the same plan under the sponsorship of Woodrow Wilson and the Democratic Party as the Federal Reserve Act of 1913.

THE EXPOSE WAS UNDERWAY, BUT NOBODY LISTENED

Louis Bardeis led the fight against the Aldrich Plan in the *Harper's Weekly* with a series of articles on the great money trust. The period in literary history to be known as the "muckraking" period was then in full swing. Ida Tarbell wrote a series of articles in the *American Magazine* exposing Senator Aldrich's illegal activities, and a definitive history of Rockefeller's Standard Oil, pointing out that Rockefeller's gigantic expansion would not have been possible without the funds advanced to him by the National City Bank and Kuhn Loeb Company.

Miss Tarbell graphically described the poverty in which the workers in the Aldrich's factories lived, while he grew orchids in hothouses within sight of the slums. Aldrich had secured Senate approval for the great trusts formed in the last decade of the nineteenth century, and he himself was a partner in two of the largest of these corporations, the tobacco trust formed with Duke as its head, and the rubber trust, led by Rockefeller and Guggenheim. The technical aspects of handling these great mergers were perfected by a brilliant young financier name Bernard Baruch, who was just coming into prominence on Wall Street.

Harper's Weekly of May 7, 1919, editorially commented that "Finance and the tariff are reserved by Nelson Aldrich as falling within his sole purview and jurisdiction. Mr. Aldrich is endeavoring to devise, through the National Monetary Commission, a banking and currency law. A great many hundred thousand persons are firmly of the opinion that Mr. Aldrich sums up in his personality the greatest and most sinister menace to the popular welfare of the United States. Ernest Newman recently said 'What the South visits on the Negro in a political way, Aldrich would mete out to the mudsills of the North, if he could devise a safe and practical way to accomplish it.'"

The Aldrich Plan was a safe and practical way to accomplish the desires of Aldrich and his class, as was the Federal Reserve Act. Aldrich was a dictator of the banker type which the Communists, during the 1920's, were to make immortal--the "bloated capitalist" of whom J. P. Morgan became the symbol. The organizers of the trusts had completed most of their work in the previous twenty years, and it was up to them now to secure their gains. This could be done only through control of money and credit, for, under your financial system, ownership of the trusts could not be maintained if somebody came along with more money to buy them. Rubber, steel, heavy industry, railways, and public communications were securely in the hands of a few family dynasties. The Guggenheims, Seligmans, Schiffs, Warburgs, Baruchs, Lehmans, and their satellites controlled banking and politics. It was certain that the power of these trusts could be attacked in only two ways: by uncontrolled money, and by uncontrolled popular movements which might gain a majority in Congress and force the oligarchy to give way. Thus, the movement for monetary reform coincided with the great reform movement which was designed to corral and emasculate any popular protests against the international elements. Theodore Roosevelt provides an excellent example of this, accepting \$500,000 in campaign funds from Schiff and Morgan in 1904 while he was stomping up and down the country bellowing about what he was going to do to the trusts. The trusts survived his term of office, however.

THE SHERMAN ANTITRUST ACT AND THE CLAYTON ANTITRUST ACT will begin our next chapter, Dharma. This has become too lengthy for adequate digestion. Let us leave this portion at this point. Thank you.

CHAPTER 6

REC #1 HATONN

SATURDAY, JULY 7, 1990 10:40 A.M. YEAR 3 DAY 325

SLAVERY

Perhaps you ones should understand slavery a bit better and you can better see how your freedom has been removed. You don't realize yourself a slave until you find out you can't do the things you wish or keep the things you have labored for--to label a nation "free" does not make it free. To be a slave is to be abused and have your God-given rights and things taken away by force and be abused and simply bear it--compelled by violence and power to suffer wrong. It is to see your government ship billions of dollars away to foreign lands and forgive billions of dollars of debt on money YOU have loaned and your Women, Infants and Children's services don't meet starvation levels of giving care to nurture your own babies--and you are helpless to stop of it.

It is servitude and slavery to simply serve the unwise and, dear ones, there is no wisdom in your bureaucracy; there is only mockery and contempt from those you serve. And finally it always happens when man has been enslaved in so subtle a manner as have Americans--he looks and ponders that which is incorrect, feels helpless and finally loses everything to his chains, even the desire of escaping from them. The fact is that servitude and slavery debases men to the point where they end up liking it. Evil has spread across your lands and all spirits are enslaved which serve things evil. HOW LONG WILL YOU SERVE? WILL YOU SERVE AND RELINQUISH UNTIL IT IS TOO LATE? **IT IS SOON TOO LATE!**

Man must rise above his selfishness but move into self-love as meant by God; to love self and revere self is Holy for man will honor in truth that which he esteems and it must not be that man misdefines love and selfishness. Selfish persons are incapable of seeing anything other than through the eyes of how it affects them personally, as if the world rotates to simply annoy or impact self, as if no other spouse fails to pick up the dirty socks--all is "personalized" in a most negative manner. Human history is the sad result of each one looking out for himself for selfish persons are incapable of loving others, but they are not capable of loving themselves, either. It is that living only for self is not living as one wishes to live, it is asking others to live as one wishes to live.

It would be wise for all to look carefully at self for if you had to tolerate in others all that you permit in yourself, life would become completely unbearable. And, in giving into demands for indulgence to others, especially to children or loved ones, is in fact only self indulgence under an alias--to allow for quiet and always the demands grow beyond satiability. Your government has grown beyond that point and most of your populace--look around at your own life circumstance and see that which you do populace--look keep peace" at any cost. Indulgences, not fulfillment is what the world permits you.

Can you as a citizenry rise to meet the needs of this wondrous country who is your mother--your wife? What will you do to save and nurture her and reclaim her to her

original health and status? Or, will you abide by the old saying, "When a man steals your wife, there is no better revenge than to let him keep her." Well, it isn't going to be that way in case you think, "Just let the nation go and I'll slide by." YOU will become the slave to the new couple and support them while they indulge in making the fool of you. You are already in that position and you hardly noticed for the subterfuge was so subtle. Has it come to the point where all mankind censure injustice, fearing that they may be victims of it and not because they shrink from committing it?

I remind you of something I have said to you before, an injustice which lasts for long years, especially through a century or longer, and exists among millions of people over thousands of square miles of territory, is no longer simply injustice--it is an accomplished fact of life. That is what has been staged for you and if you act not, that which is planned will simply become a fact of life.

Let no man say that I say nothing new, for what is "new"? I desire to say nothing new to you ones who are in confusion; the **arrangement of the subject** is new. Perhaps a symphony rearranged can be heard more sweetly within the mind. So be it, for if it appears that I repeat and most especially if it seems I repeat that which another has spoken unto you--sic, sic--why have you not heard it? Why have you failed to change your course?? And, if you denounce and pull your brother from the word for these reasons--have you not committed double jeopardy?? The word is simply that--the word! Manifestation is that which comes upon you according to the word. If evil and enslavement come upon you it is because human beings have heard a word and acted upon it with manifestation; and therefore, to change the manifestation, action of like kind must be undertaken. The "word" alone will never do it. Truth shall set you free for the word shall show you the way; actions will manifest the freedom. Faith without works shall avail you nothing.

Let us continue with the subject in point of this Journal. We are attempting to give you historical line of how you oozed into the mire of chaos. Specifically, in point, is the Federal Reserve System. You need the historical lineage so that you can see the connections to the conspirator's netting. If you do not know how a bomb is constructed, how can you defuse it? This bomb is set to explode momentarily! You better pay attention to the "wiring", my friends.

THE SHERMAN ANTITRUST ACT & THE CLAYTON ANTITRUST ACT

These Acts were written by the oligarchy for the oligarchy (oligarchy means: a government in which a small group exercises control, especially for corrupt and selfish purposes) to prevent anyone else from breaking into the circle after things have been set up. The result of these "antitrust" laws was to render the big corporations secure from popular interference. The antitrust laws were the greatest encouragement to the forming of the great corporations for it was already decided who would own the big corporations.

This was due to the fact that only the giant aggregations of corporate interests could survive those legal entanglements created by government legislation. Small outfits, unable to afford the services of a large legal and administrative staff, were forced to sell out to the trusts. A new profession, that of corporation lawyer, sprang up to devise

ways to make the government helpless to regulate the trusts. The Attorney General could bring suit against a corporation to dissolve a "conspiracy in restraint of trade", but, by the time he had secured a court order and begun legal action, the corporation's lawyers would have worked out a new and more foolproof organization. Now-a-days, the Attorney General simply starts on "their" side and changes the laws to suit the cause of the elite without even further bother of facade, and the public "assume" the actions to be lawful.

Even back then, the Attorney General's dissolution of corporations and their subsequent reforming was usually a highly profitable event for the owners. This is why you ones must be clever and utilize the "laws" written for the "big boys" in your quiet insignificant manner and you come under the same security shelter--just KNOW what you are doing, keep small and insignificant and you gain back your country the same way they stole it from you. You see, if you have enough power you need no "laws", you make the rules and proclaim them "legal" and that is what has happened.

The reforming of the corporations meant that the stocks of the old corporation could be manipulated on Wall Street while action was pending, and the forming of a new organization meant a large issue of stock, most of which would be overcapitalization, so the net result of a Department of Justice action against a corporation often meant the reaping of more millions of dollars for the interests which the government pretended to attack. You win the game by sometimes not even issuing stock and by having all stock relatively worthless even if you do. If a company never shows a profit, who will come to steal the profit from you? There are other ways to use the would-be profits and literally have profits for the participants--all the participants. You will be taking the old concepts and virtually reversing the procedures. Of course it will be a time consuming procedure for these ones have been at global control for centuries and millennia--you are only just catching on to the scheme.

The era of the trust as a dynamic political force had been inaugurated in 1890, when New Jersey passed a law permitting corporations holding incorporations in New Jersey to hold the stock of other corporations, thus permitting the abuse of interlocking directorates, which allow a few men to exercise direct control in many corporations, some of which supposedly were competitors. There still is no competition--only collusion and manipulation while the public "thinks" there is competition.

The farcical nature of the "reform Presidents" is shown by the record of the first of them, Theodore Roosevelt, who was even nicknamed "trustbuster". The facts are, however, that any Justice Department investigations of the trusts were started well before Roosevelt came into dictatorship--and did in fact, take place WITHOUT HIS APPROVAL.

The reform movement, although principally bought out and corrupted, was not without honest spokesmen in Congress. But then, as now, you must have the masses take interest in support of the daring speakers who effort at change. For instance, how many of you even know what WICS stands for? OK, Women, Infants and Childrens Services. How many of you know there are Congressional subcommittee meetings going on this week because the programs cannot meet even 30% of the needs of your citizens? How many know that the Director of the program did not even petition for increased funding? How many of you know that the infant formula companies

(pharmaceutical houses such as Schiff, etc.) have been giving a rebate per can of formula of at least \$1.25 and have now formed a conspiracy to only rebate 75 cents, moving to 50 cents? Worse, the industry (along with the physicians) convinces the public that an infant must have "formula" at a hundred twenty five times the cost of milk (milk being THE basic product of formula and/or soybeans which are even cheaper) and thusly your babies go malnourished and hungry. It is a drive to have slower responding children and thusly a more docile bunch of slaves. This is only one example from a daily list we could point out.

Well, even before the Panic of 1907 the selling was full blown. Jacob Schiff, senior partner of Kuhn, Loeb Company had said in a speech before the Chamber of Commerce of New York: "Unless we have a central bank with adequate control of credit resources, this country is going to undergo the most severe and far-reaching money panic in its history." The powerful banker's threat soon became a reality. The Panic of 1907, which occurred in a good crop year, when industry was productive and the country enjoyed a general prosperity, aroused public indignation and forced Congress to take a token action against a recurrence by passing the Aldrich-Vreeland Act of 1908. This Act provided for the issuance of currency against securities in case of another money panic. Its provisions were put in use only during the last months of its being, in the early part of 1914, when the sudden withdrawal of large sums of European gold from your country, occasioned by the beginning of the First World War, caused a temporary money stringency. The Federal Reserve Act, although already law, was not yet in operation, and the Aldrich-Vreeland Act was used as the basis for issuing \$400 million to cover a loan due the firm of J. P. Morgan Company from the Bank of England. Do you see how insidious?

The real purpose of the Aldrich-Vreeland Act was the creation of a National Monetary Commission. Any prospective monetary legislation coming to Congress in the next few years would have to be referred to this body, which effectively prevented the public indignation from manifesting itself in any constructive form. Two years and \$300,000 later, under the leadership of Sen. Nelson Aldrich, the National Monetary Commission advanced Paul Warburg's Federal Reserve Plan under the name of the Aldrich Plan.

On March 2, 1911, the New York Chamber of Commerce officially adopted a plan of its Special Currency Committee, of which Paul Warburg was then Chairman, for a Central Reserve Bank. This was the same as the Aldrich Plan, except for the distribution of reserves. This plan openly provided for the centralized reserves to be kept in New York, and was immediately branded as the official Wall Street Plan, to divert attention from the Wall Street sympathies of the Aldrich Plan.

The campaign for the Aldrich Plan was sincere, in that Aldrich and its supporters in the Republican Party honestly believed that they could win with it and get it enacted into law. More than likely they could have, had they had anyone less notorious than Nelson Aldrich as its head. The Federal Reserve Act, the official platform of Woodrow Wilson and the Democratic Party in 1912, was in all its essentials the same plan for a central bank, and was promoted by the same New York banking interests (a rose by any other name - -). It was an alternate stratagem which made it impossible for the bankers to lose. No matter who won the election, they would get their central bank.

It is like only having two kinds of bread to buy and they have the same ingredients-- what difference in the label?

The propagandists for the Aldrich Plan carried on their fight without regard for opposition. The opposition stated flat out that Aldrich would take from the people and give to the bankers the absolute control of the people's money. It was apparent that in such a body of bankers there would be no opportunity for the people, or their representatives, to make their wishes known effectively, if their wishes conflicted with those of the banking interests.

This history of the Federal Reserve Board since 1914 shows clearly that there has never been a method or opportunity for a citizen to protect his interests when the Board has decided upon a change of policy in the interest rate or in their open market operations.

Hear a little defensive argument as put forth by Carter Glass and Cordell Hull and other powerful Democratic Congressmen in 1913 who fought all efforts to exclude or limit membership of bankers on the Board of Governors of the System. They pointed out that if some of the restrictions of members of the Board were enacted, you would be turning over supervision of your banks to "mechanics and farm laborers". This seemed a bit strange even then, for Glass was a Congressman and mechanics and farm laborers voted to send him to Congress again and again for 30 years. Also, mechanics in their union and farm laborers in cooperative associations have done about as good a job in keeping up their credit as have most American bankers.

CHARLES A. LINDBERGH

Congressman Charles Lindbergh was one of the most forceful speakers against the Aldrich Plan. He spoke to the House of Representatives, 'The Aldrich Plan is the Wall Street Plan. It is a broad challenge to the government by the champion of the money trust. It means another panic, if necessary, to intimidate the people. Aldrich, paid by the government to represent the people, proposes a plan for the trusts, instead. It was by a very clever move that the National Monetary Commission was created. In 1907 nature responded most beautifully and gave this country the most bountiful crop it had ever had. Other industries were busy, too, and from a natural standpoint all the conditions were right for a most prosperous year. Instead, a panic entailed enormous losses upon us. Wall Street knew the American people were demanding a remedy against the recurrence of such a ridiculously unnatural condition. Most Senators and Representatives fell into the Wall Street trap and passed the Aldrich-Vreeland Emergency Currency Bill. But the real purpose was to get a monetary commission which would frame a proposition for amendments to our currency and banking laws which would suit the money trust. The interests are now very busy everywhere educating the people in favor of the Aldrich Plan. It is reported that a large sum of money has been raised for this purpose. Wall Street speculation brought on the Panic of 1907. The depositors' funds were loaned to gamblers and anybody the money trust wanted to favor. Then when the depositors wanted their money, the banks did not have it. That made the panic.

Can you see the re-run? Let us look at what happened back then and see if we can correlate it to today.

Another Senator, LaFollette, was another spokesman against the Plan, and together he and Lindbergh had become rallying points for opposition to the Aldrich Plan in general. They had also aroused popular feeling against the power of the money trust, so that Congress was forced to consider taking action.

Lindbergh pointed out that the government prosecuted other trusts, but supported the money trust. He said he had waited for several years for an opportunity to expose the false money standard, and to show that the greatest of all favoritism was that extended by the government to the money trust.

Senator LaFollette charged that a money trust of 50 men controlled the nation. George Baker, partner of J.P. Morgan, simply said it was a sensational accusation and was absolutely in error. Does any of this sound the least bit familiar to you ones? But guess what the punch-line and sick humor to the Baker story is: "I know personally that *not more than EIGHT men run the country.*"

NEGATIVE IMPACT

Despite the high-minded detachment, by and large, there did evolve plenty of evidence that the money trust exercised its influence for bad. Not only was it despoiling the natural resources of the United States at a very rapid rate, but it was not above the most ruthless application of gangster tactics, especially in politics.

Congress finally made a gesture of appeasing popular feeling by appointing a committee to investigate the control of money and credit in the United States. This was the Pujo Committee, which conducted the famous "money trust" hearing in 1912, under the leadership of Congressman Arsene Pujo of Louisiana.

The hearings dragged on for five months and the testimony given made four volumes of some 6,000 pages. The bankers, month after month, made the train trip down to Washington from New York, testified before the committee, and returned to New York. The hearings were extremely dull, and those who had expected that much startling information would be turned up at these examinations were sorely disappointed. The bankers solemnly agreed that they were bankers, insisted they operated in the public's interest, and claimed that they were animated by the highest ideals of public service, like the Congressmen. Insofar as the hearings were concerned, this seemed to be true. The bankers were asked few questions which were embarrassing, and nothing was brought out by which the public might have been excited. The newspapers played up the hearings, carrying headlines each day about the money trust, but the paragraphs below the headlines had little in them that was interesting in the least.

The nature of the hearings may be better understood if you look at the man who single-handedly carried on the entire investigation, Samuel Untermyer.

SAMUEL UNTERMYER

He was also one of the main contributors to Woodrow Wilson's campaign fund. Untermyer was one of the wealthiest corporation lawyers in New York. In Who's Who

in American Jewry of 1926, he stated that he once received a \$775,000 (can you even calculate the relative value today?) fee for a single legal transaction, the carrying through of the merger of the Utah Copper Company and the Boston Consolidated and Nevada Company, a firm which had at that time a market value of more than a hundred million dollars. A man who could make nearly a million dollars in one operation would not be likely to attack sincerely the wealthy men of his own class and profession.

Neither Lindbergh nor LaFollette, who were responsible for the money trust hearings, was asked to testify or aid in the investigation. In fact, a concerted effort was set forth to silence them. A great deal of favorable publicity accrues to politicians associated with such hearings, and the bankers did not wish either of these men to be noticed by the public.

Samuel Untermyer was Special Counsel for the Pujo Committee. The congressional members of the committee, including its chairman, Arsene Pujo, seem to have been struck dumb from the moment of the hearings' commencement to their conclusion. An examination of the thousands of pages of minutes reveals that these eleven Congressmen did not ask a dozen questions apiece during the months of investigation. One of these silent servants of the public was James Byrnes, of South Carolina, who later achieved fame as Bernard Baruch's man in charge of the Office of War Mobilization during the Second World War. (Ho Hum-mm?)

Such delicate subjects as the system of interlocking directorates by which a few bankers controlled the nation's finance and heavy industry were not gone into at the Pujo Committee hearings, nor did Samuel Untermyer see fit to dwell upon such items as international gold movements (the cause of money panics; speaking of; how many of you know that all your gold stores have been removed? How many realize the gold from Ft. Knox is gone?) or the international relationships between American bankers and European hankers. The international banking houses of Eugene Meyer, Lazard Freres, J. & W. Seligman, Speyer Brothers, M. M. Warburg, and the Rothschild Brothers, did not arouse Mr. Untermyer's curiosity in the least, although it was known that all of these family banking houses either had branches or controlled banking houses in New York City. When Jacob Schiff appeared before the committee, Mr. Untermyer's adroit questioning allowed Schiff to talk for some minutes without revealing information about the banking house of Kuhn, Loeb Company, which Sen. Robert Owen had defined as the representatives of the European Rothschilds in New York.

The aging J. P. Morgan, with only a few more months to live, came before the committee to justify a half century of financial piracy. He stated for Mr. Untermyer's edification that "money is a commodity". Mr. Untermyer did not quarrel with that statement.

J. P. Morgan also declared that, in making a loan, he always considered a man's character before any other factor; even the man's collateral or his ability to repay were not as important. This astonishing observation startled the blasé members of the committee. Here was a banker who began his career by swindling his own government. He sold faulty rifles to the Union Government at a great profit during the Civil War, collecting his money from the Treasury before he paid for his original

purchase. He was charged with defrauding the United States. In 1895, he forced President Grover Cleveland to purchase a hundred million dollars worth of gold from the Rothschild Brothers after threatening to paralyze the country with another money panic. Mr. Untermeyer, however, did not touch upon these incidents in the great man's career.

The farce of the Pujo Committee finally ended. The country was convinced that the New York bankers did have a monopoly on the nation's money and credit. However, the bankers and their subsidized newspapers claimed that the only way to break that monopoly was to enact the banking and currency legislation then before Congress, the bill which was to be passed in the following year as the ***Federal Reserve Act***. And so goes the cycle of frying pan to fire under the guise of a fire extinguisher. The New York monopoly was to be broken somehow by turning over administration of the System to the most powerful of the New York bankers, Paul Warburg.

Let us leave this serial soap opera and take a rest, Dharma. We will take up the passage of the Federal Reserve Act, Woodrow Wilson's part and let you ones realize you have seen the show before and failed to recognize the story line--for the authors are exactly the same, the story is the same and the Prince of deceit and lies is the same. So be it.

CHAPTER 7

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SATURDAY, JULY 7, 1990 4:25 P.M. YEAR 3 DAY 325

WOODROW WILSON

The Pujo Committee was the last important publicity which the Federal Reserve Act received before being passed in December, 1913. The man who signed it was President Woodrow Wilson, who therefore is thought to be its author. Wilson was elected President of the United States in 1912 on a monetary reform platform. He promised the people of your country that he would give them a money and credit law which would be free from Wall Street influence. At last, he declared, you citizens are going to enjoy the benefits of your own credit, as Thomas Jefferson had intended and provided for in the Constitution.

However good or bad were Woodrow Wilson's intentions, he was limited by the fact that he had been put into office by the biggest Wall Street banking house of them all, Paul Warburg's firm of Kuhn, Loeb Company. His campaign for the Presidency had been entirely financed by Cleveland H. Dodge, of Kuhn, Loeb's National City Bank; Jacob Schiff, senior partner in Kuhn, Loeb Company; Henry Morgenthau, Sr.; Bernard Baruch; and Samuel Untermyer. With such a background, as well as his earlier speeches in favor of the Aldrich Plan and his outspoken reverence for J. P. Morgan, the new, everyman's Woodrow Wilson smacked of ineffectuality, if not downright hypocrisy.

Woodrow Wilson appeared before the people during his campaign with a monetary reform bill written by H. Parker Willis, and officially sponsored by the Democratic Party. A study of this new bill revealed a remarkable similarity to the Aldrich Plan. The more idealistic, and, to the bankers, unrealistic provisions of the bill, providing for others than bankers to administer it, were soon deleted by Carter Glass' House Banking and Currency Committee.

Despite the apparently clean background of the Democratic party's bill, known as the Federal Reserve Act, it was not favorably received by the country at large, and some newspapers were unkind enough to point out its close kinship to the discredited Aldrich Plan. With such popular opposition already manifesting itself against the people's choice, Wilson, Congress did not wish to pass the bill. It required all the political strength of William Jennings Bryan, the dominant power in the Democratic party, to get Congress to pass the Act.

The Federal Reserve Act, although it was a brother to the Aldrich Plan, was ballyhooed as a people's plan. It promised the American people everything. First of all, it promised to liberate the farmer from his yearly needs for credit to get his crops harvested and send them to market. Heretofore, he had had to go to the bank and mortgage his property for that money. According to the Act's proponents, he could get plenty of credit at the Reserve bank. This was a bid to get the National Granges to come out in favor of the bill, but they did not rise to the bait. They refused to endorse it, pointing out that its control techniques were not likely to benefit anybody but the

bankers, and this was proved when the Federal Reserve System caused the Agricultural Depression of 1920-21.

The next benefit of the Federal Reserve Act, it was claimed, was that it would stabilize the monetary unit and give the dollar a consistent and balanced purchasing power. This was the provision insisted upon by Sen. Robert L. Owen, co-author of the Owen-Glass Act, as the Federal Reserve legislation was known in Congress. Please let me believe that a few of you old timers, at least, are familiar with these names first hand and not heresy. Glass struck out this stabilization provision. Oh, so you thought that bunch made glass and ceramic tiles for shuttle crafts and worked with Corning and thus and so? Small world isn't it? Senator Owen wrote, "I was unable to keep this mandatory provision in the bill because of the secret hostilities developed against it, the origin of which at that time I did not fully understand."

The Federal Reserve Act, as signed by Woodrow Wilson, contained no stabilization mechanism, but it did contain plenty of factors which would make stabilization impossible.

Its manipulation of the discount rate to vary the amount of money in circulation, and its open market operations, dumping quantities of Government securities on the New York Exchange or withholding them to create credit expansion or contraction, were the conditions directly responsible for the greatest disaster your country has ever suffered, the Great Depression of 1929-39. That, friends, is a whole decade of misery by manipulation.

The hostility of the influences behind the Federal Reserve Act towards any kind of monetary stabilization has been expressed in the official publications and statements of the Governors. Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve System, issued a memorandum March 13, 1939, stating that:

"The Board of Governors of the Federal Reserve System opposes any bill which proposes a stable price level."

Another bit of propoganda for the Federal Reserve Act in 1913 was the claim that it would perform many banking services for the government without charge. At the Senate OPA hearings in 1941, Rep. Wright Patman inquired of Marriner Eccles:

"Governor Eccles, when did the Federal Reserve System start charging the government agencies a service charge?" He replied, "I really couldn't say."

"Wasn't it intended when the Federal Reserve Act was passed that the Federal Reserve Bank would render this service without charge--since under the Act the government would give them the use of the government's credit free? asked Mr. Patman. Mr. Eccles replied, "I wouldn't think so."

To get the Federal Reserve Act made into law, the main lie used in the flood of speeches and writings poured out in favor of it was the claim that the nation's money and credit would be released from the domination of a few Wall Street bankers. The findings of the Pujo Committee were used to frighten the people into submitting to the monetary monster which had them at its mercy. You have got to save yourselves, the

spokesmen for the Federal Reserve Act declared, and your savior is this Federal Reserve System. These spokesmen, led by Rep. Carter Glass of Virginia, said that they had devised the perfect way to emasculate the power of Wall Street, namely, the regional Reserve System, which would divide the country up into eight or twelve Reserve bank districts, depending on whether Mr. Glass or Mr. Warburg made the final choice. Each of these districts would have equal power and equal representation in the administration of the entire Reserve System. It was a completely democratic and almost perfect solution. Under the Glass (or Warburg) proposal, Kansas City or Denver would have as much control over the nation's money and credit as New York. Do you ones remember the "New States"? Do you think a thing has changed other than an increase in the power of your adversaries?

There was only one thing which appeared wrong with Glass' system. It seemingly ignored the fact that the nation's money market was in New York. This was no small item to simply have "overlooked". Even Marriner Eccles knew that, for he stated at the OPA hearings that: "New York is the only money market you have in this country."

This meant that these other reserve banks would have to go to the Federal Reserve Bank of New York whenever they wanted anything. Well, how about that! And, they would have to follow the wishes of the Governor of that bank. Consequently, the Federal Reserve System was to fall into the hands of two men during the first 15 years of its existence, Paul Warburg of Kuhn, Loeb Company, and Benjamin Strong of J. P. Morgan Company. Both of these men were at Jekyll Island when the banking legislation had been written, and both of them knew how to control it. Warburg was on the Board of Governors for four years, and for the ten years after that he dominated the Board by his position as President of the Federal Advisory Council and as President of the American Acceptance Council. Benjamin Strong was Governor of the Federal Reserve Bank of New York from its opening in 1914 until his death in 1928, during a congressional investigation of the System. That is how Woodrow Wilson freed the nation's money and credit from New York bankers. The regional Reserve System could not be anything but a farce. It was designed solely to convince the American people that control of your financial resources was being taken out of Wall Street hands, and once that was done, the Congressmen could vote for the Federal Reserve Act without fear of reprisal from their constituents.

A Democratic President and a Democratic Congress had been elected in 1912 to get this bill through. Rep. Carter Glass of Virginia, Chairman of the House Banking and Currency Committee, gets credit along with Wilson for finally passing the Act, although all that Wilson did was to sign on the dotted line. Woodrow Wilson was regarded generally by the leaders of the Democratic party as a newcomer and a stuffed shirt. Consequently, he enjoyed little power as President except for the patronage powers he possessed. He could do little towards actually getting Congress to pass the Federal Reserve Act. That job was done by the man who was the Democrat in the minds of the American people, William Jennings Bryan. He acted as Democratic whip to get the Act passed, and he was rewarded by being made Secretary of State. He later wrote that: "In my long political career, the one thing I genuinely regret is my part in getting the banking and currency legislation enacted into law". Perhaps you might re-read that statement before you move on.

TO FURTHER CONFUSE THE PEOPLE

To confuse the American people still further and to blind them to the real purpose of the Federal Reserve Act, the chief proponents of the Aldrich Plan, Sen. Nelson Aldrich and Frank Vanderlip, set up an enthusiastic hue and cry against the bill. You see this in action every day in every instance--confusion is Satan's primary tool. These two turkeys (and I insult the turkey) gave interviews to reporters and politicians, anywhere they could find an audience, denouncing the Democratic party's banking legislation as inimical to bankers and to good government. The old issue of inflation was raised because of the Act's provisions for printing Federal Reserve Notes. Both Aldrich and Vanderlip spoke against "fiat money", that is, enough money being put into circulation to assure proper distribution of goods and services among the people. Indeed such was their enthusiasm in speaking against the Federal Reserve Act that they reversed themselves on several matters they had already plugged for in the Aldrich Plan, which brings to mind that adage about "liars should have good memories".

The Nation, on October 23, 1913, pointed out that: "Mr Aldrich himself raised a hue and cry over the issue of government 'fiat money', that is, money issued without gold or bullion back of it, although a bill to do precisely that had been passed in 1908 with his own name as author, and he knew besides, that the 'government' had nothing to do with it, that the Federal Reserve Board would have full charge of the issuing of such moneys."

I trust this sounds familiar? "We need an amendment to prevent burning of the flag," when it is well covered in the Constitution. "We must have balanced budget amendment," when it is *absolutely and beautifully* set forth in your Constitution. And now they are going to cut out crime against you by removing your defense? They are also going to get rid of drugs by making sure you have abundant supply of same? Further, they make you sicker with their sanctioned 'cures' from the conspirator's pharmaceutical houses than you were with the diseases they created and thrust upon your society. Tacky as truth may appear, you better stop looking at your "innocent government" who is a victim, as Mr. Cooper says, of the "little gray aliens". Does all this really sound like an innocent government "doing the best they can to protect you"? If it does, then you had best go look in the mirror and see who is there looking back at you! For if you believe they work in your behalf, you are indeed sick, my friend.

LITTLE GRAY ALIENS ARE NOT YOUR ENEMY!!!! THE BLACK DRAGON IN THE SEATS OF POWER IN HUMAN FORMAT--RIGHT ON YOUR PLANET AND IN YOUR NATION--ARE YOUR ENEMY AND THEY ARE OUT TO ANNIHILATE AT LEAST TWO THIRDS OF YOU--BY YEAR 2000.

If, as some of the UFO tout sheets project: "Could the aliens from outer space be coming to SAVE you?" Only in that we are going to certainly tell you the truth and what you must do to SAVE yourselves--we aren't going to SAVE ANYONE FROM ANYTHING. IF YOU WANT IT SAVED, YOU WILL SAVE IT. NO MORE AND NO LESS.

The Nation was the only public organ which pointed out that the issue of the money of the United States was being turned over to a body of men who were neither elected nor answerable to electors. Later, under Maurice Wertheim, it no longer pointed such criticisms. Aldrich and Vanderlip, in attacking the Federal Reserve Act on these grounds, were throwing up a smoke screen to make people think that the big bankers

were afraid of the Act. Paul Warburg discreetly remained silent during the campaign for and against this legislation. He had already arranged, through his private emissary to President Wilson, the ubiquitous Colonel House, that if the Act were passed, Warburg would be chosen one of the first Governors.

Frank Vanderlip, however, threw himself into the comedy with such gusto that Sen. Robert L. Owen, chairman of the Senate Banking and Currency Committee, openly accused him of carrying on a campaign of misrepresentation about the bill, as indeed he was. Owen pointed out that Vanderlip, President of the National City Bank of New York, was objecting to just those provisions in the Reserve Plan which he had fought for in the Aldrich Plan. Had Senator Owen known that both plans had originated during the secret expedition to Jekyll Island, he might have been even more vehement in denouncing Mr. Vanderlip. The first public reference to the Jekyll Island adventure, however, was not to appear for three more years, and no one in Washington mentioned it.

Practically all the newspapers and magazines which had any considerable circulation favored the Federal Reserve Act, of course, because by this point they were either indebted to the bankers or were owned directly by the bankers. No economic journal dared to compare the Act with the Aldrich Plan, but such comparison would show that, on most matters, including the introduction of trade acceptances into the country, there was no appreciable difference between the two plans, nor should there have been, since they were written by the same people--as two apples of the same variety grown in different orchards owned by the same orchard owner.

The editorial comments in 1913 agreed that if this bill became law, you would enter upon a period of general prosperity such as you had never known. The other extravagant claims for the Federal Reserve Act were its supposed benefits to the farmers, its purpose of stabilizing the integer of account (monetary unit), its functions of performing banking services for the national government without charge, and your complete emancipation from Wall Street domination.

All above have been shown to be lies by the events of the last 60 years. The Federal Reserve System has done none of these things, but the biggest lie was that it would end money panics and business depressions. You were to have no more bank failures, no more farms seized by mortgage holders, no more factories closing down or unemployment. I don't know about you, but I am ready to throw-up. The Federal Reserve System could have done a great deal towards ending these things, but it has exerted its influence in the opposite direction because it was set up to enslave your population and it has succeeded.

The record of the Federal Reserve System proves that it double-crossed the farmers of America at a secret meeting on May 18, 1920, when it raised the rate to 7 per cent on agricultural paper and precipitated the Agricultural Depression of 1920-21. It proves that the Board of Governors met with the heads of the great European central banks to make agreements which brought on the Great Depression of 1929-39, after most of your money had been poured into Wall Street because of the easy money policies and credit expansion activities of the System. Where do you sweethearts think you sit with all your wondrous credit cards and indebtedness? Could those cards be bank cards, perchance? To whom do you owe your soul? Do you begin to think you might have

bargained with the Devil, perchance? Have you? It won't be God who forecloses on you, dear hearts!

The central bank mechanism of the Federal Reserve System involved you in the First World War, The Second World War and all the little non-wars in between, all over your entire globe, and it is making the Third World War inevitable. I suggest you take the matter of shelter systems most seriously indeed.

WHAT OF CARTER GLASS?

Despite the growing publicity for the Federal Reserve Act and the influence of William J. Bryan on the Democratic congress, many Senators and Representatives who were familiar with the banking and currency legislation's import were not yet willing to wreck the Constitution and double-cross their constituents by voting for such a bill. The Senate Banking and Currency Committee was ready to write its own version of the Owen-Glass Bill which Rep. Carter Glass, Chairman of the House Banking and Currency Committee, was ready to send them, but Owen's contribution to the bill, the stabilization of the monetary unit (integer of account) had already been stricken out of the Act. The hearings before the two committees dragged on for many weeks. Many of the same bankers who had come down from New York to tell all before the Pujo Committee now appeared before Congress to speak in favor of the Federal Reserve Act, a coincidence which the newspapers let pass unnoticed.

Andrew Frame stated before the House Committee that the plan still smacked too much of the government monarchies of Europe, and that it was not in accord with your institutions. This was as close as anybody came to calling the Act unconstitutional, which it was, since it proposed to remove congress' power of issuing money and credit and turn it over to an appointive body.

Frank Vanderlip declared before the Senate Committee that he now favored the Act, a second reversal of policy in as many months--"read his lips". He had come to the conclusion, he said, that the plan would proceed along democratic lines, since the President would appoint all Board members for ten year terms.

Senator Weeks inquired of him, "Should the Federal Reserve hearings be public, as these hearings are before this Committee?"

"No", replied Mr. Vanderlip, "they are not exactly hearings, they are official meetings". The President of the National City Bank evidently felt that democracy was all right, but that it had to stop somewhere. Carter Glass agreed with him and said: "The meetings of the Federal Reserve Board are bank board meetings, and neither the public or reporters should be present". Neither Vanderlip nor Glass appears to consider the fact that these "bank board meetings' would be making decisions which would have a more important and more direct impact on the welfare of the American people than the decisions of Congress--AND NOT ONE CONFOUNDED THING HAS CHANGED, EXCEPT TO WORSEN! NOW IT ISN'T JUST YOUR MONEY--**IT IS YOUR VERY LIVES!**

Senator Root also raised the charge of inflation, claiming that under the Federal Reserve Act, circulation would always expand indefinitely, causing great inflation.

The history of the Federal Reserve System refutes this charge. The System has, if anything, kept the note circulation below the amount needed to carry on business and commerce in your country, except during the two World Wars, when it did double and triple the circulation. Even after the Great Depression of 1929-39, when so much of the circulating medium had been withdrawn that the American people had to print their own money on wood and paper, the Federal Reserve System did not increase the amount of notes in circulation.

At the House Committee on Banking and Currency Hearings of 1913, Mr. Paul Warburg testified as follows:

"I am a member of the banking firm of Kuhn, Loeb Company. I came over to this country in 1902, having been born and educated in the banking business in Hamburg, Germany, and studied banking in London and Paris, and have gone all around the world. In the Panic of 1907, the first suggestion I made was 'Let us get a national clearing house.' The Aldrich Plan contains some things which are simply fundamental rules of banking. Your aim in this plan (the Owen-Glass Bill) must be the same--centralizing of reserves, mobilizing commercial credit, and getting an elastic note issue." *What do you suppose Mr. Kissinger would say in a situation like that? Do you think he would tell you all about his connections with Oliver North et al, the KGB et al, China et al and every Zionist elitist and on and on and on?* I personally expect not.

Paul Warburg was the most clever of the important New York bankers. In all his writings and speeches and testimonials before congress, he never made a misstatement. For instance, he did not bother to mention at this appearance that the banking business he had been brought up in Hamburg, Germany, was his own family banking house of M. M. Warburg Company, a fact which might have been brought up later when he was nominated for the Board of Governors of the Federal Reserve System. Warburg's term "mobilization of credit" was no accident either, for the First World War was due to begin in a few months as carefully planned, and the first big job on the docket for the System would be to finance the Allies in their war against Germany along with the Germans in their war against you "Allies".

Leslie Shaw, banker from Philadelphia, dissented with most of the other witnesses at these hearing when he testified that:

"Under the Aldrich Plan the bankers are to have local associations and district associations, and when you have a local organization, the centered control is assured. Suppose we have a local association in Indianapolis; can you not name the three men who will dominate that association? And then can you not name the one man who will dominate the three? The same is true in Richmond and everywhere else. When you have hooked the banks together, they can have the biggest political influence of anything in this country, with the exception of the newspapers."

Mr. Shaw, of course, did not know that many newspapers were already owned by or mortgaged to, big banks, or that Frank Munsey, agent for J. P. Morgan Company sometimes bought newspapers to promote a single big stock issue, and sold these periodicals as soon as the stock was unloaded.

Dharma, allow us to close this portion please and we will finish the subject of the beginning on the morrow. It has been too long a day at the writing and I would have ones digest material before moving forward to simply get through the material. THIS IS YOUR LIFE, DEAR ONES--WHAT WILL YOU DO WITH IT?

Salu, I bid you a good-day and a restless sleep while you confront this circumstance and decide which way ye shall go.

Aho! Hatonn to clear, please.

CHAPTER 8

REC #1 HATONN

SUNDAY, JULY 8, 1990 7:36 A.M. YEAR 3 DAY 326

CONTINUED CONTROVERSY

The most fiery of the opponents to the Federal Reserve Act was a lawyer from Cleveland, Ohio, named Alfred Crozier, who was the most outspoken critic of the Wall Street banking fraternity. Yes, there are honorable attorneys; in fact, most attorneys, be they not Zionists pushed into the prostitution profession for purposes of the "Protocols", begin most honorable indeed; so it is also with physicians who are truly healers of mankind. Remember--the intent--always, remember the intent!

ALFRED CROZIER, ESO.

Mr. Crozier wrote about the Act of 1908, a few years later (U.S. MONEY vs. CORPORATION CURRENCY, 1912) which attacked the Aldrich-Vreeland Act as a Wall Street instrument and pointed out that when your government had to issue money based on privately owned securities, you would no longer be a free nation. The Federal Reserve System allowed the issue of notes on the privately owned shares of the Federal Reserve Banks. Crozier presented to the Senate Committee that:

"It should prohibit the granting or calling in of loans for the purpose of influencing quotation prices of securities and the contracting of loans or increasing interest rates in concert by the banks to influence public opinion or the action of any legislative body. Within recent months the Secretary of the Treasury of the United States was reported in the open press as charging specifically that there was a conspiracy among certain of the large banking interests to put a contraction upon the currency and to raise interest rates for the sake of making the public force Congress into passing currency legislation desired by those interests. The so-called administration currency bill grants just what Wall Street and the big banks for 25 years have been striving for, that is, PRIVATE INSTEAD OF PUBLIC CONTROL OF CURRENCY. It does this as completely as the Aldrich bill. Both measures rob the government and the people of all effective control over the public's money, and vest in the banks exclusively the dangerous power to make money among the people scarce or plenty. The Aldrich bill puts this power in one central bank. The Administration bill puts it in twelve regional central banks, all owned exclusively by the identical private interests that would have owned and operated the Aldrich Bank. President Garfield, shortly before his assassination, declared that whoever controls the supply of currency would control the business and activities of all the people. Thomas Jefferson warned us a hundred years ago that a private central bank issuing the public currency was a greater menace to the liberties of the people than a standing army."

I would suppose that most of you now can understand the need for the murder of Mr. Garfield? Contrary to what is being touted by ones such as Mr. Cooper in his material, the assassination of John Kennedy involved several deliberate causes, from Mafia lessons, CIA/FBI take-out, etc. The major reason he had to be taken out was his

attitude regarding interest bearing vs. non-interest bearing currency and he was getting ready to change it. So far, everyone with enough perceived power to make radical changes away from the banking cartel are slaughtered. Now, they are trying to assassinate God and get rid of all opposition, although most of mankind would pull the gun trigger for them for less than 30 pieces of silver. Almost anyone in the military, ordered to do so, would do the job and feel himself a patriotic and blessed American doing his duty and saving his nation. Am I not right, Colonel Gritz?

REPRESENTATIVE CARTER GLASS

As the House spokesman for the Democratic Party, Rep. Carter Glass took occasion to make public the stormy record of the Republican organization, the National Monetary Commission, in its failure to prepare adequate banking and currency legislation. His House Report in 1913 said:

"Senator MacVeagh fixes the cost of the National Monetary Commission to May 12, 1911, at \$207,130. They have since spent another hundred thousand dollars of the taxpayers' money. The work done at such cost cannot be ignored, but, having examined the extensive literature published by the Commission, the Banking and Currency Committee finds little that bears upon the present state of the credit market of the United States. We object to the Aldrich Bill on the following points:

"Its entire lack of adequate government or public control of the banking mechanism it sets up.

"Its tendency to throw voting control into the hands of the large banks of the system.

"The extreme danger of inflation of currency inherent in the scheme.

'The insincerity of the bond-refunding plan provided for by the measure, there being a barefaced pretense that this system was to cost the government nothing.

'The dangerous monopolistic aspects of the bill.

"Our Committee at the outset of its work was met by a well-defined sentiment in favor of a central bank, which was the manifest outgrowth of the work that had been done by the National Monetary Commission."

Representative Glass' denunciation of the Aldrich Bill as a central bank ignored the fact that his own Federal Reserve System would fulfill all the functions of a central bank, that is, its stock would be owned by private stockholders who could use the government's credit for their own profit, since they would have the privilege of note issue on the government's credit; it would have control of the nation's money and credit resources; and it would finance the government by mobilizing credit in time of war. The Federal Reserve System was acknowledged by economists in 1913 to be a bank issue like the European central banks.

The Federal Reserve Act, as Carter Glass presented it, was passed by the House virtually intact. It then went to the Senate Committee on Banking and Currency, where

such provisions of the Aldrich Bill as were deemed necessary were restored to it. In the Senate debate on the bill, Senator Stone said on December 12, 1913:

"The great banks for years sought to have and control agents in the Treasury to serve their purposes. Let me quote from this World article, 'Just as soon as Mr. McAdoo came to Washington, a woman whom the National City Bank had installed in the Treasury Department to get advanced information on the condition of banks, and other matters of interest to the big Wall Street group, was removed. Immediately the Secretary and the Assistant Secretary, John Skelton Williams, were criticized severely by the agents of the Wall Street group.'

"I myself have known more than one occasion when bankers refused credit to men who opposed their political views and purposes. When Senator Aldrich and others were going around the country exploiting this scheme, the big banks of New York and Chicago were engaged in raising a munificent fund to bolster up the Aldrich propaganda. I have been told by bankers of my own state that contributions to this exploitation fund have been demanded of them and that they had contributed because they were afraid of being blacklisted or boycotted. There are bankers of this country who are enemies of the public welfare. In the past, a few great banks have followed policies and projects that have paralyzed the industrial energies of the country to perpetuate their tremendous power over the financial and business industries of America."

INFAMOUS COLONEL HOUSE

The Federal Reserve Act, as altered by the Senate, was finally passed on December 22, 1913 and strangely enough, the alterations only further enforced the power of the bankers. Then it went to Woodrow Wilson for his signature. Colonel House's connection with Warburg and the Act are revealed in a volume called The Intimate Papers of Colonel House. This journal contains the following notes which are worthy of presentation herein:

"Dec. 19, 1912. I talked with Paul Warburg over the telephone regarding the currency reform. I told of my trip to Washington and what I had done there to get it in working order. I told him that the Senate and the Congressmen seemed anxious to do what he desired, and that President-elect Wilson thought straight concerning the issue.

"March 13, 1913. Warburg and I had an intimate discussion regarding currency reform.

"March 27, 1913. Mr. J. P. Morgan, Jr. and Mr. Denny of his firm came promptly at five. McAdoo came about ten minutes afterward. Morgan had a currency plan already printed. I suggested he have it typewritten, so it would not seem too prearranged, and send it to Wilson and myself today.

"Oct. 13, 1913. Paul Warburg was my first caller today. He came to discuss the currency measure. There are too many features of the Owen-Glass Bill that he does not approve. I promised to put him in touch with McAdoo and Senator Owen so that he might discuss it with them.

"Nov. 17, 1913. Paul Warburg telephoned about his trip to Washington. Later, he and Mr. Jacob Schiff came over for a few minutes. Warburg did most of the talking. He had a new suggestion in regard to grouping the regional reserve banks so as to get the units welded together and in easier touch with the Federal Reserve Board."

Colonel House was often referred to as the "unofficial" Secretary of State. It would be more appropriate to call Mr. House your "unofficial" President during the Wilson years, for it was House who was representing you at Versailles. When Wilson went over, the European politicians laughed at him for his self-importance. They knew who pulled his puppet strings.

Mr. House also wrote in his memoirs that he and Wilson knew that in passing the Federal Reserve Act they had created an instrument more powerful than the Supreme Court. The Federal Reserve Board of Governors is a Supreme Court of Finance, and it forced the Supreme Court to its knees in 1935 when the Justices were made to approve the criminal conspiracy of Roosevelt, Morgenthau, and the international gold dealers to alter the price of gold. If the Justices had disapproved, writes Secretary of the Treasury Morgenthau, "We were ready to rush through an alternate policy."

Warburg's plan to get the units welded together was merely an indication of his anxiety to get them under as tight control as possible. House's papers also reveal it was he who gave Warburg's name to Wilson as candidate for Governor of the first Federal Reserve Board. Wilson approved the choice because of Warburg's interest and experience in currency problems under both Republican and Democratic administrations.

You see, the more egotistical a man the more probable will be his own wondrous diary of activities and thereby history can be rebuilt. Today, of course, it is voice tapes which will contain the documentation. Evil men always write the historical plays for the stage of life; for honorable men, with ego under control instead of controlling them, care not about the wondrous exploits, for the honor and truth are most natural to them and certainly nothing to be noted in documents.

Woodrow Wilson had been piqued by the consistent opposition to the Federal Reserve Act in Congress, and he was haunted by the fear that he would not be able to deliver the goods to his employers. When the bill finally reached him, on December 23, 1913, he refused at first to sign it because of the provisions for the selection of Class B Directors. Bernard Baruch (relates William L. White in his biography of that great man), a principal contributor to Wilson's campaign fund, hurried over to the White House and told Wilson it did not matter. That could be fixed up later; the main thing was to get the thing signed into law. With this reassurance, Wilson signed the Federal Reserve Act on December 23, 1913. On that day the Constitution ceased to be the governing covenant of the American people and your liberties were handed over to a small group of international bankers.

That same day Representative Moore of Kansas said, on the floor of the House of Representatives:

“The President of the United States now becomes the absolute dictator of all the finances of the country. He appoints a controlling board of seven men, all of whom belong to his political party, even though it is a minority. The Secretary of the Treasury is to rule supreme whenever there is a difference of opinion between himself and the Federal Reserve Board. AND, only one member of the Board is to pass out of office while the President is in office.”

The ten year terms of office of the members of the Board, lengthened by the Banking Act of 1935 to FOURTEEN YEARS, meant that these dictators of finance, although not elected by the people, held office longer than any elected official. Now, they may hold office longer than three Presidents.

CONGRESSMAN CHARLES A. LINDBERGH

It remained for Congressman Lindbergh to make the final statement on the swindle which had been perpetrated on the American people. Speaking after Representative Moore on that day of December 23, 1913, he said:

"This Act establishes the most gigantic trust on Earth. When the President signs this bill, the invisible government by the monetary power will be legalized. The people may not know it immediately, but the day of reckoning is only a few years removed. The trusts will soon realize that they have gone too far even for their own good. The people must make a declaration of independence to relieve themselves from the monetary power. This they will be able to do by taking control of Congress. Wall Streeters could not cheat us if you Senators and Representatives did not make a humbug of Congress. The division of Congress into political parties is a crime. The main object of the bosses in both political parties is to get offices and grant special favors at the people's expense. This is inherently a national government, and that is why party government is unsuccessful in dealing with economic problems. If we had a people's Congress, there would be stability. The greatest crime of Congress is its currency system. The worst legislative crime of the ages is perpetrated by this banking and currency bill. The caucus and the party bosses have again operated and prevented the people from getting the benefits of their own government."

Yes, of course, this opposition is what eventually resulted in the death of his grandson who was kidnapped and held for ransom and "silence".

Lindbergh was overly optimistic in thinking that the trust dictatorship of the United States would last only a few years. The American people were kept from rising against oppression at home by being sent abroad to fight in two world wars in which you as a people had no immediate political or economic stake. Between wars, two great depressions kept your people scrambling for your daily bread. You simply have not really had the time to object to anything and worse, they made sure you didn't know you had anything to which to object. Even you who are reading this book: less than one one hundredth percent of the readers have any notion about the Federal Reserve System and certainly have no notion as to how it came about--you will NOT find it taught at any level of growth within the political academia.

Lindbergh's theory that party government is unsuccessful in dealing with economic problems could neither be proved or disproved, because party government *has not dealt with economic problems since the days of Jefferson and Adams*. The architects and contrivers of the economic inequalities and instabilities existing in your country are the leaders and owners of the major political parties. They will not move to improve them; they are placed there to insure their continuance until such time as they can be cemented within the pages of a new Constitution which will lock the door of your prison cell forever more. Who of you are willing to raise your voice against this dragon?

How many of you will claim to be doing the work of God and stand silent because Satan is telling you, "God wouldn't mingle in Caesar's world."? Caesar does not have a world--he has stolen yours; that which was gifted by Creator for your use. Creator is come forth again in truth of the WORD WHICH IS *to reclaim His property--who will stand with us, the Hosts and Guardians?* So be it.

How many do you know who have read almost none of the Journals, pronounce their judgment based upon denouncement of another or from fear, and resume the cursing and floundering in helpless wonderment about "what to do"? How many? How many, based just on the perusal of one Wm. Cooper who has neither read the Journals nor cares to participate in truth--only HIS projection of furthering the lie? How many of you know ones who cast aside truth through statements made against this scribe from the Gatehouse in Sedona? Do you actually believe, oh ye of so little faith, that your Father/Mother Creator would leave you without resource of instructions during this time of transition and tribulation upon your planet? Satan leaves you in blindness and without recourse--NOT GOD. Satan will pronounce that he will "do it for you". GOD WILL NOT--GOD WILL TELL YOU "HOW" AND YOU WILL DO OF IT IN YOUR OWN FREE-WILL. ***IF YOU CARE NOT ENOUGH TO RISE AND STAND FOR SELF, BROTHER, NATION AND PLANET--THEN YE SHALL DESERVE WHATEVER SHALL BE THINE HARVEST. TODAY IS THE DAY OF PLANTING AND THE GROWING SEASON IS ALMOST FINISHED--WHAT KIND OF HARVEST SHALL YE REAP? AMEN.***

LOUIS T. MC FADDEN (R-PA.)

Dharma, allow us a rest please. This man is great enough to devote at least two chapters to this great energy. He made a speech to the House of Representatives on June 10, 1932, and it is worthy of complete reproduction herein and so shall it be.

I shall await your return to the keyboard. The pressures are great on you ones, Dharma, but you shall be sustained and Light of Truth shall be your legacy to a darkened land and people. YOU DO NOT WALK ALONE AND THOSE WHO HAVE COME BEFORE AND BROUGHT FORTH TRUTH SHALL BE HONORED FOR THE DAY OF THE LORD IS AT HAND. GLORY AND TRUTH IN THE FREEDOM OF THAT WHICH IS SHALL AGAIN SHINE ACROSS THE LANDS. TAKE MY HAND AND I SHALL SHOW YOU THE WAY, IS THE PROMISE. YE SHALL DO OF THE FULFILLING! SO BE IT IN THE POWER OF THAT WHICH I AM.

CHAPTER 9

REC #2 HATONN

SUNDAY, JULY 8, 1990 10:11 A.M. YEAR 3 DAY 326

TOLD LIKE IT IS

Rep. Louis T. McFadden rose from office boy to become cashier and president of the First National Bank, Canton, Pa., before being elected to the U.S Congress. There he served with distinction for 20 years, including 12 years as Chairman of the Committee on Banking and Currency, making him one of the foremost financial authorities in America. Relentlessly he fought for fiscal integrity and a return to constitutional government.

On June 10, 1932, in the midst of the great Depression, he addressed the House of Representatives. His historic speech was included in his testimony later before the Rules Committee, in connection with his Herculean efforts to obtain a sweeping investigation of the entire Federal Reserve System, and has been widely reprinted since then--unfortunately, it seems to have made little impact on the populace who have since stopped reading--well over 65 percent of the American public DO NOT EVEN READ ONE BOOK A YEAR. HOW MANY HAVE YOU READ THIS YEAR? AND, HOW ABOUT THAT ONE YOU HAVE BEEN TRYING TO GET TO READ THESE JOURNALS? Well, relax, for it was planned that way by your adversaries against the day this information would flow forth for the remaining media is TOTALLY CONTROLLED, as are almost ALL publishing outlets. To get to the top of the "best seller" listing--you the people will have to demand it be put there, because the word has gone forth from the powers that be to ban publication and distribution of the Phoenix Journals. IT SHALL NOT HAPPEN--THE INSTRUCTIONS AND TRUTH OF GOD SHALL GO FORTH THROUGHOUT THE LANDS AND THE LANDS SHALL BE RECLAIMED UNTO HIS KINGDOM. SO SHALL IT COME TO PASS--AND IT SHALL BE WITHIN THIS GENERATION THAT IT SHALL BE MADE, OR BROKEN, THE COVENANT WITH GOD.

For you researchers and confirmists, it will be found on pages 12595-12603 of the *Congressional Record*:

QUOTE:

Mr. McFADDEN. Mr. Chairman, at the present session of Congress we have been dealing with emergency situations. We have been dealing with the effect of things rather than with the cause of things. In this particular discussion I shall deal with some of the causes that lead up to these proposals. There are underlying principles which are responsible for conditions such as we have at the present time and I shall deal with one of these in particular which is tremendously important in the consideration that you are now giving to this bill.

Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve banks. The Federal Reserve Board, a government board, has cheated the Government

of the United States and the people of the United States out of enough money to pay the national debt. The depredations and the iniquities of the Federal Reserve Board and the Federal Reserve banks acting together have cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States; has bankrupted itself, and has practically bankrupted our government. It has done this through the defects of the law under which it operates, through the maladministration of that law by the Federal Reserve Board, and through the corrupt practices of the moneyed vultures who control it.

Some people think the Federal Reserve banks are United States Government institutions. They are not government institutions. They are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign swindlers; and rich and predatory money lenders. In that dark crew of financial pirates there are those who would cut a man's throat to get a dollar out of his pocket; there are those who send money into states to buy votes to control our legislation; and there are those who maintain an international propaganda for the purpose of deceiving us and of wheedling us into the granting of new concessions which will permit them to cover up their past misdeeds and set again in motion their gigantic train of crime.

Those 12 private credit monopolies were deceitfully and disloyally foisted upon this country by bankers who came here from Europe and who repaid us for our hospitality by undermining our American institutions. Those bankers took money out of this country to finance Japan in a war against Russia. They created a reign of terror in Russia with our money in order to help that war along. They instigated the separate peace between Germany and Russia and thus drove a wedge between the allies in the World War. They financed Trotsky's mass meetings of discontent and rebellion in New York. They paid Trotsky's passage from New York to Russia so that he might assist in the destruction of the Russian Empire. They fomented and instigated the Russian revolution and they placed a large fund of American dollars at Trotsky's disposal in one of their branch banks in Sweden so that through him Russian homes might be thoroughly broken up and Russian children flung far and wide from their natural protectors. They have since begun the breaking up of American homes and the dispersal of American children.

It has been said that President Wilson was deceived by the attentions of these bankers and by the philanthropic poses they assumed. It has been said that when he discovered the manner in which he had been misled by Colonel House, he turned against that busybody, that "holy monk" of the financial empire, and showed him the door. He had the grace to do that, and in my opinion he deserves great credit for it.

President Wilson died a victim of deception. When he came to the Presidency, he had certain qualities of mind and heart which entitled him to a high place in the councils of this Nation; but there was one thing that he was not and which he never aspired to be; he was not a banker. He said that he knew very little about banking. It was, therefore, on the advice of the others that the iniquitous Federal Reserve Act, the death warrant of American liberty, became law in his administration.

Mr. Chairman, there should be no partisanship in matters concerning the banking and currency affairs of this country, and I do not speak with any.

In 1912 the National Monetary Association, under the chairmanship of the late Senator Nelson W. Aldrich, made a report and presented a vicious bill called the National Reserve Association bill. This bill is usually spoken of as the Aldrich bill. Senator Aldrich did not write the Aldrich bill. He was the tool, but not the accomplice, of the European-born bankers who for nearly 20 years had been scheming to set up a central bank in this country and who in 1912 had spent and were continuing to spend vast sums of money to accomplish their purpose.

The Aldrich bill was condemned in the platform upon which Theodore Roosevelt was nominated in the year 1912, and in that same year, when Woodrow Wilson was nominated, the Democratic platform, as adopted in the Baltimore convention, expressly stated: "We are opposed to the Aldrich plan for a central bank." This was plain language. The men who ruled the Democratic Party then promised the people that if they were returned to power there would be no central bank established here while they held the reins of government. Thirteen months later that promise was broken, and the Wilson administration, under the tutelage of those sinister Wall Street figures who stood behind Colonel House, established here in our free country the worm-eaten monarchical institution of the "king's bank" to control us from the top downward, and to shackle us from the cradle to the grave. The Federal Reserve Act destroyed our old and characteristic way of doing business; it discriminated against our one-name commercial paper, the finest in the world; it set up the antiquated two-name paper, which is the present curse of this country, and which has wrecked every country which has ever given it scope; it fastened down upon this country the very tyranny from which the framers of the Constitution sought to save us.

One of the greatest battles for the preservation of this Republic was fought out here in Jackson's day, when the Second Bank of the United States, which was founded upon the same false principles as those which are exemplified in the Federal Reserve Act, was hurled out of existence. After the downfall of the Second Bank of the United States in 1837, the country was warned against the dangers that might ensue if the predatory interests, after being cast out, would come back in disguise and unite themselves to the Executive, and through him acquire control of the government. That is what the predatory interests did when they came back in the livery of hypocrisy and under false pretenses obtained the passage of the Federal Reserve Act.

The danger that the country was warned against came upon us and is shown in the long train of horrors attendant upon the affairs of the traitorous and dishonest Federal Reserve Board and the Federal Reserve banks. Look around you when you leave this chamber and you will see evidences of it on all sides. This is an era of economic misery and for the conditions that caused that misery, the Federal Reserve board and the Federal Reserve banks are fully liable. This is an era of financed crime and in the financing of crime, the Federal Reserve Board does not play the part of a disinterested spectator.

It has been said that the draughtsman who was employed to write the text of the Federal Reserve bill used the text of the Aldrich bill for his purpose. It has been said that the language of the Aldrich bill was used because the Aldrich bill had been drawn up by expert lawyers and seemed to be appropriate. It was indeed drawn up by

lawyers. The Aldrich bill was created by acceptance bankers of European origin in New York City. It was a copy and in general a translation of the statutes of the Reichsbank and other European central banks.

Half a million dollars was spent on one part of the propaganda organized by those same European bankers for the purpose of misleading public opinion in regard to it, and for the purpose of giving Congress the impression that there was an overwhelming popular demand for that kind of banking legislation and the kind of currency that goes with it, namely, an asset currency based on human debts and obligations instead of an honest currency based on gold and silver values. Dr. H. Parker Willis had been employed by Wall Street bankers and propagandists and when the Aldrich measure came to naught and he obtained employment from CARTER GLASS to assist in drawing a banking bill for the Wilson administration, he appropriated the text of the Aldrich bill for his purpose. There is no secret about it. The text of the Federal Reserve Act was tainted from the beginning.

Not all of the Democratic Members of the Sixty-third Congress voted for his great deception. Some of them remembered the teachings of Jefferson; and, through the years, there has been no criticism of the Federal Reserve Board and the Federal Reserve banks so honest, so outspoken, and so unsparing as those which have been voiced here by Democrats. Again, although a number of Republicans voted for the Federal Reserve Act, the wisest and most conservative members of the Republican Party would have nothing to do with it and voted against it. A few days before the bill came to a vote, Sen. Henry Cabot Lodge, of Massachusetts, wrote to Sen. John W. Weeks as follows:

SENATOR HENRY CABOT LODGE

New York City, *December 17, 1913.*

MY DEAR SENATOR WEEKS: * * * Throughout my public life I have supported all measures designed to take the government out of the banking business * * *. This bill puts the government into the banking business as never before in our history and makes, as I understand it, all notes government notes when they should be bank notes.

The powers vested in the Federal Reserve Board seem to me highly dangerous, especially where there is political control of the board. I should be sorry to hold stock in a bank subject to such domination. The bill as it stands seems to me to open the way to a vast inflation of the currency. There is no necessity of dwelling upon this point after the remarkable and most powerful argument of the senior Senator from New York. I can be content here to follow the example of the English candidate for Parliament who thought it enough "to say ditto to Mr. Burke". I will merely add that I do not like to think that any law can be passed which will make it possible to submerge the gold standard in a flood of irredeemable paper currency.

I had hoped to support this bill, but I can not vote for it as it stands, because it seems to me to contain features and to rest upon principles in the highest degree menacing to our prosperity, to stability in business, and to the general welfare of the people of the United States.

Very sincerely yours,

HENRY CABOT LODGE.

In the 18 years which have passed since Senator Lodge wrote that letter of warning all of his predictions have come true. The Government is in the banking business as never before. Against its will it has been made the backer of horsethieves and card sharps, bootleggers, smugglers, speculators, and swindlers in all parts of the world. Through the Federal Reserve Board and the Federal Reserve banks the riffraff of every country is operating on the public credit of the United States Government. Meanwhile, and on account of it, we ourselves are in the midst of the greatest depression we have ever known. Thus the menace to our prosperity, so feared by Senator Lodge, has indeed struck home. From the Atlantic to the Pacific our country has been ravaged and laid waste by the evil practices of the Federal Reserve Board and the Federal Reserve banks and the interests which control them. At no time in our history has the general welfare of the people of the United States been at a lower level or the mind of the people so filled with despair.

Recently in one of our states 60,000 dwelling houses and farms were brought under the hammer in a single day. According to the Rev. Father Charles E. Coughlin, who has lately testified before a committee of this House, 71,000 houses and farms in Oakland County, Mich., have been sold and their erstwhile owners dispossessed. Similar occurrences have probably taken place in every county in the United States. The people who have thus been driven out are the wastage of the Federal Reserve Act. They are the victims of the dishonest and unscrupulous Federal Reserve Board and the Federal Reserve banks. Their children are the new slaves of the auction block in the revival here of the institution of human slavery.

In 1913, before the Senate Banking and Currency Committee, Mr. Alexander Lassen made the following statement:

'But the whole scheme of a Federal Reserve bank with its commercial-paper basis is an impractical, cumbersome machinery, is simply a cover, to find a way to secure the privilege of issuing money and to evade payment of as much tax upon circulation as possible, and then control the issue and maintain, instead of reduce, interest rates. It is a system that, if inaugurated, will prove to the disadvantage of the States. It will mean continued shortage of actual money and further extension of credits; for when there is a lack of real money people have to borrow credit to their cost.'

A few days before the Federal Reserve Act was passed Sen. Elihu Root denounced the Federal Reserve bill as an outrage on our liberties and made the following prediction:

'Long before we wake up from our dreams of prosperity through an inflated currency, our gold, which alone could have kept us from catastrophe, will have vanished and no rate of interest will tempt it to return.'

If ever a prophecy came true, that one did. It was impossible, however, for those luminous and instructed thinkers to control the course of events. On December 23,

1913, the Federal Reserve bill became law, and that night Colonel House wrote to his hidden master in Wall Street as follows:

COLONEL HOUSE, AGAIN

'I want to say a word of appreciation to you for the silent but no doubt effective work you have done in the interest of currency legislation and to congratulate you that the measure has finally been enacted into law. We all know that an entirely perfect bill, satisfactory to everybody, would have been an impossibility, and I feel quite certain fair men will admit that unless the President had stood as firm as he did we should likely have had no legislation at all. The bill is a good one in many respects; anyhow good enough to start with and to let experience teach us in what direction it needs perfection, which in due time we shall then get. In any event you have personally good reason to feel gratified with what has been accomplished.'

The words "unless the President had stood as firm as he did we should likely have had no legislation at all", were a gentle reminder that it was Colonel House himself, the "holy monk", who had kept the President firm.

The foregoing letter affords striking evidence of the manner in which the predatory interests then sought to control the Government of the United States by surrounding the Executive with the personality and the influence of a financial Judas. Left to itself and to the conduct of its own legislative functions without pressure from the Executive, the Congress would not have passed the Federal Reserve Act. According to Colonel House, and since this was his report to his master, we may believe it to be true, the Federal Reserve Act was passed because Wilson stood firm; in other words because Wilson was under the guidance and control of the most ferocious usurers in New York through their hireling, House. The Federal Reserve Act became law the day before Christmas Eve in the year 1913, and shortly afterwards the German international bankers, Kuhn, Loeb & Co., sent one of their partners here to run it.

In 1913, when the Federal Reserve bill was submitted to the Democratic caucus, there was a discussion in regard to the form the proposed paper currency should take.

The proponents of the Federal Reserve Act, in their determination to create a new kind of paper money, had not needed to go outside of the Aldrich bill for a model. By the terms of the Aldrich bill, bank notes were to be issued by the national Reserve Association and were to be secured partly by gold or lawful money and partly by circulating evidences of debt. The first draft of the Federal Reserve bill presented the same general plan, that is, for bank notes as opposed to government notes, but with certain differences of regulation.

THE LEGACY OF WILLIAM JENNINGS BRYAN

When the provision for the issuance of Federal Reserve Notes was placed before President Wilson he approved of it, but other Democrats were more mindful of Democratic principles and a great protest greeted the plan. Foremost amongst those who denounced it was William Jennings Bryan, the Secretary of State. Bryan

wished to have the Federal Reserve Notes issued as government obligations. President Wilson had an interview with him and found him adamant. At the conclusion of the interview Bryan left with the understanding that he would resign if the notes were made bank notes. The President then sent for his Secretary and explained the matter to him. Mr. Tumulty went to see Bryan and Bryan took from his library shelves a book containing all the Democratic platforms and read extracts from them bearing on the matter of the public currency. Returning to the President, Mr. Tumulty told him what had happened and ventured the opinion that Mr. Bryan was right and that Mr. Wilson was wrong. The President then asked Mr. Tumulty to show him where the Democratic Party in its national platforms had ever taken the view indicated by Bryan. Mr. Tumulty gave him the book, which he had brought from Bryan's house, and the President read very carefully plank after plank on the currency. He then said, "I am convinced there is a great deal in what Mr. Bryan says", and thereupon it was arranged that Mr. Tumulty should see the proponents of the Federal Reserve bill in an effort to bring about an adjustment of the matter.

The remainder of this story may be told in the words of Senator Glass. Concerning Bryan's opposition to the plan of allowing the proposed Federal Reserve Notes to take the form of bank notes and the manner in which President Wilson and the proponents of the Federal Reserve bill yielded to Bryan in return for his support of the measure, Senator Glass makes the following statement:

"The only other feature of the currency bill around which a conflict raged at this time was the note-issue provision. Long before I knew it, the President was desperately worried over it. His economic good sense told him the notes should be issued by the banks and not by the government; but some of his advisers told him Mr. Bryan could not be induced to give his support to any bill that did not provide for a "Government Note". There was in the Senate and House a large Bryan following which, united with a naturally adversary party vote, could prevent legislation. Certain overconfident gentlemen proffered their services in the task of "managing Bryan". They did not budge him. * * * When a decision could no longer be postponed the President summoned me to the White House to say he wanted Federal Reserve Notes to "be obligations of the United States". I was for an instant speechless. With all the earnestness of my being I remonstrated, pointing out the unscientific nature of such a thing, as well as the evident inconsistency of it.

"There is not, in truth, any Government obligation here, Mr. President", I exclaimed. "It would be a pretense on its face. Was there ever a government note based primarily on the property of banking institutions? Was there ever a government issue not one dollar of which could be put out except by demand of a bank? The suggested government obligation is so remote it could never be discerned," I concluded, out of breath.

"Exactly so, Glass", earnestly said the President. "Every word you say is true; the government liability is a mere thought. And so, if we can hold to the substance of the thing and give the other fellow the shadow, why not do it, if thereby we may save our bill?"

Shadow and substance! One can see from this how little President Wilson knew about banking. Unknowingly, he gave the substance to the international banker and the shadow to the common man. Thus was Bryan circumvented in his efforts to uphold the Democratic doctrine of the rights of the people. Thus the uphold blur" upon the bill was perpetrated. The "unscientific blur", however, was not the fact that the United States government, by the terms of Bryan's edict, was obliged to assume as an obligation whatever currency was issued. Mr. Bryan was right when he insisted that the United States should preserve its sovereignty over the public currency. The "unscientific blur" was the nature of the currency itself, a nature which makes it unfit to be assumed as an obligation of the United States government. It is the worst currency and the most dangerous this country has ever known. When the proponents of the act saw that Democratic doctrine would not permit them to let the proposed banks issue the new currency as bank notes, they should have stopped at that. They should not have foisted that kind of currency, namely, an asset currency, on the United States Government. They should not have made the government liable on the private debts of individuals and corporations and, least of all, on the private debts of foreigners.

The Federal Reserve Note is essentially unsound.

As Demmerer says:

'The Federal Reserve Notes, therefore, in form have some of the qualities of government paper money, but, in substance, are almost a pure asset currency possessing a government guaranty against which contingency the government has made no provision whatever.'

* * * They are obligations of the government for which the United States has received nothing and for the payment of which at any time it assumes the responsibility looking to the Federal Reserve Bank to recoup itself.'

If the United States Government is to redeem the Federal Reserve Notes when the general public finds out what it costs to deliver this flood of paper money to the 12 Federal Reserve banks, and if the government has made no provision for redeeming them, the first element of their unsoundness is not far to seek.

Before the Senate Banking and Currency Committee, while the Federal Reserve bill was under discussion, Mr. Crozier, of Cincinnati, said:

MR. CROZIER AGAIN

'In other words, the imperial power of elasticity of the public currency is wielded exclusively by these central corporations owned by the banks. This is a life and death power over all local banks and all business. It can be used to create or destroy prosperity, to ward off or cause stringencies and panics. By making money artificially scarce interest rates throughout the country can be arbitrarily raised and the bank tax on all business and cost of living increased for the profit of the banks owning these regional central banks, and without the slightest benefit to the people. These 12 corporations together cover the whole country and monopolize and use for private gain every dollar of the public currency and all public revenues of the United States. Not a

dollar can be put into circulation among the people by their Government without the consent of and on terms fixed by these 12 private money trusts.'

In defiance of this and all other warnings, the proponents of the Federal Reserve Act created the 12 private credit corporations and gave them an absolute monopoly of the currency of the United States, not of Federal Reserve Notes alone, but of all the currency. The Federal Reserve Act provided ways by means of which the gold and general currency in the hands of the American people could be obtained by the Federal Reserve banks in exchange for Federal Reserve Notes, which are not money but merely promises to pay money. Since the evil day when this was done the initial monopoly has been extended by vicious amendments to the Federal Reserve Act and by the unlawful and treasonable practices of the Federal Reserve Board and the Federal Reserve banks.

Mr. Chairman, when a Chinese merchant sells human hair to a Paris wigmaker and bills him in dollars, the Federal Reserve banks can buy his bill against the wigmaker and then use that bill as collateral for Federal Reserve Notes. The United States government thus pays the Chinese merchant the debt of the wigmaker and gets nothing in return except a shady title to the Chinese hair.

Mr. Chairman, if a Scotch distiller wishes to send a cargo of Scotch whisky to the United States, he can draw his bill against the purchasing bootlegger in dollars; and after the bootlegger has accepted it by writing his name across the face of it, the Scotch distiller can send that bill to the nefarious open discount market in New York City, where the Federal Reserve Board and the Federal Reserve banks will buy it and use it as collateral for a new issue of Federal Reserve Notes. Thus the Government of the United States pays the Scotch distiller for the whisky before it is shipped; and if it is lost on the way, or if the Coast Guard seizes it and destroys it, the Federal Reserve banks simply write off the loss and the government never recovers the money that was paid to the Scotch distiller. While we are attempting to enforce prohibition here, the Federal Reserve Board and the Federal Reserve banks are financing the distillery business in Europe and are paying bootleggers' bills with the public credit of the United States Government."

I will interrupt this dissertation at this point, please. I ask that all you readers fully understand the contents of this speech for it is the truth in outline and detail of that which has destroyed your nation and pulled down your people. Please look most carefully at these parables for in seeing the truth, you can slay the dragon. Your nation, your populace, your Constitution and your planet are now in final death throes. What will you do? There will be no knights in shining armor, no space cadets to whisk you away aboard ships of silver to save your assets--**YOU ARE GOING TO SAVE YOURSELF FROM THIS ENTANGLED NET OF IMPRISONMENT AND IMPOVERISHMENT OR YE SHALL PERISH AS A NATION AND PEOPLES WITHIN ITS DEATH-GRIP. SO BE IT AND SELAH--SAALOME'**

CHAPTER 10

REC #3 HATONN

SUNDAY, JULY 8, 1990 4:50 P.M. YEAR 3 DAY 326

McFADDEN'S SPEECH CONTINUED

Mr. Chairman, if a German brewer ships beer to this country or anywhere else in the world and draws his bill for it in dollars, the Federal Reserve banks will buy that bill and use it as collateral for Federal Reserve Notes. Thus, they compel our government to pay the German brewer for his beer. Why should the Federal Reserve Board and the Federal Reserve banks be permitted to finance the brewing industry of Germany, either in this way or as they do by compelling small and fearful United States banks to take stock in the Isenbeck Brewery and in the German bank for brewing industries?

Mr. Chairman, if Dynamit Nobel of Germany wishes to sell dynamite to Japan to use in Manchuria or elsewhere, it can draw its bill against its Japanese customers in dollars and send that bill to the nefarious open discount market in New York City, where the Federal Reserve Board and the Federal Reserve banks will buy it and use it as collateral for a new issue of Federal Reserve Notes, while at the same time the Federal Reserve Board will be helping Dynamit Nobel by stuffing its stock into the United States banking system. Why should we send our representatives to the disarmament conference at Geneva while the Federal Reserve Board and the Federal Reserve banks are making our government pay Japanese debts to German munitions makers?

Mr. Chairman, if a bean grower of Chile wishes to raise a crop of beans and sell them to a Japanese customer, he can draw a bill against his prospective Japanese customer in dollars and have it purchased by the Federal Reserve Board and the Federal Reserve banks and get the money out of this country at the expense of the American public before he has even planted the beans in the ground.

Mr. Chairman, if a German in Germany wishes to export goods to South America or anywhere else, he can draw his bill against his customer and send it to the United States and get the money out of this country before he ships or even manufactures the goods.

Mr. Chairman, why should the currency of the United States be issued on the strength of Chinese human hair? Why should it be issued on the trade whims of a wigmaker? Why should it be issued on the strength of German beer? Why should it be issued on a crop of unplanted beans to be grown in Chile for Japanese consumption? Why should the Government of the United States be compelled to issue many billions of dollars every year to pay the debts of one foreigner to another foreigner? Was it for this that our national-bank depositors had their money taken out of our banks and shipped abroad? Was it for this they had to lose it? Why should the public credit of the United States Government and likewise money belonging to our national-bank depositors be used to support foreign brewers, narcotic drug vendors, whisky distillers, wigmakers, human-hair merchants, Chilean bean growers, and the like? Why should our national-bank depositors and our government be forced to finance the munitions factories of Germany and Soviet Russia?

Mr. Chairman, if a German, in Germany, wishes to sell wheelbarrows to another German, he can draw a bill in dollars and get the money out of the Federal Reserve banks before an American farmer could explain his request for a loan to move his crop to market. In Germany, when credit instruments are being given, the creditors say, "See you, it must be of a kind that I can cash at the reserve". Other foreigners feel the same way. The reserve to which these gentry refer is our reserve, which, as you know, is entirely made up of money belonging to American bank depositors. I think foreigners should cash their own trade paper and not send it over here to bankers who use it to fish cash out of the pockets of the American people.

Mr. Chairman, there is nothing like the Federal reserve pool of confiscated bank deposits in the world. It is a public trough of American wealth in which foreigners claim rights equal to or greater than those of Americans. The Federal Reserve banks are the agents of the foreign central banks. They use our bank depositors' money for the benefit of their foreign principals. They barter the public credit of the United States Government and hire it out to foreigners at a profit to themselves.

All this is done at the expense of the United States Government, and at a sickening loss to the American people. Only our great wealth enabled us to stand the drain of it as long as we did.

I believe that the nations of the world would have settled down after the World War more peacefully if we had not had this standing temptation here--this pool of our bank depositors' money given to private interests and used by them in connection with illimitable drafts upon the public credit of the United States Government. The Federal Reserve Board invited the world to come in and to carry away cash, credit, goods, and everything else of value that was movable. Values amounting to many billions of dollars have been taken out of this country by the Federal Reserve Board and the Federal Reserve banks for the benefit of their foreign principals. The United States has been ransacked and pillaged. Our structures have been gutted and only the walls are left standing. While this crime was being perpetrated everything in the world could rake up to sell us was brought in here at our own expense by the Federal Reserve Board and the Federal Reserve banks until our markets were swamped with unneeded and unwanted imported goods priced far above their value and thus made to equal the dollar volume of our honest exports and to kill or reduce our favorable balance of trade. As agents of the foreign central banks, the Federal Reserve Board and the Federal Reserve banks try by every means within their power to reduce our favorable balance of trade. They act for their foreign principals and they accept fees from foreigners for acting against the best interests of the United States. Naturally there has been great competition among foreigners for the favors of the Federal Reserve Board.

What we need to do is to send the reserves of our national banks home to the people who earned and produced them and who still own them and to the banks which were compelled to surrender them to predatory interests. We need to destroy the Federal Reserve pool, wherein our national-bank reserves are impounded for the benefit of foreigners. We need to make it very difficult for outlanders to draw money away from us. We need to save America for Americans.

Mr. Chairman, when you hold a \$10 Federal Reserve Note in your hand you are holding a piece of paper which sooner or later is going to cost the United States Government \$10 in gold, unless the government is obliged to give up the gold standard. It is protected by a reserve of 40 per cent, or \$4 in gold. It is based on Limburger cheese, reputed to be in a foreign warehouse; or on cans purporting to contain peas but which may contain no peas but salt water instead; or on horse meat; illicit drugs; bootleggers' fancies; rags and bones from Soviet Russia of which the United States imported over a million dollars' worth last year; on wine, whisky, natural gas, on goat or dog fur, garlic on the string, or Bombay ducks. If you like to have paper money which is secured by such commodities, you have it in the Federal Reserve Note. If you desire to obtain the thing of value upon which this paper currency is based--that is, the Limburger cheese, the whisky, the illicit drugs, or any of the other staples--you will have a very hard time finding them. Many of these worshipful commodities are in foreign countries. Are you going to Germany to inspect her warehouses to see if the specified things of value are there? I think not. And what is more, I do not think you would find them if you did go.

Immense sums belonging to our national-bank depositors have been given to Germany on no collateral security whatever. The Federal Reserve Board and the Federal Reserve banks have issued United States currency on mere finance drafts drawn by Germans. Billions upon billions of our money has been pumped into Germany by the Federal Reserve Board and the Federal Reserve banks. Her worthless paper is still being negotiated here and renewed here on the public credit of the United States Government and at the expense of the American people. On April 27, 1932, the Federal Reserve outfit sent \$750,000, belonging to American bank depositors, in gold to Germany. A week later, another \$300,000 in gold was shipped to Germany in the same way. About the middle of May \$12,000,000 in gold was shipped to Germany by the Federal Reserve Board and the Federal Reserve banks. Almost every week there is a shipment of gold to Germany. These shipments are not made for profit on exchange since German marks are below parity against the dollar.

Mr. Chairman, I believe that the national-bank depositors of the United States are entitled to know what the Federal Reserve Board and the Federal Reserve banks are doing with their money. There are millions of national-bank depositors in this country who do not know that a percentage of every dollar they deposit in a member bank of the Federal Reserve System goes automatically to the American agents of foreign banks and that all of their deposits can be paid away to foreigners without their knowledge or consent by the crooked machinery of the Federal Reserve Act and the questionable practices of the Federal Reserve Board and the Federal Reserve banks. Mr. Chairman, the American people should be told the truth by their servants in office.

In 1930 we had over half a billion dollars outstanding daily to finance foreign goods stored in or shipped between foreign countries. In its yearly total, this item amounts to several billion dollars. What goods are those upon which the Federal Reserve banks pledge several billion dollars of the public credit of the United States? What goods are those which are hidden in European and Asiatic storehouses and which have never been seen by any officer of this government, but which are being financed on the public credit of the United States Government? What goods are those upon which the United States Government is being obliged by the Federal Reserve banks to issue Federal Reserve Notes to the extent of several billion dollars a year?

The Federal Reserve Board and the Federal Reserve banks have been international bankers from the beginning, with the United States Government as their enforced banker and supplier of currency. But it is nonetheless extraordinary to see those 12 private credit monopolies buying the debts of foreigners against foreigners in all parts of the world and asking the Government of the United States for new issues of Federal Reserve Notes in exchange for them.

I see no reason why the American taxpayers should be hewers of wood and drawers of water for the European and Asiatic customers of the Federal Reserve banks. I see no reason why a worthless acceptance drawn by a foreign swindler as a means of getting gold out of this country should receive the lowest and choicest rate from the Federal Reserve Board and be treated as better security than the note of an American farmer living on American land.

The magnitude of the acceptance racket, as it has been developed by the Federal Reserve banks, their foreign correspondents, and the predatory European-born bankers who set up the Federal Reserve institution here and taught our own brand of pirates how to loot the people--I say the magnitude of this racket is estimated to be in the neighborhood of \$9,000,000,000 a year (1932). In the past ten years it is said to have amounted to \$90,000,000,000. In my opinion, it has amounted to several times as much. Coupled with this you have, to the extent of billions of dollars, the gambling in United States securities, which takes place in the same open discount market--a gamble upon which the Federal Reserve Board is now spending \$100,000,000 a week.

Federal Reserve Notes are taken from the United States Government in unlimited quantities. Is it strange that the burden of supplying these immense sums of money to the gambling fraternity has at last proved too heavy for the American people to endure? Would it not be a national calamity if the Federal Reserve Board and the Federal Reserve banks should again bind this burden down on the backs of the American people and, by means of the long rawhide whips of the credit masters, compel them to enter upon another 17 years of slavery? They are trying to do that now. They are taking \$100,000,000 of the public credit of the United States Government every week in addition to all their other seizures, and they are spending that money in the nefarious open market in New York City in a desperate gamble to reestablish their graft as a going concern.

They are putting the United States Government in debt to the extent of \$100,000,000 a week, and with this money they are buying up our government securities for themselves and their foreign principals. Our people are disgusted with the experiments of the Federal Reserve Board. The Federal Reserve Board is not producing a loaf of bread, a yard of cloth, a bushel of corn, or a pile of cordwood by its check-kiting operations in the money market.

A fortnight or so ago great aid and comfort was given to Japan by the firm of A. Gerli & Sons, of New York, an importing firm, which bought \$16,000,000 worth of raw silk from the Japanese Government. Federal Reserve Notes will be issued to pay that amount to the Japanese Government, and these notes will be secured by money belonging to our national-bank depositors.

Why should United States currency be issued on this debt? Why should United States currency be issued to pay the debt of Gerli & Sons to the Japanese Government? The Federal Reserve Board and the Federal Reserve banks think more of the silkworms of Japan than they do of American citizens. We do not need \$16,000,000 worth of silk in this country at the present time, not even to furnish work to dyers and finishers. We need to wear home-grown and American-made clothes and to use our own money for our own goods and staples. We could spend \$16,000,000 in the United States of America on American children and that would be a better investment for us than Japanese silk purchased on the public credit of the United States Government.

Mr. Speaker, on the 13th of January of this year I addressed the House on the subject of the Reconstruction Finance Corporation. In the course of my remarks I made the following statement:

'In 1928 the member banks of the Federal Reserve System borrowed \$60,598,690,000 from the Federal Reserve banks on their 15-day promissory notes. Think of it! Sixty billion dollars payable upon demand in gold in the course of one single year. The actual payment of such obligations calls for six times as much monetary gold as there is in the entire world. Such transactions represent a grant in the course of one single year of about \$7,000,000 to every member bank of the Federal Reserve System. Is it any wonder that there is a depression in this country? Is it any wonder that American labor, which ultimately pays the cost of all the banking operations of this country, has at last proved unequal to the task of supplying this huge total of cash and credit for the benefit of stock-market manipulators and foreign swindlers?

Mr. Chairman, some of my colleagues have asked for more specific information concerning this stupendous graft, this frightful burden which has been placed on the wage earners and taxpayers of the United States for the benefit of the Federal Reserve Board and the Federal Reserve banks. They were surprised to learn that member banks of the Federal Reserve System had received the enormous sum of \$60,598,690,000 from the Federal Reserve Board and the Federal Reserve banks on their promissory notes in the course of one single year, namely, 1928. Another Member of this House, Mr. Beedy, the honorable gentleman from Maine, has questioned the accuracy of my statement and has informed me that the Federal Reserve Board denies absolutely that these figures are correct. This Member has said to me that the thing is unthinkable, that it cannot be, that it is beyond all reason to think that the Federal Reserve Board and the Federal Reserve banks should have so subsidized and endowed their favorite banks of the Federal Reserve System. This Member is horrified at the thought of a graft so great, a bounty so detrimental to the public welfare as sixty and a half billion dollars a year and more shoveled out to favored banks of the Federal Reserve System.

I sympathize with Mr. Beedy. I would spare him pain if I could, but the facts remain as I have stated them. In 1928, the Federal Reserve Board and the Federal Reserve banks presented the staggering amount of \$60,598,690,000 to their member banks at the expense of the wage earners and taxpayers of the United States. In 1929, the year of the stockmarket crash, the Federal Reserve Board and the Federal Reserve banks advanced fifty-eight billions to members banks.

In 1930, while the speculating banks were getting out of the stock market at the expense of the general public, the Federal Reserve Board and the Federal Reserve

banks advanced them \$13,022,782,000. This shows that when the banks were gambling on the public credit of the United States Government as represented by Federal Reserve currency, they were subsidized to any amount they required by the Federal Reserve Board and the Federal Reserve banks. When the swindle began to fail, the banks knew it in advance and withdrew from the market. They got out with whole skins and left the people of the United States to pay the piper.

On November 2, 1931, I addressed a letter to the Federal Reserve Board asking for the aggregate total of member bank borrowings in the years 1928, 1929, 1930. In due course, I received a reply from the Federal Reserve Board, dated November 9, 1931, the pertinent part of which reads as follows:

—My Dear Congressman: In reply to your letter of November 2, you are advised that the aggregate amount of 15-day promissory notes of member banks during each of the past three calendar years has been as follows:

1928	\$60,598,690,000
1929	\$58,046,697,000
1930	\$13,022,782,000

* * * *

Very truly yours,

Chester Morrill, Secretary.

This will show the gentleman from Maine the accuracy of my statement. As for the denial of these facts made to him by the Federal Reserve Board, I can only say that it must have been prompted by fright, since hanging is too good for a government board which permitted such a misuse of government funds and credit.

My friend from Kansas, Mr. McGugin, has stated that he thought the Federal Reserve Board and the Federal Reserve banks lent money by rediscounting. So they do, but they lend comparatively little that way. The real rediscounting that they do has been called a mere penny in the slot business. It is too slow for genuine high flyers. They discourage it. They prefer to subsidize their favorite banks by making these \$60,000,000,000 advances, and they prefer to acquire acceptance in the notorious open discount market in New York, where they can use them to control the prices of stocks and bonds on the exchanges. For every dollar they advanced on rediscounts in 1928 they lent \$33 to their favorite banks for gambling purposes. In other words, their rediscounts in 1928 amounted to \$1,814,271,000 [Chelas, do you hear this? And this was in 1928; what think you it is today?], while their loans to member banks amounted to \$60,598,690,000. As for their open-market operations, these are on a stupendous scale, and no tax is paid on the acceptances they handle; and their foreign principals, for whom they do a business of several billion dollars every year, pay no income tax on their profits to the United States Government.

This is the John Law swindle over again. The theft of Teapot Dome was trifling compared to it. What king ever robbed his subjects to such an extent as the Federal Reserve Board and the Federal Reserve banks have robbed us? Is it any wonder that

there have lately been 90 cases of starvation in one of the New York hospitals? Is it any wonder that the children of this country are being dispersed and abandoned?

The government and the people of the United States have been swindled by swindlers de luxe to whom the acquisition of American gold or a parcel of Federal Reserve Notes presented no more difficulty than the drawing up of a worthless acceptance in a country not subject to the laws of the United States, by sharpers not subject to the jurisdiction of the United States courts, sharpers with a strong banking "fence" on this side of the water--a "fence" acting as a receiver of the worthless paper coming from abroad, endorsing it and getting the currency out of the Federal Reserve banks for it as quickly as possible, exchanging that currency for gold, and in turn transmitting the gold to its foreign confederates.

We shall continue with this speech in the upcoming chapter, taking up with the exploits of Ivar Kreuger.

Thank you, Dharma, it has indeed been a very long day of work this Sunday; let us continue on the morrow. Good-day and peace walk with you, chela. AHO.

CHAPTER 11

REC #2 HATONN

MONDAY, JULY 9, 1990 9:51 A.M. YEAR 3 DAY 327

WHAT HAPPENS WHEN A COUNTRY FORSAKES ITS CONSTITUTION AND
GIVES ITS SOVEREIGNTY OVER THE CURRENCY TO
PRIVATE INTERESTS

CONGRESSMAN McFADDEN'S SPEECH CONTINUED

IVAR KREUGER

Continue quote:

Such were the exploits of Ivar Kreuger, Mr. Hoover's friend, and his hidden Wall Street backers. Every dollar of the billions Kreuger and his gang drew out of this country on acceptances was drawn from the government and the people of the United States through the Federal Reserve Board and the Federal Reserve banks. The credit of the United States Government was peddled to him by the Federal Reserve Board and the Federal Reserve banks for their own private gain. That is what the Federal Reserve Board and the Federal Reserve banks have been doing for many years. **THEY HAVE BEEN PEDDLING THE CREDIT OF THIS GOVERNMENT AND THE SIGNATURE OF THIS GOVERNMENT TO THE SWINDLERS AND SPECULATORS OF ALL NATIONS. THAT IS WHAT HAPPENS WHEN A COUNTRY FORSAKES ITS CONSTITUTION AND GIVES ITS SOVEREIGNTY OVER THE PUBLIC CURRENCY TO PRIVATE INTERESTS. GIVE THEM THE FLAG AND THEY WILL SELL IT.**

The nature of Kreuger's organized swindle and the bankrupt condition of Kreuger's combine was known here last June when Hoover sought to exempt Kreuger's loan to Germany of one hundred twenty-five millions from the operation of the Hoover moratorium. The bankrupt condition of Kreuger's swindle was known here last summer when \$30,000,000 was taken from American taxpayers by certain bankers in New York for the ostensible purpose of permitting Kreuger to make a loan to Colombia. Colombia never saw that money. The nature of Kreuger's swindle and the bankrupt condition of Kreuger was known here in January when he visited his friend, Mr. Hoover, at the White House. It was known here in March before he went to Paris and committed suicide there.

Mr. Chairman, I think the people of the United States are entitled to know how many billions of dollars were placed at the disposal of Kreuger and his gigantic combine by the Federal Reserve Board and the Federal Reserve banks and to know how much of our government currency was issued and lost in the financing of that great swindle in the years during which the Federal Reserve Board and the Federal Reserve banks took care of Kreuger's requirements.

Mr. Chairman, I believe there should be a congressional investigation of the operations of Kreuger and Toll in the United States and that Swedish Match, International Match,

the Swedish-American Investment Corporation, and all related enterprises, including the subsidiary companies of Kreuger and Toll, should be investigated and that the issuance of United States currency in connection with those enterprises and the use of our national-bank depositors' money for Kreuger's benefit should be made known to the general public. I am referring, not only to the securities which were floated and sold in this country, but also to the commercial loans to Kreuger's enterprises and the mass financing of Kreuger's companies by the Federal Reserve Board and the Federal Reserve banks and the predatory institutions which the Federal Reserve Board and the Federal Reserve banks shield and harbor.

A few days ago the President of the United States, with a white face and shaking hands, went before the Senate on behalf of the moneyed interests and asked the Senate to levy a tax on the people so that foreigners might know that the United States would pay its debts to them. Most Americans thought that it was the other way around. What does the United States owe to foreigners? When and by whom was the debt incurred? It was incurred by the Federal Reserve Board and the Federal Reserve banks when they peddled the signature of this government to foreigners for a price. It is what the United States Government has to pay to redeem the obligations of the Federal Reserve Board and the Federal Reserve banks. Are you going to let those thieves get off scot free? Is there one law for the looter who drives up to the door of the United States Treasury in his limousine and another for the United States veterans who are sleeping on the floor of a dilapidated house on the outskirts of Washington?

The Baltimore & Ohio Railroad is here asking for a large loan from the people and the wage earners and the taxpayers of the United States. It is begging for a handout from the government. It is standing, cap in hand, at the door of the Reconstruction Finance Corporation, where all the other jackals have gathered to the feast. It is asking for money that was raised from the people by taxation, and it wants this money of the poor for the benefit of Kuhn, Loeb & Co., the German international bankers. Is there one law for the Baltimore & Ohio Railroad and another for the needy veterans it threw off its freight cars the other day? Is there one law for sleek and prosperous swindlers who call themselves bankers and another law for the soldiers who defended the United States flag?

Mr. Chairman, some people are horrified because the collateral behind Kreuger and Toll debentures was removed and worthless collateral substituted for it. What is this but what is being done daily by the Federal Reserve banks? When the Federal Reserve Act was passed, the Federal Reserve banks were allowed to substitute "other like collateral" for collateral behind Federal Reserve Notes but by an amendment obtained at the request of the corrupt and dishonest Federal Reserve Board, the act was changed so that the word "like" was stricken out. All that immense trouble was taken here in Congress so that the law would permit the Federal Reserve banks to switch collateral. At the present time behind the scenes in the Federal Reserve banks there is a night-and-day movement of collateral. A visiting Englishman, leaving the United States a few weeks ago said that things would look better here after "they cleaned up the mess at Washington". Cleaning up the mess consists in fooling the people and making them pay a second time for the bad foreign investments of the Federal Reserve Board and the Federal Reserve banks. It consists in moving that heavy load of dubious and worthless foreign paper--the bills of wigmakers, brewers, distillers, narcotic-drug vendors, munitions makers, illegal finance drafts, and worthless foreign securities out

of the banks and putting it on the back of American labor. That is what the Reconstruction Finance Corporation is doing now. **[Hatonn: Is this not EXACTLY that which the Resolution Trust Corporation is doing right now to your populace? Perhaps you might explain it to me otherwise if you disagree.]** They talk about loans to banks and railroads but they say very little about that other business of theirs which consists in relieving the swindlers who promoted investment trusts in this country and dumped worthless foreign securities into them and then resold that mess of pottage to American investors under cover of their own corporate titles. The Reconstruction Finance Corporation is taking over those worthless securities from those investment trusts with United States Treasury money at the expense of the American taxpayer and wage earner. **[Note that they didn't even bother to change the title hardly at all--and they derived great humor in so-doing; the room was rocking with laughter as they put that one over on you Americans. One of your great Senators said, "The suckers will never even notice!"]**

It will take us 20 years to redeem our government, 20 years of penal servitude to pay off the gambling debts of the traitorous Federal Reserve Board and the Federal Reserve banks and to earn again that vast flood of American wages and savings, bank deposits, and United States Government credit which the Federal Reserve Board and the Federal Reserve banks exported out of this country to their foreign principals.

The Federal Reserve Board and the Federal Reserve banks lately conducted an anti-hoarding campaign here. Then they took that extra money which they had persuaded a trusting American people to put into the banks and they sent it to Europe along with the rest. In the last several months, they have sent \$1,300,000,000 in gold to their foreign employers, their foreign masters, and every dollar of that gold belonged to the people of the United States and was unlawfully taken from them.

Is not it high time that we had an audit of the Federal Reserve Board and the Federal Reserve banks and an examination of all our governments bonds and securities and public moneys instead of allowing the corrupt and dishonest Federal Reserve Board and the Federal Reserve banks to speculate with those securities and this cash in the notorious open discount market of New York City?

Mr. Chairman, within the limits of the time allowed me, I cannot enter into a particularized discussion of the Federal Reserve Board and the Federal Reserve banks. I have singled out the Federal Reserve currency for a few remarks because there has lately been some talk here of "fiat money". What kind of money is being pumped into the open discount market and through it into foreign channels and stock exchanges? Mr. Mills of the Treasury has spoken here of his horror of the printing presses and his horror of dishonest money. He has no horror of dishonest money. If he had, he would be no party to the present gambling of the Federal Reserve Board and the Federal Reserve banks in the nefarious open discount market of New York, a market in which the sellers are represented by ten great discount dealer corporations owned and organized by the very banks which own and control the Federal Reserve Board and the Federal Reserve banks. Fiat money, indeed!

After the several raids on the Treasury Mr. Mills borrows the speech of those who protested against those raids and speaks now with pretended horror of a raid on the Treasury. Where was Mr. Mills last October the United States Treasury needed

\$598,000,000 of the taxpayers' money which was supposed to be in the safe-keeping of Andrew W. Mellon in the designated depositories of Treasury funds, and which was not in those depositories when the Treasury needed it? Mr. Mills was the Assistant Secretary of the Treasury then, and he was at Washington throughout October, with the exception of a very significant week he spent at White Sulphur Springs closeted with international bankers, while the Italian minister, Signor Grandi, was being entertained--and bargained with--at Washington.

What Mr. Mills is fighting for is the preservation whole and entire of the bankers' monopoly of all the currency of the United States Government. What Mr. Patman proposes is that the government shall exercise its sovereignty to the extent of issuing some currency for itself. This conflict of opinion between Mr. Mills as the spokesman of the bankers and Mr. Patman as the spokesman of the people brings the currency situation here into the open. Mr. Patman and the veterans are confronted by a stone wall--the wall that fences in the bankers with their special privilege. Thus the issue is joined between the hosts of democracy, of which the veterans are a part, and the men of the king's bank, the would-be aristocrats, who deflated American agriculture and robbed this country for the benefit of their foreign principals.

Mr. Chairman, last December I introduced a resolution here asking for an examination and audit of the Federal Reserve Board and the Federal Reserve banks and all related matters. If the House sees fit to make such an investigation, the people of the United States will obtain information of great value. This is a government of the people, by the people, for the people, consequently nothing should be concealed from the people. The man who deceives the people is a traitor to the United States. The man who knows or suspects that a crime has been committed and who conceals or covers up that crime is an accessory to it. Mr. Speaker, it is a monstrous thing for this great Nation of people to have its destinies presided over by a traitorous government board acting in secret concert with international usurers. Every effort has been made by the Federal Reserve Board to conceal its power but the truth is the Federal Reserve Board has usurped the Government of the United States. It controls everything here and it controls all our foreign relations. It makes and breaks governments at will. No man and no body of men is more entrenched in power than the arrogant credit monopoly which operates the Federal Reserve Board and the Federal Reserve banks. These evil-doers have robbed this country of more than enough money to pay the national debt. What the national Government has permitted the Federal Reserve Board to steal from the people should now be restored to the people. The people have a valid claim against the Federal Reserve Board and the Federal Reserve banks. If that claim is enforced, Americans will not need to stand in breadlines or to suffer and die of starvation in the streets. Homes will be saved, families will be kept together, and American children will not be dispersed and abandoned. The Federal Reserve Board and the Federal Reserve banks owe the United States Government an immense sum of money. We ought to find out the exact amount of the people's claim. We should know the amount of the indebtedness of the Federal Reserve Board and the Federal Reserve banks to the people and we should collect that amount immediately. We certainly should investigate this treacherous and disloyal conduct of the Federal Reserve Board and the Federal Reserve banks.

Here is a Federal Reserve Note. Immense numbers of these notes are now held abroad. I am told they amount to upward of a billion dollars. They constitute a claim against

our government and likewise a claim against the money our people have deposited in the member banks of the Federal Reserve System. Our people's money to the extent of \$1,300,000,000 has within the last few months been shipped abroad to redeem Federal Reserve Notes and to pay other gambling debts of the traitorous Federal Reserve Board and the Federal Reserve banks. The greater part of our monetary stock has been shipped to foreigners. Why should we promise to pay the debts of foreigners to foreigners? Why should our government be put into the position of supplying money to foreigners? Why should American farmers and wage earners add millions of foreigners to the number of their dependents? Why should the Federal Reserve Board and the Federal Reserve banks be permitted to finance our competitors in all parts of the world? Do you know why the tariff was raised? It was raised to shut out the flood of Federal Reserve goods pouring in here from every quarter of the globe--cheap goods produced by cheaply paid foreign labor on unlimited supplies of money and credit sent out of this country by the dishonest and unscrupulous Federal Reserve Board and the Federal Reserve banks. Go out in Washington to buy an electric light bulb and you will probably be offered one that was made in Japan on American money. Go out to buy a pair of fabric gloves and inconspicuously written on the inside of the gloves that will be offered to you will be found the words "made in Germany" and that means "made on the public credit of the United States Government paid to German firms in American gold taken from the confiscated bank deposits of the American people."

The Federal Reserve Board and the Federal Reserve banks are spending \$100,000,000 a week buying government securities in the open market and are thus making a great bid for foreign business. They are trying to make rates so attractive that the human-hair merchants and distillers and other business entities in foreign lands will come here and hire more of the public credit of the United States Government and pay the Federal Reserve outfit for getting it for them.

Mr. Chairman, when the Federal Reserve Act was passed the people of the United States did not perceive that a world system was being set up here which would make the savings of an American schoolteacher available to a narcotic-drug vendor in Cacao. They did not perceive that the United States was to be lowered to the position of a coolie country which has nothing but raw materials and heavy goods for export; that Russia was destined to supply man power and that this country was to supply financial power to an international superstate--a superstate controlled by international bankers and international industrialists acting together to enslave the world for their own pleasure.

The people of the United States are being greatly wronged. If they are not, then I do not know what "wronging the people" means. They have been driven from their employments. They have been dispossessed of their homes. They have been evicted from their rented quarters. They have lost their children. They have been left to suffer and to die for the lack of shelter, food, clothing, and medicine.

The wealth of the United States and the working capital of the United States has been taken away from them and has either been locked in the vaults of certain banks and great corporations or exported to foreign countries for the benefit of the foreign customers of those banks and corporations. So far as the people of the United States are concerned, the cupboard is bare. It is true that the warehouses and coal yards and

grain elevators are full, but the warehouses and coal yards and grain elevators are padlocked and the great banks and corporations hold the keys. The sacking of the United States by the Federal Reserve Board and the Federal Reserve banks and their confederates is the greatest crime in history.

Mr. Chairman, a serious situation confronts the House of Representatives today. We are the trustees of the people and the rights of the people are being taken away from them. Through the Federal Reserve Board and the Federal Reserve banks, the people are losing the rights guaranteed to them by the Constitution. Their property has been taken from them without due process of law. Mr. Chairman, common decency requires us to examine the public accounts of the government to see what crimes against the public welfare have been and are being committed.

What is needed here is a return to the Constitution of the United States. We need to have a complete divorce of Bank and State. The old struggle that was fought out here in Jackson's day must be fought over again. The independent United States Treasury should be reestablished and the government should keep its own money under lock and key in the building the people provided for that purpose. Asset currency, the device of the swindler, should be done away with. The government should buy gold and issue United States currency on it. The business of the independent bankers should be restored to them. The State banking systems should be freed from coercion. The Federal Reserve districts should be abolished and State boundaries should be respected. Bank reserves should be kept within the borders of the States whose people own them, and this reserve money of the people should be protected so that international bankers and acceptance bankers and discount dealers cannot draw it away from them. The exchanges should be closed while we are putting our financial affairs in order. The Federal Reserve Act should be repealed and the Federal Reserve banks, having violated their charters, should be liquidated immediately. Faithless government officers who have violated their oaths of office should be impeached and brought to trial. Unless this is done by us, I predict that the American people, outraged, robbed, pillaged, insulted, and betrayed as they are in their own land, will rise in their wrath and send a President here who will sweep the money changers out of the temple.

END QUOTE.

* * * * *

The only comment I shall make prior to closing this chapter is to request that you go back and read every paragraph of this speech again and mentally add the burden of increased tampering and total control for sixty years and ask yourself: **WHERE ARE WE TODAY???**

You are in all but irreversible circumstances, dear ones, for you have waited too long for action. Your gold, for instance, is all gone--moved away; confiscated!

What have you done with your wondrous one nation, UNDER GOD, INDIVISIBLE--WITH LIBERTY AND JUSTICE? **YOU HAVE SOLD IT, INCLUDING YOUR SOULS, TO THE DEVIL!**

Salu, and may God grant you wisdom and power to reclaim that which is your birthright.

CHAPTER 12

REC #3 HATONN

MONDAY, JULY 9, 1990 2:00 P.M. YEAR 3 DAY 327

SO, HOW COULD ALL THE GOLD BE CONFISCATED?

For years your government has kept its vast hoard of all the monetary gold in the United States buried under the ground at Fort Knox and in other Treasury depositories. This gold is carefully guarded day and night by every protection that human strength, ingenuity, and electronic systems can afford against theft--or is it?

Not one of the 400-ounce gold bars in this hoard can be moved without the authorization of the United States Government, nor without massive security precautions being taken during an actual gold transfer--or can it?

You American people, whenever you stop to think about it, derive a deep sense of security from the knowledge that this gold backing, or solid base, for your money is somehow safe on American soil, guarded by every device known to your security experts. No one would deceive or mislead you, would they? It is safely buried there, isn't it? You are sure of that, are you? What does authorization mean? Isn't military security adequate? This is the land of the United States of America where, according to Mr. Cooper, all the government has to worry about is the fact that some nebulous little gray aliens in secret underground bases are somehow holding your government hostage--is this not so? **NOT EVEN LITTLE GRAY ALIENS HAVE NEED OF THE FORT KNOX GOLD. GOLD IS ONE THING EASILY COME BY IN ANY SOCIETY ADVANCED ENOUGH TO COME ONTO YOUR PRIMITIVE PLANET. THIS IS THE PARTY LINE OF THE GOVERNMENT, IS IT NOT? THIS IS WHY ONES LIKE COOPER GO ABOUT TELLING THE LIE, ISN'T IT--TO MAKE YOU FEEL SECURE? WHAT ELSE MIGHT YOUR "HELPLESS" LITTLE GOVERNMENTAL OFFICIALS HAVE DONE TO YOU? SECRET? HOW WELL HAVE THEY KEPT ALL THESE OTHER SECRETS TO THE POINT YOUR WORLD HAS BEEN DECIMATED AND SOCIETIES DESTROYED? "LITTLE GRAY ALIENS" FROM SOMEWHERE OUT THERE DID YOU IN? I THINK NOT, LITTLE DREAMERS; YOU SHOULD BE SO LUCKY FOR THE ALIENS OF THE COSMOS HAVE HONOR AND ADHERE TO COSMIC LAWS--I WOULD ASK MR. COOPER TO PRODUCE JUST ONE OF THOSE LITTLE GUYS TO SHOW ME. YOU ONES ALWAYS WANT PROOF--I SUGGEST YOU BEGIN TO "PROVE" A THING OR TWO TO US! *NO LITTLE GRAY ALIENS, MY CHELAS--JUST BANKERS AND ELITISTS IN GRAY BANKER'S SUITS AND TERRORIST ZIONISTS--SORRY, NO LITTLE GRAY ALIENS. ANY ALIENS COMING TO YOUR PLACE HAVE BEEN SO BADLY ABUSED THAT YOU HAD BETTER THINK CAREFULLY IN PRAYERFUL THANKS TO THE HONOR OF UNIVERSAL TRAVELERS.***

Ever since the time the Treasury demanded and secured all gold privately held by individuals or banks, and Congress made private possession of the precious metal a crime (except in the form of newly mined or placer gold), the American people have

regarded this buried treasure as a secure protection behind the paper tokens called dollars.

How could any portion of this great treasure be lost, when by law the Government of the United States is pledged to preserve it, and every possible kind of protection is placed around it? It would be unthinkable, you will say, to have such doubts about the gold you were forced to give over to your government to have and to hold.

Nevertheless the gold, most of which is not even longer held within your country, is no longer yours, legally at any rate. Only a fraction belonged to your government as recently as the 1960s and now it has been lost to you in any manner you care to name.

Why? Because, even though Americans may not exchange their paper money or checks for gold, **CLAIMANTS OUTSIDE THE UNITED STATES CAN DEMAND GOLD FOR THEIR PAPER MONEY OR SILVER IF THEY WISH! AND, THEY HAVE WISHED.** These claimants include foreign central banks, the depositors and customers of those banks, Americans living or doing business abroad, and international agencies, such as the United Nations, the International Bank, the International Monetary Fund, and other United Nations subsidiaries.

This gold hoard is now outside your government's keeping and any remaining, at any rate, is earmarked for international ownership.

No American can own gold in your country or abroad except for use in jewelry-making, dental work, and in certain arts and sciences, coins, etc., but any foreign trader, any foreign government receiving American dollars as foreign aid, any international agency receiving grants in dollars from the United States, can turn his dollars into gold on demand. It is a privilege not to be an American citizen.

The drain upon your gold hoard was due to these foreign claims being "cashed in by their owners--many thousands of transactions set up for the sole purpose of removing the gold from your country in full light of day. Let us look at the end of 1960 for they still had the right to withdraw more than \$20 billion of the total. Their dollar claims rose higher every day. In 1961 none of the gold bars in your government's carefully guarded vaults theoretically belonged to you. The loss has not been stopped, it was only beginning at that time, in real intent to denude the vaults. You see, many of the governmental "employees" and bankers, industrialists and so on, plan to simply skip out on you and move into safety in Europe, Australia, New Zealand, etc.

They have intentionally left you with no assets, and they plan for you to have no weapons, and no safety shelters so that all they need do is announce to you that you are now dead--or, you shall be in short order.

We have had a very bad morning here in this room. Dharma saw the handwriting as it laid forth the truth and for a while, she refused to write further. I wish I could offer you some "little gray aliens" for the truth is all but impossible to confront--your very father and mother who pledged to care for you and nurture this land have set you before the firing squad, with empty pockets, empty grain silos, empty fuel supplies, empty dairy reserves, a managed atmospheric control system to devastate you further and when you stand against them they may very well shoot you with pulse beams and neutron

bullets. "Little gray aliens"? No, dear brothers, the ones you so lovingly followed and in whom you placed your trust; the ones who have goaded you into moral decay, disease and emotional destruction--these are the ones who have slain you while you slept on.

Today they meet in Houston, the economic world leaders, to discuss economies, restructuring, environmental matters, and so on ad nauseam. No, it is not for you they meet. They are finishing the contracts with Satan and you will applaud them when they come forth to "save your planet". Weep for your loss, America, express your agony, America, and then, ye sons of God, get off your backsides and throw the termites, tapeworms and poison rats and serpents from your halls of justice and government.

How can you face this fact? With the strength that birthed America and joined hands with the natives who awaited you in this place of God. How many times does mankind have to be shown that greed and love of money will destroy everything good and Godly? Can you bear the truth? You can if you take your brother's hand and demand thine God-given rights and demand thine Constitutional laws. Will you do it? It remains to be seen, does it not?

BUT THE LAW SAID THE GOLD WAS - - - - -

The American people gave up their gold in trust to the government. They worked hard and produced abundantly to maintain the national economy and the honor of the dollar. But the fine print in the law permitted a few venal individuals to establish preemptive claims to the metal backing of your money. It has been left baseless and the world bankrupt for you know as well as do I, where the gold presently is in keeping.

That gold was supposed to back your total money supply. But what has happened? Your gold hoard has been depleted while the total working supply of paper money and credit has been ever growing larger.

By law, you are supposed to have gold reserves in safekeeping to cover at least one-fourth of all currency in circulation and in member bank reserves held within the Federal Reserve System. This served as the hard core of the total of bank credit which may go up to six times the value of the bank deposits held by the Federal Reserve System. Your gold backing should represent at least 4 per cent (\$23,120,000,000) of all obligations with \$33 billion in currency, the \$255 billion in bank deposits, plus a debt of \$290.6 billion--a total of \$587,600,000,000. These figures were in late 1967 and do not include

Veterans Administration or Social Security obligations, not to even mention Pension Plan devastations, Savings & Loans debacles and the other endless list of things such as hundreds of billions of foreign ship-outs. I am not going to repeat all the current data for it has been covered in general manner in prior Journals.

It is quite true that most foreign owners of U.S. dollars do not turn them in for gold. The role of gold is similar to that of insurance; that when and in times of emergency, it should be available as a reserve commodity. Therefore, in time of stress, you need more gold, not less. The crisis which looms ahead of you comes from a larger danger--

the foreigners are losing confidence in the American dollar for they know the stores are all but depleted for things get around in other circles--the "above top secret" secrets are only from you the people, dear hearts. The secrets are kept from you! When a government tinkers with its money, it may fool its own people for a long time, but it cannot fool hardheaded financial experts in other countries. A shaky money system can easily be toppled by foreign experts who refuse to believe fairy tales.

Oh, but you will say, "Hatonn, you said this is a lot about British banks, etc., and they got rid of a lot of their banks and the Japanese have bought banks and thus and so." So be it and meanwhile the largest owners of the Unites States in order: England, Canada, Australia, Holland and then finally, Japan. They are not worried about the banks, my friends, they have it very well covered indeed--the U.S. is still the coveted land of plenty and they intend to have it along with your wealth--sorry to be the bearer of bad tidings, little sleepy-heads. The intent is to pull this all off right under your noses and it is all but finished.

Is it too late then, and why bother? No, not if you will join firmly together and recall your Constitution. It can be demonstrated that by simple correction within your financial system it would be possible to correct your faulty operations. If this had been instigated in the seventies and eighties you would be stabilized and prepared for whatever could be thrown at you. It becomes harder with every passing day for treaties are being consummated daily on a mammoth scale without your knowledge. Once your Constitution is replaced as intended, then the end shall come very shortly indeed.

ENSLAVEMENT OF ALL MANKIND

For more than 75 years "We the People" have received a daily barrage from the press and pulpit, warning you that the only road to world peace lies in the submission of your liberties to the dictates of world government--and "we must all sacrifice".

The time has come for you to stop and consider how far down the path of destruction this giant conspiracy has carried your nation. The time has come, also, when you must take a long hard look at how many of your basic liberties have been usurped through fraud and deceit.

Before you can achieve an awareness of the scope of this plot against your country, you must first arrive at a definition of the phrase We the People .

A society where a man would be the master of his own destiny, free to think, to reason, to act and to worship according to the dictates of his own conscience, with regards to the rights of other men, has long been the dream of freedom-loving men everywhere. For it is within this framework of freedom, where each man is free to serve his own self-interest, that the spirit of co-operation is born.

That we, the framers of your Constitution, were aware of these truths is seen by the words of the Preamble, which I might remind you are:

We the people of the United States in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and

our Posterity, do ordain and establish this Constitution for the United States of America.

In not one line of the Preamble is there mention of self-interest, but rather an effort to establish a heritage of freedom, justice, welfare, and liberty for their posterity. You see, at the time of the founding of your nation of the United States--it was the last land in perfection--you have no other continent to conquer and form a perfect government--you only have the choice of destruction or reclamation!

Further, it is noticed that this is a government of "We the People", not the states. It is a union conceived by the consent of the governed and deriving its power from that source.

So who formed this government? The people, the highest authority known to your system, from whom all your institutions spring, and on whom they depend, formed it.

It is this truth, that it is "We the People" and not the states or federal government who are sovereign, that has made illegal much of the legislation of the past 70 years. It was the Supreme Court in 1905 which said the federal government has no right to barter away the sovereign rights of the people without the consent of the people. But, how many of you have consented?--if not openly--certainly through apathy and perceived acquisitions for self.

When did the sovereign people of the United States give to its elected representatives the power to surrender their sovereign rights to a world government or any other international body?

It is this fundamental right of the American people to be free that has borne the brunt of attack of the proponents of world government. For without destroying this freedom, all their other efforts are in vain. The ill treated American natives might well have the right to rejoice to see the cycle bringing back unto the white man that which was stolen from him; but that would be foolish indeed for multiple wrongs do not begin to make a right. **YOU ARE GOING TO GATHER TOGETHER NOW, AS BROTHERS, AND MOVE AS ONE UNIFIED IN TRUTH--OR YOU ARE GOING TO FALL, PURE AND SIMPLY THE WAY OF IT. CAN MAN JOIN AGAINST A COMMON CAUSE? THE GOVERNMENT HOPES SO FOR THEY ARE PLANTING THE SEEDS OF FEAR AGAINST COSMIC BROTHERS THAT YOU WILL BE DISTRACTED AND DEMAND EVEN MORE WEAPONS IN THE BELIEF THEY WILL BE USED AGAINST A COMMON ENEMY. YOU HAVE HEREIN MET YOUR ENEMY! YOUR ENEMY IS RIGHT AMONG YOU, NOT IN SILVER SPACE SHIPS FROM THE COSMOS. AHO.**

The number one enemy with real power that operates from behind the scenes, dictating to other powers, including the United Nations, what can and cannot be done:

INTERNATIONAL MONETARY FUND and
INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

In 1944, much like today in Houston, delegates from forty-four countries attended the so-called United Nations Monetary and Financial Conference at Bretton Woods, N.H., on July 1-22.

At that conference was the architect of the International Fund, Harry Dexter White, Under Secretary of the Treasury during Roosevelt's Administration, and one of the three most important communist spies in the United States.

The proposal of Bretton Woods was to take effect when 65 per cent of the quotas set forth in its Schedule "A" had been signed and deposited, but in no case before May 1, 1945, or after December 31, 1945 and shortly thereafter became law, dispelling forever the notion that the Fund and the Bank were creations of the United Nations, although Harry Dexter White has been reported to have been the master mind behind all three operations.

While Congress approved the proposal with only a few minor changes in its original form, upon closer examination it becomes obvious these changes strengthened, rather than lightened, the strangle hold upon the American people.

Let us take a closer look at that proposal and see what sovereign power it left the United States after it was ratified by We, the People Sovereign.

First, it is most interesting to note that Article 2 of the proposal is worded so that the original members of the Fund are not the nations, but the INDIVIDUALS of the countries represented at the conference.

INTERNATIONAL MONETARY FUND

The International Monetary Fund, which was to have precedence over the International Bank for Reconstruction and Development, was to have (er, what say ye? You don't recognize the term--ever hear of the World Bank?) a capitalization of \$8.8 billion, divided into 8.8 million shares with a par value of \$1,000 each. The second organization was to be capitalized at \$9.1 billion, with 9.1 million shares at a par value of \$1,000, making in all a total of \$17.9 billion in capitalization, of which the United States was to subscribe more than \$5.9 billion, payable in not less than 25 per cent GOLD and the balance in each member's currency expressed in TERMS OF GOLD as a common denominator or in terms of U.S. dollars of the weight and fineness in effect July 1, 1944.

Section 8 of Article IV provides for the maintenance of the gold value of the Fund's assets. When it is considered these assets may consist of both the currencies and the obligations of the member nations, it would be difficult even to approximate the amount of gold that would have to be paid into the Fund to maintain such value.

Section 6 of Article V provides that any member seeking to acquire the currency of another can do so by purchasing it from the Fund FOR GOLD.

Section 7 of Article V permits members to purchase any part of the Fund's holdings FOR GOLD, but makes no mention of any contract by which it may subsequently require a member to do so in order to obtain the Fund's favor.

Thus it becomes abundantly clear that in spite of the Supreme Court's decision in the famous gold cases, which held that a gold standard money system, or any money measured in gold, is against the public interest and is unconstitutional because it destroys your constitutional power to regulate, and your own individual right to contract to your intentions, the purpose of the Fund is to accumulate the gold of the nations of the world and then return them to the gold standard. Ah, but 'twould be from a United Nations control and not sovereignty of individual. And, besides, who would have all the gold? I thought you might begin to see light under the basket.

CONSTITUTION SAYS:

The Constitution of the United States provides that the Congress shall have the right to coin money and regulate the value thereof. However, the provisions of the International Fund, in direct defiance of the Constitution, would allow the reimposition of the gold standard on your country. It would even give it the power to order your government to call in all currency in circulation in exchange for a new currency at a ratio of new for old. Heard anything like that in the last couple of years? Wash out those ears, chelas.

The fund would have the power to destroy your Constitution, negate the decisions of your Supreme Court, and virtually make or break all private industry at will. It would, in effect, take from We the People Sovereign your hard-earned savings and put you at the mercy of another international banker made depression--as you are now in and cannot yet see it.

Because the Supreme court has held the gold standard to be unconstitutional, and rest assured the internationalists are aware of that fact, it will require a constitutional amendment, approved by We the People Sovereign to make it legal--or slip it in along with the Constitutional Convention to stop flag burning and balance some so-called budget.

Thus it is for a proposal to amend the Constitution, by an act of We the People Sovereign, in such a way as to permit the re-establishment of the gold standard monetary system, that you must remain ever vigilant.

Oh, you say, but you thought a gold standard was advantageous-----! NOT IF ALL YOUR GOLD HAS BEEN TAKEN AWAY AND NO WAY TO GET SOME MORE.

A further understanding of the sovereignties, immunities, and privileges of the Fund's board of governors, is necessary to realize fully the magnitude of this conspiracy against the American people.

Oh gosh, another interruption? Yes I have an instant solution to your problems--just shoot all the criminals, with the ones in government and the banks first--but I doubt you plan to do that so let us go on with our suppositions and enlightenment. I think

you are getting a pretty good picture by now as to WHO are the traitors and treasonists. Benedict Arnold, as a matter of fact, was a pure Saint in comparison for you ones have lost your ability to discern relative treason.

Section 1, Article IX, provides that the Fund, in order to fulfill its functions, shall have the status, immunities and privileges of this Article within the territories of its member nations.

Section 2, Article IX, provides that the Fund shall possess full juridical personality, and, in particular, the capacity: (1) To contract; (2) To acquire and dispose of immovable and movable property; (3) To institute legal proceedings.

It is in this one Article that the Fund gains the power to judge, determine their status and enforce their own decisions, while reducing this and other member nations to the status of policemen.

To make doubly certain of its power over its member nations, the Fund, in Section 10 of Article IX, directs each nation to enforce the principles of the Article in terms of its own law, and report the action taken to the Fund.

Section 3, Article IX, prohibits the Fund from being sued in the courts of any state or country where it is located, except where it expressly waives that immunity. Now, how many of you think they would ever waive that immunity?

Further protection for its nefarious scheme is granted the Fund by Section 4, Article IX, which states, "The property and assets of the Fund, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation, or any other form of seizure by executive or legislative action." Any of you sick yet?

And, in a further effort to extend its control over member nations, Section 6, Article IX, provides, "To the extent necessary to carry out operations provided for in this agreement, all property and assets of the Fund shall be free from restrictions, regulations, controls, and moratoria of any nature."

In addition, while the Fund is granted immunity from investigation while systematically robbing the American people of their liberty and property, it is also granted by Section 7, Article IX, the same diplomatic immunity as any other nation with consular representation in your sovereign territory, with the exception that you can ask the representative of other nations to leave. Of course, if they say "No" you may not force them to go.

If, at this point, there is still some doubt in the reader's mind that this is indeed an alien conspiracy (and we don't mean "little gray space aliens"), then Section 8, Article IX, relating to the "Immunities and Privileges of Officers and Employees", should forever dispel any such naive notions.

Part (2) of the Section states:

"All Governors, Executive Directors, Alternates, Officers and employees NOT BEING LOCAL NATIONALS shall be granted the same immunities from immigration restriction, alien registration requirements and national service obligations, and the same facilities as regards exchange restrictions, as are accorded by members to the representatives, officials and employees of comparable rank of other members."

The Articles of Agreement of the Fund contain yet another set of provisions so powerful as to threaten the very existence of your free enterprise system and bring about the total collapse of the bond and investment market in the United States.

Sections 1 and 9 of Article IX exempt from taxation all assets, property, income, operations, and transactions, as well as the salaries and emoluments paid by the Fund to Executive Directors, Alternates, Officers and employees of the Fund, WHO ARE NOT LOCAL CITIZENS, LOCAL SUBJECTS, OR OTHER LOCAL NATIONALS.

Also exempt from taxation is any obligation or security issued by the Fund, including any interest or dividend.

In open competition to private industry and in an attempt to steal away the wealth of your nation and use it to build the resources of other nations, whether they be friend or foe, the Fund may issue and sell the securities of any nation, tax exempt and execution free, to American investors.

As history has thus recorded, when the great civilizations fell into ruins, never to rise again, the wealth of these civilizations was in the hands of a few. TODAY ONLY A TINY PORTION--LESS THAN ONE PART OF ONE PER CENT--OF THE PEOPLE CONTROL 99 PER CENT OF THE WEALTH OF YOUR UNITED STATES OF AMERICA.

WHAT WILL HISTORY SAY OF YOU, THIS GENERATION OF THE TRANSITION? WOULD YOU ALLOW IT TO SAY THAT YOU TRULY SECURED THE BLESSINGS OF LIBERTY TO YOURSELVES AND YOUR POSTERITY, EVER MINDFUL OF THE WORDS OF MEYER AMSCHEL ROTHSCHILD, "PERMIT ME TO ISSUE AND CONTROL THE MONEY OF A NATION, AND I CARE NOT WHO MAKES THE LAWS." WELL, THAT PORTION IS DONE FOR THIS IS A DIRECTED LEGACY OF MR. ROTHSCHILD.

So be it, Dharma, allow us to take time at this point for all ones to go and be ill and check their temperatures for I would hope you have built quite a head of steam by now. I salute you, brothers, for that which you are about to do in the traditions of your forefathers--for the life, liberty and pursuit of happiness under God, with liberty and justice for all. ASK AND YE SHALL RECEIVE, FOR WITH THE CREATOR GOD--THE CALL COMPELS THE ANSWER. SAALOME.

Hatonn to clear, thank you.

APPENDIX A

REC #1 HATONN

WEDNESDAY, JULY 11, 1990 10:15 A.M. YEAR 3 DAY 329

Hatonn in Light, to give a few interim instructions regarding this Journal. I request, please, that the portion on the "Bankers" be next in sequence with the following notation:

The following section will cover material from prior Journals but for those who have not been exposed, it is critical that you understand the system as it functions right down through the entire banking system. It is not enough to know about the Federal Reserve, you must understand how it gets to "you the people".

Please note that today (July 11, 1990) Mr. Greenspan has just announced that, "Even though he hates to address it, it appears there is great need for a Constitutional Amendment to require balancing of the Federal budget." IT CAN'T GET MORE OBVIOUS THAN THAT, READERS. It coincidentally came at the close of the "Economic Summit" wherein all joined hands in prayerful glee and offered to bail out Russia. It is not only "coming down quickly" it is now on tidal-wave course. BEWARE.

I can only urge you ones to re-study information for privacy and actions which might help you, from prior Journals. If you fail to take action it is going to flood over you.

I, Hatonn, have recently been challenged to "get out of your way", and this, by ones who claim to be "uncovering cover-ups" and out to "save the Constitution" and "inform the public". "WHO ASKED YOU TO BUTT IN?" I was challenged. Well, some 4 and 1/2 billion people have asked us in and by sheer honor of intent to have assistance from God and the Master Christos are their petitions honored. Let us just handle the point in pure Earth democratic vote as you ones are so pleased to always practice--the petitioners win some million to one. Oh, you say, "That cannot be true for millions are not Christians!" Aren't they? They just don't call themselves Christians and many of those who call themselves by other labels at least "practice" Christian behavior.

Sorry about that, you corruptors--man does want peace and he DOES NOT want enslavement. If America can be reclaimed so shall the world. So be it. I and my colleagues come at the authority of a much higher source than any upon your placement, including the Prince of Satan. Dharma, allow the Master presence, please.

"Behold ye shall see me as the bright and golden star and my people shall rise up as the Eagles and there shall again be peace upon MY lands. I come that man may walk anew in beauty and Godness in that which is his birthright. I am sent from my Father for I have received the fullness of my inheritance and I bear the name of God which is Sananda, the WORD. First there was the word and then there was all else of His Creations and I am sent with mine Hosts to reclaim that Kingdom which is MINE." "I AM THAT ONE FOR WHICH YE HAVE AWAITED IN JOY IF YE BE OF GOD'S PEOPLE GIVEN INTO LIGHT; IF YE BE OF DARKNESS IN SERVICE UNTO THE KING OF SATAN, YE HAD BEST FEAR MY PRESENCE FOR THE EARTH

SHALL BE RECLAIMED AND BROUGHT AGAIN INTO ORDER AND SHE SHALL BE HEALED OF HER WOUNDS AND EVIL SHALL BE CAST OUT OF THIS KINGDOM WHILE SHE HEALS AND BIRTHS A NEW. MY TRIBES SHALL RISE UP AS ON WINGS OF ANGELS AND STAND FORTH AGAINST THOSE WHO WOULD CORRUPT AND REVILE MY PLACES OF CREATION. THE REAPING TIME IS AT HAND AND THE THISTLES SHALL BE SORTED AND THEN THE CHAFF FROM THE WHEAT AND MINE PEOPLE SHALL PREVAIL. I COME THIS TIME NOT AS A MARTYR TO BE BUTCHERED BUT AS GOD TO RECLAIM THAT WHICH MAN HAS DEBASED IN HIS CORRUPTION. WHITHER THOU GOEST IS YOUR CHOICE IN FREE-WILL BUT THE TIME OF CHOOSING IS AT HAND. YE HAVE PLAYED OUT THE STRING OF THE OLD TIMES AND THROUGH THE LATTER DAYS--YOU WILL ENTER THE FOURTH YEAR OF THE NEW CYCLE ON AUGUST 17TH, IN YOUR MANNER OF COUNTING. YOU WILL BE IN THE JOINING OF THE NEW OR YE SHALL BE LEFT TO EXIST IN THE ENSLAVEMENT OF THE OLD WHICH WILL BEAR DESTRUCTION OF THE PHYSICAL LIFE-FORM AS SHE ROLLS IN HER BERTH. WHICH SHALL IT BE, MY BROTHERS? WHICH SHALL IT BE?

"YE WILL NOT LONGER MARTYR MINE PEOPLE WHO ARE SENT BEFORE ME TO PREPARE YOU AS CITIZENS OF THE HU-MAN SPECIES UPON THAT TINY ORB OF DARKNESS. SATAN WAS GIVEN REIGN OF YOUR PLANET AND FEW STOOD AGAINST HIM BUT CHOSE TO FOLLOW THE WAYS OF EVIL; NOW IS THE TIME FOR TURNING ABOUT TO GOD WITH HIS ARMIES, OR YE SHALL ONLY FIND SEPARATION FROM GOD. YOU CAN **WALK** FROM THE LIE IF YOU CHOOSE TO DO SO BUT THAT CHOICE IS YOURS ALONE--EACH ONE.

YOU ONES WHO DENY THE TRUTH OF THESE WRITINGS HAD BETTER STUDY YOUR WORLD CONDITION MOST CAREFULLY AND THEN CAREFULLY READ THE PASSAGES FOR IT IS SERIOUS INDEED. YOU HAVE BEEN PITIFULLY LIED TO IN ALL MANNERS ON ALL SUBJECTS--ALL. AT THIS TIME I AM SENT IN RESPONSE TO THE CALL OF YOU WHO HAVE PETITIONED TO BE SHOWN THE WAY AND TO AWAKEN THE MASSES UNTO THEIR PLIGHT. AFTER THE SORTING THEN SHALL I CONFRONT MY BROTHER OF DARKNESS AND THIS WONDROUS CREATION SHALL BE CLEANSED. THIS IS THE CLARION CALL--THE TRUMPET IS SOUNDING. IF YE TURN FROM GOD, YE SHALL BE RELEASED UNTO THINE FATE TO WALK IN THE VOID WITH THINE CHOSEN LEADER. THESE THINGS SHALL COME TO PASS SHORTLY IN THY COUNTING. I SUGGEST YOU CEASE YOUR BICKERING, PICKING AND MISINFORMATION MONGERING FOR ALL MEN ARE IMMORTAL BUT IMMORTALITY BEARS MANY DIMENSIONS AND SOME ARE QUITE UNPLEASANT INDEED.

"YOU WHO THINK YOU SERVE THE 'POWER' OF YOUR NATIONS AND CARTELS MUST REALIZE YOU ARE BUT EXPENDABLES -THE 'THROW AWAYS' - AND YOUR DESTRUCTION IS ALSO PLANNED BY THOSE WHO LEAD YOU INTO THE ULTIMATE HOLOCAUST. PONDER THESE WORDS CAREFULLY INDEED--THE LIFE YOU SAVE MIGHT BE THINE OWN.

"SO BE IT FOR IT SHALL BE SO FOR I HAVE PLACED MINE SEAL UPON THE WORD AND YOU SORELY TRY ME.

"I AM SANANDA OF GOD. I AM THAT ONE CALLED CHRISTOS BY WHATEVER NAME FROM PALE PROPHET TO THE CHRIST. I AM NOW SANANDA COME TO BRING MY PEOPLE HOME AND RECLAIM MY KINGDOM TO REJOIN THE COMMUNITY OF THE COSMOS IN RIGHTFUL PLACEMENT AND PERFECTION. YE WHO HAVE WREAKED HAVOC AND DESTRUCTION ON MY PEOPLES SHALL REAP THAT WHICH YE HAVE SOWED--THE HARVEST IS AT HAND AND I SUGGEST YOU HEED THE CALL WHILE THE TRUMPET YET SOUNDS--YOU HAVE ALL BUT PLAYED OUT THE PROPHECIES AND IT ENDS NOT AS SATAN HAS PROJECTED UNTO YOU. SO BE IT AND SELAH!"

* * * * *

Thank you, Sir, I am humble in your presence but your give great strength unto our workers who are estranged on a hostile placement and weary in the journey. We salute you and eagerly await in service unto perfection. We stand ready, Sir, and shirk not our duty. Saalome'

Yes, Dharma, all else seems trite and trivial in the mighty presence, but we shall move on with our appointed task at hand.

I will herein quote something from the *Wall Street Journal*, July 10, 1990:

"A federal judge in Arkansas ruled that the Resolution Trust Corp. can't override state laws to sell insolvent thrifts and their branches to banks.

"The ruling, handed down by Judge Stephen Reasoner, contradicts a ruling last month by a federal judge in Santa Fe, N. M., and is sure to be appealed by the RTC.

"The RTC claims that it has the right under a regulation that became effective June 1, *to ignore* certain state laws, including those *restricting banks' abilities to operate branches*. Arkansas, New Mexico and 10 other states impose varying branch restrictions.

"But Judge Reasoner decided that the RTC overstepped its authority in adopting the override regulation and declared it "unlawful, null and void."

"There is no doubt that the RTC can more effectively *carry out its mandate* (to sell thrifts) if it is allowed *to override state law and receive better bids from purchasers* (the giant banks)," Judge Reasoner wrote. "Congress, had it so intended, could have given such authority to the RTC."

Well, not lawful under the Constitution but I suppose "legally" under current practice of riding over everyone in the path.

The entire plan was always to have the S&Ls fail, gather up all the properties in the nation, if possible, and then be absorbed into the giant banks. Now how can they do all that? By causing all the smaller banks to fail also and preparations are already laid for that also as banks are falling to the right and to the left just as outlined. You will find notices now appearing in envelopes with local bank statements concerning the insurance handling in such cases.

Mr. Bush is getting ready to put on his show for you and spokesmen are coming forth such as Cornelius Scherz of a leading New York securities firm: "There is the growing realization among senior officials that we are not just facing a savings-and-loan bust: We are approaching a major national bank crisis."

May I take this a bit further, please. We shall simply overlook the young Bush's involvement in Silverado and move on to a general overview of hearings and convictions and the old sidestep dance when queried, even by the controlled press. Attorney General Richard Thornburgh, appeared on a network interview show on the morning of June 24th.

"Why can't the press get an answer to a simple question, which I know I've been trying to get for five days now: How many indictments in the S&L scandal have there been since George Bush became president?" asked CBS correspondent Lesley Stahl. "Somebody says there's been only one. Now, is that true?"

Thornburgh denied it, but without conviction: "Let me just address something a little more important than the numbers, Lesley, and that's the commitment."

The administration is "pulling its punches", Wall street sources say, in part because it wants to avoid panic. "The public knows by now the thrifts are busted," says a senior editor at a major New York financial weekly, "But most people don't realize that the crisis has gone beyond the savings banks.

"They are not being told that during the past six weeks (May-June), Moody's, the authoritative credit-rating service, has downgraded the credit of 28 U.S.-based *commercial megabanks*--an unprecedented fall for the entire depository industry."

Now you ones watch the slight of hand and cover-up and misleading facade personified: "Among the major money centers stripped of their solid credit rating are the Chase Manhattan Bank, the financial flagship of the Rockefeller dynasty, along with well-known megabanks such as Manufacturers Hanover, Chemical and the patrician Bank of Boston. And, if your own bank is not yet on our warning list, that may mean only that we have not yet caught up with its losses." What do you suppose, chelas, that they are setting up? And now, you really better take warning for Mr. Greenspan is going to blow off again:

"Federal Reserve Chairman Alan Greenspan, who was personally involved in the Charles Keating/Lincoln Savings and Loan scandal, has warned President Bush that further deterioration' in the public's already skeptical and pessimistic attitude toward banks--and in the ability of politicians to reform financial abuses--is likely to trigger a run on the entire banking system. This is what White House sources say.

"Justice Department prosecutors argue, on the other hand, that failure to go after the thrift crooks who have plundered taxpayer-insured deposits to the tune of some \$500 billion will set off an anti-administration backlash.

"'Bush is caught between a rock and a hard place,' concluded Schertz. 'The one sure bet is that he will have to make a move soon, for the entire financial system hangs in the balance.'"

And where are "you the people" caught? Somewhere between the cross and the poor house? Well, you don't really have any reserves left for "you the people" to go to any poor house! That was in your "social security" system which funds have been put into the "general treasury"--remember?

One last little quote from an enclosure with a bank statement--any bank statement, U.S.A., will do:

IMPORTANT INFORMATION FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): What You Should Know About the New Deposit Insurance Rules.

On April 30, 1990, the Federal Deposit Insurance Corporation (FDIC) adopted new rules for deposit insurance coverage that begin taking effect July 29, 1990. [Isn't it comforting to realize they can change the rules at a whim, at the same time negating other rules you might have been depending upon?]

Most depositors will not be affected by the changes. The basic coverage that protects individual accounts for up to \$100,000 and joint accounts for up to an additional \$100,000 remains the same. Your insured deposits also continue to be backed by the full faith and credit of the United States. [Of course there is no full faith or credit remaining.]

However, depending on the types of accounts you have and the amounts you have on deposit, you may be affected by some of the changes. This is to notify you of the changes and help you determine whether your accounts may be affected.

You should be aware that deposit insurance only becomes a factor in the event that an institution where you have funds on deposit becomes insolvent and is closed. Typically, the FDIC is able to sell all the deposits of the failed institution to a healthy institution and service to customers is uninterrupted. If the FDIC cannot find a buyer for the failed institution, depositors will be paid up to the insurance limit of \$100,000. The effect of the new insurance rules described below will be apparent only when the FDIC cannot find a buyer and has to reimburse depositors for their insured funds.

If after studying the new insurance rules you believe that some of your funds on deposit at any one institution are not fully insured, you should consult your institution to confirm that this is your situation. You may wish to consider ways to obtain full coverage, such as simply transferring the excess funds to another institution. **[Doesn't that make you feel secure? Well, let me remind you that**

"another institution" means exactly that--a branch or subsidiary bank will not qualify!]

There are some five pages of confusing prattle about various and sundry accounts and I shall ask that you see for yourselves. In a totally bankrupt system--WHO IS GOING TO PAY THESE SUMS? DEAR ONES, IF YOU CAN--GET YOURSELVES OUT OF THOSE BANKS--***THE SKY IS FALLING; THE SKY IS FALLING! WOLF, WOLF, WOLF.***

Let us close this portion for there are incredibly numerous volumes which can be written and yet, what more can be said? It is as it will be and it is up to "you the people".

I request that the sample (example) petition forms and documents for useful information resource be appended. They are self-explanatory and simply because they may bear the name of a county or state--it matters not; adjust the forms to suit the location and needs--they are provided only as guidelines.

Thank you for your attention, and may wisdom be your password. Salu.

THE "GREY MEN" TAPE

This is an edited transcription of a lecture taped April 23, 1988. The information is valid and, if anything, more easily recognized today ---Hatonn.

I will be utilizing this information again when I speak of economics, but for now, I will modify from the audio tape to save time and repetition.

Let us call the group which has elaborate, and successful, plans to rule your nation and your world, the Internationalists. When I refer to the Internationalists I am referring to a very elite group of about twelve to thirteen "families". These "families" hold your "purse strings"--the zipper and lock, to all the bags of money in your world. Sound impossible? Nay, it is not only possible, it is extremely easy to visualize after I have explained it to you.

As I move along, I will give you some names and places whereby you can check it out on an individual basis. I wish never to place any human at risk, however, so in all instances I will only refer to those already having come forth with "public" statements or information.

I will also have to explain a few terms used to have any sense of continuity. Therefore, as we move along, forgive me of any digression in attempt to give definition, i.e., "fractional banking".

First, you must fully come into understanding that there truly ARE the elite few, with plans well foundationed and functioning, who control both the world financial markets and ultimately will control all peoples of the world. Do not err in your thoughts by thinking I am speaking of "someone else in the world", I speak more for the United States of America than I do of the remainder of your world.

As I pull portions of the puzzle together for this document I shall again be referring to such groups as The Trilateral Commission, the Council on Foreign Relations, and the Bilderbergers. Forgive me if I am repetitious. I may need to be repetitious in order to fit the pieces in proper perspective.

You must know that there are certain families (literally) that control the hard currency. The countries wherein these families abide are known as hard currency countries. These thirteen families have control of the policy making and the decision making of the central banks of those countries. They are owners, these families, of the majority of the stock of the regional banks of the Federal Reserve System. "Federal Reserve" would indicate to the more uninformed, that this is a Federal Governmental Branch. This is untrue, the Federal Reserve System is NOT a branch of your federal government. Just as these families control the regional banks of the Federal Reserve System, they also control the currencies that are not allowed to fluctuate. Note here that the American dollar is the standard against which all other currency is measured. All other nations are affected according to the changing values of the dollar. Not only do these families control the currencies, but they likewise control the banks. This, friends, is in all the leading nations of your world.

For ease of understanding, let us just consider the industrialized nations at this point. I will also need to explain fractional banking to you, because without understanding the lending system you cannot get the picture properly. All of the banks under control of these families practice fractional banking - and beyond - (sometimes there is no hard money present at all). But, let us explain by example on a personal level.

This is actually referred to as fractional "reserve" banking. Lenders are allowed to loan a maximum of up to 20 to one. This is perfectly legal, practiced by every lending institution in America and elsewhere.

Example: Mr. A goes to his friendly banker, Mr. B, and deposits one thousand dollars (\$1,000) into Mr. B's bank. Mr. B's bank is a Savings and Loan so Mr. A puts the \$1,000 into his own savings account. The Savings and Loan is required by your laws, to keep only 5% in reserve. They are allowed to loan out 95% of the money invested or 95% of that which is placed into savings accounts. This means of \$1,000 there is \$950 which is available to be loaned out. In turn the Savings and Loan takes the \$950 and loans it to Mr. C to do some home repairs, let us say. This gentleman takes his borrowed \$950 and goes to the local hardware/lumber company and purchases supplies, lumber, nails, etc.

The lumber company carries on regular banking and therefore, he goes to his bank with the \$950 for deposit, to Bank D. Bank D is now required to keep 5% but can loan out 95% which would be \$902.50. Bank D now loans that to Mr. X who in turn filters it back into the economy, let us suppose, through the grocery store and other business stores. He spends it and now we are going to have that money end up in the Bank Z. Bank Z is required to keep 5%. That means that Bank Z can loan out \$857.37. It is again loaned and filtered back into the economy. This is continued right down to zero. With your \$1,000 deposit those bankers using fractional reserve banking are now allowed to loan out \$20,229.60. This is practiced by EVERY lending institution in America and elsewhere. The amounts above do not include "interest" on the money borrowed, only the principal amount.

You must now keep it in mind that this results in an increase in the money supply through the Federal Reserve System. Your "big boys" simply turn up the speed of your money presses and run them a little faster and faster in order to pump more into the economy just to boost up the fractional reserve banking. Let me remind you to keep in mind that the thirteen families control all of the hard currencies of the world and are allowed to practice this fractional reserve banking -- this will be important as we move along.

We will now talk about something referred to, on your planet, as "System 2000", which is a Global Creditors Unilateral plan. This plan went into effect somewhere about the early 1970s. At that time a pentagon official and several other officials visited Nigeria. They went to the Prime Minister and they paid him fifty million dollars (\$50 million) to raise the price of his oil to more than double. Nigerian oil is "light crude" of quality such as it is almost pure enough to burn immediately, without distillation, in automobiles. This type of oil sets the price of oil for the entire world. The \$50 million was cash across the board with no repayment requirements if Nigeria would double the price of light crude.

We will refer to this as light oil. There are only two locations in the world that have this light oil and, of course, it is the most valuable oil in your world; therefore, it is the standard against which all other oil in the world is measured. So, whoever controlled the price of the light oil at that time controlled the price of all of the oil in the world.

At this point, let us bring the Arabs into this scenario. This will also bring in the Trilateral Commission -- that also includes Mr. Bush. It was now time to bring pressure and persuasion to OPEC. What most of you Americans do not remember is that the United States of America IS A MEMBER OF OPEC. It is kept most low profile.

At that time a "deal was cut" with the Middle Eastern Oil Producers and this is how it went; all buyers were prepared to pay significantly higher prices for the oil-- PROVIDED--all Middle Eastern nations supported the United States of America, BY INVESTING THE REVENUES INTO THE BIG BANKS IN AMERICA.

To make this picture clear, you must remember that the Arabs, who are wealthy sheiks today, had been wandering around on camel-back in a very big desert. They were nomads and they were certainly most unsophisticated in business affairs. Years earlier when the international bankers found out there was oil in their countries, they went forth and persuaded the Arabs to allow them to produce the oil by financing the oil fields, drilling, rigging -- all supplies including expertise.

After the bankers financed the oil fields they then charged the Arabs usury fees for building the oil supply systems---along with refineries. The usury was quickly repaid because the Arabs became very rich, very quickly. (Way back then you were only paying about 30 cents per gallon in your gasoline stations). Let us now take it further, you go to Nigeria and pay them to double the price of light crude. Unbeknownst to the Arabs, those ones who had become wealthy overnight and didn't know zero about business, much less international finance; the camel nomads; you call them together and say, "We will take the price of crude just as high as you want it to go--IF--you will

deposit an established portion of the funds that you get from this NEW PROFIT RISE IN 30 YEAR TIME CERTIFICATES IN CERTAIN MAJOR U.S. BANKS.

Perhaps you ones can now understand the problems you experienced in your early 1970s. Remember the gas lines and the prices of oil skyrocketing? It was because the international bankers, who hold the purses of the world, knew that the increase in the price of oil that was going to the Arabs would come rushing right back to their bank in 30 year time certificates of deposit.

Turn now to the 30 year time deposits and let us examine the banker's plans. Back in the late 70's and early 80's Sheik Ymani and his bunch had no idea that there was a connection between those banks, or that they were the same people that had the controlling interest of the major oil companies. Do you see what has been woven here? After all, how could the camel riding nomads realize the international bankers were "having them" hook, line and up to the fishing pole? How could they possibly know that what was happening through these oil companies, was that the monies were being cycled right back into the selected, no exceptions, banking system? They couldn't and they didn't!

Going a long ways back now; in the 1870's the Rockefellers set up something called a Joint Stock Trust. Here I will add, this was just a brief period of time before the American Government declared these trusts illegal. BUT, YOU SEE, THESE ONES COULD FUNCTION FOREVER UNDER WHAT YOU CALL A "GRANDFATHER" CLAUSE. THAT, BROTHERS, IS THE ULTIMATE CONTROLLING FACTOR IN AMERICA OF THE PRIME BANKS AND THE FEDERAL RESERVE BOARD. That "trust" is in the control of the Rockefeller Foundation, and, in turn controls the Federal Reserve Bank and is the method whereby the Internationalists are able to gain control of the currency of the U.S.A.

Does it begin to become reasonable that those New York banks are showing all time record earnings? Yet, all around the rest of your country of the U.S., banks and Savings and Loans are going broke and failing. THAT, FRIENDS, MEANS YOU ARE BEING MANIPULATED RIGHT ALONG WITH THE ARABS AND EQUALLY AS BLINDLY -- WITH NO RECOURSE.

Let us come back now, and speak of the deal which "was cut" (your ones in power love that term) with the Saudi Arabians and ones of the Middle East. These ones were required to put their money into the prime banks; keep in mind that they did not know that the prime banks were able to lend in amounts of twenty to one. (20 to 1 was quite a while ago, it is higher at present). All they were receiving was the interest on the money they had deposited. Worse for them, in some of these countries it is unacceptable to receive interest for religious reasons so they might wait thirty years to get any money from their certificates of deposit. In other words, they did not know that this fractional type of banking could be done, but through this, the bankers of the world were able to gain control of the money of the Arab world, and in turn, the Arab world only received back part of the interest from the money that they placed into the International Banking System----UNDER THESE 30 YEAR TIME DEPOSIT CERTIFICATES.

Through the money gained from the Arabs through the manipulation of the price of oil, and taking the price of gasoline from, let us say, 30 cents a gallon to \$1.25 a gallon---there is a lot of money being made. Now, with that money returning into the international banks at 20 to 1, I think you can see the staggering profits. Let us face facts, friends, that money originally came from YOU. Because the bankers had locked in the deposits they were then, in turn, able to make loans to third world nations.

Think back fifteen or twenty years ago when the International Bankers started investing in third world country loans. Look very closely at the countries which are going bankrupt (completely broke) today. It was fully intended that those countries go broke and I will explain that in a little bit.

You might wonder how I know so much. Well, I have the best computer system in the universe and all I have to do is key it up and it is spread out before me. My computers rarely reflect errors; only changes in "probabilities" and perturbations in human action and reactions.

I am sorry, friends, your friendly bankers set it up deliberately so that the third world countries would go broke. You have to pay attention to history and look back to the time when those third world countries were beginning to gain independence and setting up independent governments. It was at such times that these bankers loaned the upstarts great sums of money which actually had come to them through the Arabs, basically.

The international bankers not only wanted, but insured, that these borrowing countries would misuse the fundings. It was fully intended that those countries would go broke. It was prearranged that the funds could be mismanaged through greed and simply be squandered. You must remember that the leaders of these countries had never governed anything or anybody. They knew nothing about government. They had been colonies under the governorship of other larger countries.

The international bankers knew that the leaders were bound to squander the funds. It was known they would have no way to know what to do with them (and they were massive) and so the cycle goes. They were actually squandering money taken from you through the Arabs through high oil prices, etc. Let us now follow it on through.

I will hereby digress to a story from Dharma's earth home state--Texas--most of you have heard of it. Let us go back some years (not too many) to jog some memories. Do you remember someone named John Connelly, who was governor of Texas? Do you recall that he was also in the vehicle and was injured during John Kennedy's assassination? Well, Mr. Connelly was also Under Secretary of the Treasury--he was a lot of things and titles. These ones with Mr. Connelly did a most fascinating thing--they planned to implement a new currency for the State of Texas. You see, Texas is a part of the Union only through a renewable "treaty". The treaty is automatically renewed every year, but it isn't necessary that it be renewed. That means, friends, that the U.S. only has a treaty with Texas to keep it in the union of states. It was not voted in as were your other states.

Texas was at one time -- I believe your term might be "filthy rich". The state was wealthy and there were many very, very wealthy individuals. Rich individuals such as

the Hunt brothers, who actually had nothing originally, but became extremely wealthy, overnight, by OIL. That was all the way back when oil was first struck and became so very popular.

I am truly going to tie all this together but you must bear with me for there are so many facets. I must make it clear what I am going to say. I will explain to you why, if you don't already know, it was so very important to ones of "the opposition", and why there was an assassination attempt against Mr. Connelly's life as well as Kennedy's.

Why are those men "broken" today and a state in severe financial trouble? It is because the Internationalist's learned of what the Hunt brothers and Mr. Connelly were trying to do. Texas, a state by treaty, can legally secede from your union. The Hunt brothers and Mr. Connelly knew that Texas had the ability to set up their own country and have their own currency. That is why they could be solvent and not be under the dictates of the Federal Reserve System. Or, simply stated, under the control of the international bankers.

At about the same time they were in the process of gaining a corner on the silver of the world. This was in order to finance a process whereby they could overcome the international bankers and it was at that point the Hunt brothers were smashed. John Connelly was almost killed, and Texas, which could have been the only state in the union to fulfill breaking out of the trap, has been punished with some extremely major problems. Today, portions of Dallas and Fort Worth, Houston and other wealthy, wealthy cities have gone on to resemble ghost towns in your Old West. Ones who had grown rich in the oil industry have been severely punished, the Hunts and Connelly are bankrupt.

The Internationalists became so incensed, so angry, at what these Texan's had done that they broke the back of the oil industry, and the major oil producers of Texas. It was a well designed plan and executed in perfection.

When ones attempt to interfere with the plans of the international bankers, you can see what the results can be. The Hunt brothers were working directly with the Shah of Iran, on the above plan. Immediately thereafter one of the Texas bankers was killed, the Shah of Iran was deposed, and the Hunt brothers were forced into bankruptcy.

There are many ways the international bankers can get revenge on ones who attempt interference with their overall plan; through murder, or you might well be placed into a mental institution and locked away permanently, or you can have trumped up charges brought against you whereby you are locked away indefinitely in prison. This latter has also happened to numerous ones in the investigation circles who find and bring forth truth. It is exactly what happened to Colonel Wendelle Stevens. Colonel Stevens probably has investigated more UFO incidents than any other one individual. Further, an assassination plot was arranged and attempted while Colonel Stevens was incarcerated. Strangely, the perpetrator, who dressed as a religious leader, was caught in the act, turned over to the FBI, and has never been heard from again. So be it.

If you will recall, the Shah of Iran was in perfect health when he was deposed and departed Iran. He was only declared to be sick after he reached the United States. You were told he was being held in "protective" custody at a military base. There, you were

also told, he was being treated for his illness----which was not present at the time of his arrival. He died anyway, didn't he? Face it---his death was planned and the murder executed.

In your present months there is an international uproar over the use of chemical and germ warfare utilized by Iran and Iraq. Some of the viruses cannot be traced -- nor, in such above instances, would anyone dare to pursue it.

Who would question a man becoming ill, being treated and then expiring unexpectedly? Certainly no one in the United States would question it. It was uncomfortable enough just having the man in your country. Death can most effectively be brought about in any number of non-traceable ways; one of which is through microdots and variations of vibration frequencies, as well as through viruses. (This is exactly what happened to Dharma, in her own dwelling--causing cardiac arrest. We just happen to have her under constant monitoring for she is a receiver of several of us in this higher frequency dimension; therefore, we can catch these attempts and can counter them. Doesn't do much for the mental relaxation of the victim, however.)

You can get verification of these little stories from Senator John Hansen of your own government. I am going to speak of Iran and your people who were taken hostage. I doubt many of you have heard the truth of the matter.

Senator Hansen was in the House of Representatives in Washington, D.C. He knew what was happening in Iran and requested permission to go to Iran and investigate. Congress refused. Mr. Hansen then purchased his own private airline ticket and proceeded to Iran anyway.

When Senator Hansen arrived, the one Khomeini proffered an audience. Guess what the Khomeini said? He said, "We don't want these hostages, certainly not any more than you want us to have them". "As a matter of fact," Khomeini continued; "I'd like to give you these hostages, at least half of them anyway, and you can take them home with you tomorrow morning. That is, Mr. Hansen, if you will promise to begin an Investigation into the relationship between the Shah of Iran, Chase Manhattan Bank, Mr. Henry Kissinger and your President Carter."

At this point, Senator Hansen was most delighted. He rushed to call back to the U.S. to someone who could give authorization and said, "Hey, I can bring half of the hostages home tomorrow. How shall I arrange it?" The person on the other end of the line said, "Well, I will call you back tomorrow and let you know.. Now please guess what happened on the following morning? When the call was placed back to Mr. Hansen, he was told the following, "Get yourself on the next airplane coming to America. Come home immediately. Do not bring hostages. Do not do any negotiating. You have no right to speak on the part of the Congress of the United States of America even if you are a congressman. Get home immediately with no further discourse."

Here is what he found upon his return to Washington--that the incident was entered into the Congressional record. Further he found that President Carter knew the hostages were going to be taken and further--knew that they were there for a reason and he was not to interfere. Now, you ones get yourself ready for a bomb if you have not already had access to this expose'. The release of the hostages in Iran was

negotiated by a negotiator of Chase Manhattan Bank in New York, U.S.A. All outside overt and covert attempts to gain release was a facade. Ask any marine who was involved in the military efforts thereof.

Is it really any wonder to you ones that Iran is all ticked off at you today? Those hostages, and America, were held in terror while bankers got the Shah's money safely into their banks before the Shah was killed and then, in turn, got much of the money belonging to Iran. A pretty wicked way to get Iran's money into the Chase Manhattan Bank so it could remain solvent and be one of the wealthiest institutions in the entire world.

The international banks formed bank "holding companies" so that they could not be held responsible. The Chase Manhattan, Chemical Bank and J.P. Morgan's bank were the predominant banks for money deposited by the Arabs. The holding companies were formed in order to loan out money to the third world countries while knowing full well that the third world countries were going to go broke.

After the Shah had been destroyed and the money was safely in the banks, there were massive amounts of money loaned to third world countries. These notes were shifted from the banks to the bank holding companies in anticipation of the eventual bankruptcy of the borrowing countries.

One holding company was for the purpose of loaning money to the third world countries. The purpose of the second holding company was to borrow money from the international bank in order to purchase agricultural lands. That means your farms and also certain corporations in the United States. The farms and businesses will probably continue to make some money, but the third world countries are designated to go down. This is ongoing, dear ones, not a passing fancy.

Here things began to happen rapidly and with sleight of hand. There have followed myriads of liquidations, foreclosures and bankruptcies which were effected by the FDIC and FSLIC which are under the total control of the Federal Reserve Board. Literally dozens of banks all over America quickly were, and are, being bought up. But the big question is by whom? Who has the money in sufficient amounts to make such purchases? Further, where could such sums of money originate? The great sums come from the higher oil price money that goes to the Arabs, then deposited into the international bankers' banks. The banks being purchased are then intentionally closed. Some of those banks are still solvent. They are also buying up farm land throughout America through the farmers who are now being put into bankruptcy because of the high American dollar (in relationship to foreign currency). At least this is the way it was up to a year or so ago---it is fluctuating somewhat at the present time for other heinous things are under way which are the next step in the plan. I shall not go into those things in this document for I intend to do a document relative to your economies. First, let us consider what is happening now and has been, for your past few years----a lot of things are being done now through the Oriental communities. Ah so?

We are going to now consider currency on a world basis. We will also point out why some of the monetary plans and money making formats are valid and viable.

Let us speak a bit about Mr. Marcos who was recently deposed from the Philippines. This is most typical, friends, so watch the hands closely. A representative of the international bankers' bank went to those ones and said, "Mr. Marcos, we will note all your loans and offer you alternatives. We will forgive all of your loans. You cannot pay them back, you cannot pay back the interest, you can't pay back the principle, but, we would like to make you a bargain. We will just forgive the loans.'

Digress time: remember, who did that money belong to that they loaned out to these third world places? It was not the bankers'. Well, of course, it was that Arab money, because of the higher prices that the people all over the world had paid. So, back to what the bankers' say, "We'll just forgive your loans, the principal and the interest and you never have to pay it back --IF (ALWAYS THE IF!)---. The "if' goes about as follows: You have to do away with your national currency, whatever it is. The dollar will be your currency basis of value. You will be set up with a type of debit card system instead of the usual currency system. Then, too, you must give us perpetual rights to all of the natural resources in your country.

Interestingly enough, it was right after that little gift gesture; that friendly little suggestion, that Mr. Marcos was deposed. Why do you suppose that happened'? Well, Mr. Marcos was pretty feisty and he told the international bankers where they could go right after they got immediately out of his country. He had no intention of giving them sovereignty over his country and look what happened.

Everyone in that country found that suddenly their social security number was synonymous with their credit number; further, their central bank was to act as a wholesaler for credit, which in turn, was extended to it by the new super bank which was announced by your Mr. Paul Volker in the fall of 1985. That was ratified immediately by President Reagan. Just a fun aside for you who love to play with numbers and speculate about coincidence---the names and numbers, the digits, added up to six. Lots of things around Mr. Reagan add up to sixes--even his retirement home address. I take very little stock in these things, but many of you seem to like the game. Also, because a President is not reelected does not mean he is vanquished from the fray.

A further contingent condition of the benevolent gift, if you will, of the International Monetary Fund, was that in order to help the economy of those countries the IMF was going to nominate external, nondomestic corporations to properly engineer, exploit and excavate the minerals of those said countries who had just put those same mineral resources up as collateral. This would all, thereby, supposedly bring prosperity to those striving nations.

Mr. Marcos was a bit sharper up front, however, and he pinpointed on the word PERPETUAL in the contract. He realized that quite obviously he would be signing away the sovereignty of his nation.

I make no comment or judgment regarding Mr. Marcos as a person, nor do I make comment about any individual --- those ones are of human format, not mine. I am just telling you the way it is and how some things happened.

In the case of the Marcoses, it was only a matter of weeks before the banker's brought down the guillotine blade. Riots were financed by, and originated through, ones of the international banker's groups. It is never humanly wise to cross these ones; you see, Mr. and Mrs. Marcos were exploiting the people well enough on their own and did not wish to share.

Ah, let us not forget those holding companies of which I spoke. Remember holding companies one and holding companies two? The second group was receiving credit from the first group of holding companies to purchase assets and liabilities from the "prime" banks. The only liabilities they would purchase were liabilities represented by Certificates of Deposits of the Arab nations. The assets they were buying were loans made to the debtor nations. Remember, it was designed that third world countries would default on the loans which would bankrupt the holding companies which had purchased the Arab's CD's from the banks.

At such a point, the international bankers say to the Arabs, "OK fellows, sorry, but all those billions of dollars in 30 year term deposits that you have been depositing all these years are gone. They were sold to a holding company, unattached to us, which loaned the money to third world countries which are bankrupt - broke - gone kaput. Sorry Mr. Arab, but as of today you are bankrupt. Just like that--all gone!"

You might ask, "Is it possible for the Arab world to go bankrupt? Really now, the richest people in the world with all that oil?" It is a little bit shocking isn't it? Poor souls, they didn't even know those CD's had been "sold" to those holding companies. They had deposited the money right into the New York bank as required. How could they possibly know they were transferred out and into bankruptcy destined companies? How could they understand the inner manipulations of international financiers? They were nomads, they didn't know anything about business. One cannot even consider them foolish. How much of this intrigue do you know, much less understand?

The Arabs could not know what they were up against. But now let us look at what has happened. Before the end of 1986 the Arab world became a bit aware of what was happening to them. The word went out that before May 1st, 1987 millions and millions had to be transferred out of the Arab world into America, to start preparing for doomsday. Money was to be shifted into any kind of securities that were even half way decent. Why do you think this was so? It was so that when the Arab sheiks came to the point of bankruptcy they could be sure the people under them, those millions of people of the Arab countries who have literally been "kept" by give-away programs, could not get at them. They would have a place to run to and, hopefully, hide. Well, when this all comes down that these Arab countries have literally been sold out, innocently or knowingly, there will be uprisings, turmoil and literally, massacres abounding. It is going to happen, friends, right in the Arab nations.

This is why they have purchased, and set in place, silkworm type missiles from China. Long range, nuclear capable, and they have the nuclear devices to arm them. Could it be they will be needed against their own peoples? The people are going to be quite irritated when they are no longer receiving anything from the oil revenues, that their own country is bankrupt and that further, they were sold out by their own leaders. At that point there will be mass migration of sheiks headed for America where they have already transferred the most of their assets.

The Arabs were trying to make the big purchases by May of 1988; it is now a year and a half later. Do you not think things might be starting to come down pretty soon? Could it be relatively correlated in timing to Savings and Loan problems and private pension plan troubles and failing economy and - and -?

I continue to see problems as I look upon my scanners. The probability of you making it into your 1990 before a major depression is not reflected there. I see no way for you to make it past your fall season.

You only need a couple more countries to default and your monetary system will collapse. You sit on the target for several methods of pulling you down into collapse. Well, back to the original story.

We are talking of holding companies in trouble. The international bankers have removed responsibility from themselves. They passed the notes, etc. on to the holding companies who in turn made the bad loans. All that money belonging to the Arabs has been passed on into the holding companies. All the international bankers have to do is say to the Arabs, "You are broke. As of today--all gone!" When the Arabs demand payment of the 30 year term notes, the holding companies are insolvent - simple as that, no funds--broke.

Do you see now, that this group "made" people some years back and now they can "break" them with equal speed and efficiency without being accountable?

I fear, friends, it is not very different from what is being done unto you dear ones. * * * * * but, that is another story.

What happens next after this point in insolvency and negotiations, is that the assets would have to be liquidated. The Arabs now have to liquidate. They bought farm land, for instance, all over America. Likewise they bought stocks in a lot of corporations as well as a lot of bonds and some other kinds of real estate. In fact, they have controlled a large portion of the New York Stock Exchange. Keep in mind the Japanese control a large portion, also.

Let us look at the morning following the notice of bankruptcy. The Arabs will dump their stocks onto the New York Stock Exchange and what is going to happen when billions of dollars worth of their stock comes on the market? I am talking billions and billions of dollars and, suddenly, there it all is to be sold!

What happens to farm land that is already depressed? In 1987 prime farmland that had been worth \$3,000 an acre was less than \$700 per acre because of deflation and the inability to repay farm loans. Now you have added drought and all sorts of other bad dreams. By the way, this deflation was brought about by your Federal Reserve System. Well, the Arabs don't want that farmland, they have all the problems they can handle. What happens to the price of the farmland? It is going right to the floor, isn't it? Brothers, when that happens with the value what does it mean? It means it has no collateral value any longer. With no collateral value, how can a farmer borrow money next year for his crops? In turn, what happens to the crops? Who is going to feed the people? What is going to happen in the grocery markets? The results, of course,

equates to hunger and scarce supply. Sad, brothers, but it is a well laid out plan working to perfection.

It all boils down to CONTROL and how do you ever recover. Further, let us look at your stock situation. What is going to happen when these multitudes of stocks are dumped on the stock market? Chaos. What will be the result of catastrophic chaos? IT HAS BEEN DESIGNED TO THROW THE AMERICAN STOCK EXCHANGES, PRIVATE CORPORATIONS, PRIVATE BUSINESS, AMERICAN REAL ESTATE AND QUITE FRANKLY, THE PEOPLE IN GENERAL INTO A STATE OF TOTAL CONFUSION.

Let me finish the plan for you. At the time of total confusion and inability to function, those benevolent bankers are going to come through with a "save the world proposal". They are going to be prepared to eliminate cash because of its collapse. Secondly, they must then stop drug trafficking. Then, they must also push to stop tax cheating. Now, what self respecting American citizen can possibly be against such noble efforts? They (the bankers) have set up and orchestrated all of these programs and now will pretend to stop them.

What will the average American do when your television says, "Look at what those dirty Arabs have done to you?" What would you do? You are going to believe what they tell you, aren't you? You are going to be right up there in front saying, "Sure they did it to us. Those Arabs want to control the world." Pretty soon it will be, "The Japanese want to control the whole world," and then, "The Chinese want to control the whole world." You will join the chant that says, "Look, they bought up all of this major part of America. Look at all the money we have given them, and see what they have done. They have collapsed our stock market, et cetera and so on." Ah ha, but here come your benevolent bankers and they are going to say to you, "You have got to have a new currency and then the next thing we will do is use that new currency to stop this dope trafficking. You know, that which is coming in from Central America and those other countries. Then, of course, we are also going to have to have a debit card to stop people from tax cheating because, after all, Mr. Public, if we don't do this we will never get ourselves back on our feet. --So, brothers, if you'll just turn everything over to us benevolent bankers we will take care of everything and straighten out the whole mess." You know what, brethren? You will hop on that bandwagon and agree to your imprisonment like babes to candy. You will not only agree to it; you will demand it. For you will forget to hear the big IF. "YOU WILL GET ALL THIS DONE FOR YOU IF YOU WILL JUST TAKE A DEBIT CARD FOR YOU INDIVIDUALLY WITH OUR LITTLE OLD NUMBER ON IT!" YOU WILL HAVE JUST FALLEN FOR THE OLD IDENTIFICATION CARD SCHEME.

HOW CAN THIS HAPPEN TO YOU? BECAUSE YOU HAVE NEVER BEEN TOLD THE TRUTH, FRIENDS, AND WILL YOU BELIEVE IT NOW AS I GIVE IT TO YOU? NO, MOST OF YOU WILL DISCOUNT ME AS A FIGMENT OF SOME NUT'S WILD IMAGINATION. SO BE IT FOR I AM GREATLY SADDENED FOR YOU AS A SPECIES.

This has been a scenario about the Middle East. Where do you think you are today and what do you think you will be when you have this new currency? It will only devalue the old "dollar" to zero. It is planned already and named already; the Phoenix. A little

prior to this, there is a plan to bring forth an international credit card ID. Let us refer to it as a government ID card with your social security number on it which would be, and get this because the next is important, satellite linked through the Star Wars system. Does any of this sound familiar to you? This program of Star Wars is at least 60% geared towards this very purpose and only 40% for the claimed defense systems, etc.

This major space linkup will facilitate the transmission of banking information throughout the world instantly. This would be a debit card with a number which would be required for you to do business, and friends, if you know anything at all about your Biblical prophecies, God has already told you it will be, it will take place. Further, it will be done in such a clever way that you "Christians" who say you will NEVER sign up nor participate will never see it hit you and you will have joined the program without even realizing it. How else are you going to survive? Let us not be foolish in our claims for you are dealing with most clever planners who have out-thought you completely up to this date.

Now, I hope you will believe me when I tell you that the "Star Wars" program of satellite systems is in place. Satellites are up there, friends. We of other planets are allowed to stop nuclear warheads---we are not permitted to touch satellites which are not geared to some type of nuclear detonation.

Well, all those wonder filled bits of technology called eyes in the sky and spy satellites "for your security" are really for the purpose of transfer of the very banking and income information which I have just been describing. It can set up immediate transfer of funds from all over the entire world, from the debit card, that the internationalists will see to it are established with every living person. You will be on the system whether you know it or not. In fact, you who are old enough to read these words ---- and every child ---- is already entered therein.

All information will be entered into a central computer and from that place the world will come under instant financial control. So, dear Americans, you have just paid your hard earned money to finance that program to initiate the bankers' international credit card system and number system that will be implemented whether or not you choose of it. IT IS DONE, BROTHERS, IT IS IN PLACE---DONE! DON'T TELL ME YOU WILL NOT PARTICIPATE---YOU ARE ALREADY A PARTICIPANT, DEAR LITTLE ONES.

Oh yes, what of your defense system? Doesn't look too good does it? Well, we are not going to let those nuclear warheads out here in our space past one hundred fifty miles anyway. That is our prerogative and we stop them or dismantle them.

Do you not see, brothers, that this is the way the prophecies are coming into your focus? It is happening all about you but you don't seem to know what it is you look for.

Please, all I want you to do at present is HEAR ME. There is naught you can do about it to any great extent as it stands.

You who will hear me and mine own groups, hear me. You must utilize all of the remaining time to its maximum efficiency for we will have to continue to work under

the new systems. Our projects will never be less than excellent investments and they must, and will, be funded. It needs to be done rapidly, however, before we are caught up in total collapse of the monetary system. We can work through depression if we have funding--monetary collapse shuts us down for all practical purposes, until the system can be put on track and functioning.

It can work and will work, for in these confused, rushed and harassed days there is great madness to shift money and make money on money and etc. Countries such as China, Japan --- all non hard currency countries are desperate to convert to dollars.

I will further tell you that your governments know we are here. They also know we are not here to interfere. We are here to walk our people through a transition and we plan nothing subversive. We do plan good business ventures and welcome all who wish to participate. We have no communes, all work for fair reward. We plan good business with total integrity and latest technology. We are here to help, not overthrow. We are here only to walk our brothers through, for it will all come down just as the prophecies are given. There will be some very bad times ahead most surely if plans are not made for those days of tribulation.

Let me speak a bit more regarding "timing". I know that what I have said is truth.

It was confirmed by top sources in Switzerland that by October of last year there were twelve debtor nations who had agreed to the proposal of debt forgiveness in exchange for perpetual consignment of natural resources. There only need to be one or two more that give enough leverage to announce the Arabs bankrupt. As of now, all the top leaders in the Arab world know the story and they are scared to death about it. They don't know what they are going to do about it; there is actually nothing they can do about it. They certainly do not know how to announce it to their populace. There doesn't seem to be any way to get the information out to the people.

Further, no one knows how to announce all this to the American people. It has been attempted by some and fallen on deaf ears. I hope that by the time many of you have read this document, there will be recognition of our presence in your space. What I tell you is truth.

I would like now, to sum up this scenario.

Because the 20 to 1 debt to asset banking ratio also operates in reverse (that's how it is with leverage), it only takes about five percent of the third world countries to declare bankruptcy and when they do, and they accept the plan of the international bankers, then the bankers can declare the bank holding companies bankrupt. Because of the reverse leverage of the loans, only 5% of the third world countries could basically declare the world bankrupt and the ownership of all falls to the international bankers.

When this program is initiated and in place, it will wind up with the international bankers owning all mortgages and all properties. What is that going to do to your country? What about the world? What control will they have when they initiate the debit card? It will be an automatic number which will be given and would be required because the country is devastated.

It would then result that the international bankers, who are made up of all these secret and complex committees I have previously discussed, would now own the majority of the United States and most other countries (for all will fall in short order), would control the Arab world and therefore, by about a thirty year plan of manipulation, will have brought the peoples of the world under control.

Two years ago, your Senator George Hansen said you had only about a year to get this under control, to get the information out and do something about it. Well, your year has passed into two and a half. How much have you heard about it? I doubt very much. Brothers, this is how men make slaves of their fellow men.

It has however, been prophesied since the beginning of your world that these things would come to pass. This statement is not to give you negative feelings. This is to tell you that you are IN the time of the evolution of your planet where these things are now coming to be.

I go through all this that you might recognize the signs which are all around you. The time, in your perception of time, is fleeting. The "time" we call sequence of events -- is fleeting. We have much to do and we are here and available to assist you ones of God and the children of your planet called Earth Terra. You are a sister planet to we of Pleiades. Many of our ones walk among you. There are many duties and jobs that must now be finished.

The story, the work, will go out for that is God's promise to man. His promise is to allow man to hear and to see, followed by proof. He will send these things through us of the space brotherhood.

These things shall be documented and sent forth to man so that man can see what he wishes to do---what choices he wishes to make regarding his divinity.

I am going to leave this portion now, that you ones can ponder these things.

We come in love and we can see farther than you. We have access to all records, so we can see and know. We can give assistance if we are so petitioned. And you might ask, "Why would you ones do that?" Because Father God the Totality, the Light which is your Source and My Source loved you enough to send forth His Celestial Son, before us. We now serve that same "Son' who is our Commander and act in His service.

Further, for you who are our brothers, we will not leave you stranded on that place. Ye who do not yet know me, will come to understanding of our presence. I leave mine seal and my blessings on this portion, which I fear is quite lengthy. Please ponder it several times until you have understanding for it is most important.

Go Dharma, it has been such a terribly long session for you. Turn the papers over to the others that you may get some rest.

Salu, Salu, Salu Hatonn moving to stand-by.

PJ 17 B

Appendix B & C



What You Can Do . . .

Shown below are the four Fed audit-and-reform measures before the House and the Senate. In the House: H.R. 844, H.R. 3512 and H.R. 3066. In the Senate: S. 734.

Check the accompanying lists, and see if your representative and senators have signed on as co-sponsors of the legislation. If not, write him or them or call him or them today.

You may write your representative in care of: The House of Representatives, Washington, D.C. 20515.

You may write your senators in care of: The U.S. Senate, Washington, D.C. 20510.

The telephone number for the U.S. Capitol switchboard is (202) 224-3121. Call this number and ask to be connected to the office of your representative or senators.

101ST CONGRESS
1ST SESSION

H. R. 3066

To strengthen the political responsibility and accountability of the Federal Reserve System.

IN THE HOUSE OF REPRESENTATIVES

August 1, 1988

Mr. EVANS introduced the following bill, which was referred to the Committee on Banking, Finance and Urban Affairs

Co-Sponsors of H.R. 3066

CALIFORNIA
Jim Bates (D)
Ronald V. Dellums (D)

ILLINOIS
Lane Evans (D)

INDIANA
Jim Jontz (D)

LOUISIANA
W.J. (Billy) Tauzin (D)

MINNESOTA
Tim Penny (D)

OHIO
Dennis Eckhart (D)

OREGON
Pete DeFazio (D)

Co-Sponsors of H.R. 3512

CALIFORNIA
Jim Bates (D)

FLORIDA
Dante B. Fascell (D)
Lawrence J. Smith (D)

ILLINOIS

Frank Annunzio (D)
Cardiss Collins (D)
Philip M. Crane (R)
Lane Evans (D)

INDIANA

Lee Hamilton (D)
Andrew Jacobs (D)
Jim Jontz (D)
Frank McCloskey (D)
Pete Visclosky (D)

KANSAS

Dan Glickman (D)

LOUISIANA

Jerry Huckaby (D)

MASSACHUSETTS

Chester Atkins (D)

MICHIGAN

Dale Kildee (D)

MINNESOTA

Tim Penny (D)
Martin Sabo (D)
Vin Weber (R)

101ST CONGRESS
1ST SESSION

H. R. 3512

To modernize the Federal Reserve System and to provide for prompt disclosure of certain decisions of the Federal Open Market Committee.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 24, 1989

Mr. DORGAN of North Dakota (for himself and Mr. HAMILTON) introduced the following bill; which was referred jointly to the Committees on Banking, Finance and Urban Affairs and Government Operations

MISSOURI

Alan Wheat (D)

NEW JERSEY

William Hughes (D)

NEW YORK

Edolphus Towns (D)

NORTH CAROLINA

Martin Lancaster (D)

NORTH DAKOTA

Byron Dorgan (D)

OHIO

Dennis Eckhart (D)
Thomas Luken (D)

OKLAHOMA

Glenn English (D)

OREGON

Pete DeFazio (D)

TEXAS

Albert Bustamante (D)
Jim Chapman (D)

WEST VIRGINIA

Robert Wise (D)

WISCONSIN

David Obey (D)

Co-Sponsors of H.R. 844

ARIZONA

Bob Stump (R)

CALIFORNIA

Jim Bates (D)
Tom Campbell (R)
Christopher Cox (R)
William Dannemeyer (R)
Robert Dornan (R)
Wally Herger (R)
Duncan Hunter (R)
Ron Packard (R)
Dana Rohrabacher (R)
Norman Shumway (R)

COLORADO

Joel Hefley (R)

CONNECTICUT

Sam Gejdenson (D)
Christopher Shays (R)

FLORIDA

Mike Bilirakis (R)
Sam Gibbons (D)

101ST CONGRESS
1ST SESSION

H. R. 844

To authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1989

Mr. CRANE introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

Craig T. James (R)

C.W. (Bill) Young (R)

GEORGIA

Newt Gingrich (R)

IDAHO

Larry Craig (R)

ILLINOIS

Frank Annunzio (D)

Philip M. Crane (R)

Harris Fawell (R)

INDIANA

Dan Burton (R)

Andrew Jacobs (D)

John P. Hiler (R)

IOWA

Jim Ross Lightfoot (R)

KENTUCKY

Jim Bunning (R)

Harold Rogers (R)

LOUISIANA

Jimmy Hayes (D)

Jerry Huckaby (D)

Bob Livingston (R)

W.J. (Billy) Tauzin (D)

MARYLAND

Helen Delich Bentley (R)

MISSOURI

Mel Hancock (R)

MONTANA

Ron Marlenee (R)

NEVADA

Barbara Vucanovich (R)

NEW HAMPSHIRE

Chuck Douglas (R)

Robert Smith (R)

NEW JERSEY

Jim Saxton (R)

NEW YORK

Gerald B. Solomon (R)

OHIO

Bob McEwen (R)

OKLAHOMA

Mickey Edwards (R)

Glenn English (D)

101ST CONGRESS
1ST SESSION

S. 734

To authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal banks and their branches.

IN THE SENATE OF THE UNITED STATES

APRIL 10 (legislative day - JANUARY 3), 1988

Mr. RSD introduced the following bill, which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

OREGON

Pete DeFazio (D)
Denny Smith (R)

PENNSYLVANIA

Joseph Kolter (D)
Austin J. Murphy (D)
Don Ritter (R)
Robert Waker (R)
Gus Yatron (D)

SOUTH CAROLINA

Arthur Ravenel (D)

SOUTH DAKOTA

Tim Johnson (D)

TENNESSEE

Don Sundquist (R)
Bob Clement (D)

TEXAS

Richard Arme (R)
Ralph Hall (D)

UTAH

James V. Hansen (R)
Howard Nielson (R)

VERMONT

Peter Smith (R)

VIRGINIA

Thomas Bliley (R)
D. French Slaughter (R)

WISCONSIN

Tom Petri (R)

WYOMING

Craig Thomas (R)

Co-Sponsors of S. 734

IDAHO

Steve Symms (R)
James McClure (R)

IOWA

Charles Grassley (R)

NEVADA

Harry Reid (D)

NORTH CAROLINA

Jesse Helms (R)

OKLAHOMA

Don Nickles (R)

APPENDIX C

DEFEND YOUR MONEY AND PROPERTY

Herein are action documents to help you inspire direct participation by local leaders in the campaign to repeal the Federal Reserve Act of 23 December 1913.

There are many states already active in effort to accomplish this task, Oregon, Texas, Alabama, Indiana, etc. There is also a National Conference of State Legislatures. Information can be gained from the offices of Jack Metcalf, Washington State Legislature, Institutional Building, Olympia, Washington 98504 (206)753-7618.

The following pages in this Appendix are directly from a compilation of documents presented for your use and planning. They were originally compiled and presented for public use in a superb document, THE MOST SECRET SCIENCES, Archibald E. Roberts, Lt. Col., AUS, ret. We give great credit and appreciation to this outstanding officer in service unto his "true" country and his fellow-citizen. May you all please join forces and support these daring warriors for your rights, nation and freedom. God bless this material and may you have intuitive insight to perceive the "way" and then will you please get up off your backsides and cover your assets through appropriate action. May truth and wisdom be your shield; and may your goal be freedom and peace. Salu.

**LOCAL ORGANIZATION,
PERSONAL PARTICIPATION,
IS THE SOLUTION
TO ECONOMIC TYRANNY**

**DEFEND YOUR MONEY AND PROPERTY
COUNTY ORDINANCE TO REPEAL THE FEDERAL
RESERVE ACT OF 23 DECEMBER 1913**

Here are county action documents to help you inspire direct participation by local leaders in the campaign to repeal the Federal Reserve Act of 23 December 1913.

THE COUNTY is the building block of the American political system. The sheriff, county judge and county commissioner are local chieftains in the proper functioning of county government. These offices present the greatest challenge to the misuse of authority by a central government.

It is wasteful to wrestle with the convoluted problems of the world. More real progress will be made by concentrating on local issues affecting your money, your property and your family.

Only you can demand that your county official, whom you elected to represent you, discharge his obligation to you. He must do this by a positive act, by challenging the unconstitutional Federal Reserve System.

By such direct and positive action you and he can escape the 'New World Order' planned for you and your children.

Instruments consist of a Petition form and model County Ordinance.

Your mission, should you choose to accept it, is to mobilize local leaders and promote county government participation in the Federal Reserve project.

Your goal is adoption of the model County Ordinance by your County Commission.

A county ordinance is county law. The model County Ordinance to repeal the Fed lists legal 'findings.' State legislators, ultimate agents of your effort, need not 'prove the case' to justify compliance with 'decree' included in the County Ordinance.

Your county petition operation will focus public demand for protection on county officials, leading to adoption of the Ordinance and subsequent corrective action by State lawmakers.

To launch the county petition drive, insert appropriate information in Petition spaces indicated and reproduce (quick-print) one thousand copies of Petition and model County Ordinance. Send one of each to persons on your mailing list.

Include your letter of instruction on how addressees should circulate Petition/Ordinance to friends, family and business associates.

Mention need for tables to collect Petition signatures at shopping malls and other areas of pedestrian traffic. Use this memorandum as your guide.

Urge local leaders to seek participation by Constitution-oriented groups: tax protest, private property, honest money, second amendment, Christian fundamentalist, and regional governance / world government / United Nations opponents.

Special interest occupations: eg; real estate, construction, farm & ranch, can be encouraged to translate anger and frustration into a practical solution to the central issue: Money, and those who control it.

Cultivate endorsement for repeal of the Federal Reserve Act by local business and industry, patriotic & civic organizations, and political figures.

Make a photo-copy of signed petitions as they are returned to you. Mail Petition / Ordinance, with your instruction letter, to each person listed on returned Petitions.

Remember, Petitions are prospective lists of members for your CRC county chapter.

Concurrently, meet with your county commission to apprise them of your program. Provide background briefings and documentation to prepare for public hearing and adoption of the Ordinance by the County Commission. Assistance and informational material is available from Committee to Restore the Constitution, Inc.

Advise media on the progress of your drive, and notify radio, television and newspaper editors date of public hearing.

Submit original signed Petition and model County Ordinance to your County Commission at scheduled public hearing.

THE COMMISSION FINDS that the Congress of the United States is without authority to delegate any powers which it has received from the people under the constitutional contract.

THE COMMISSION FINDS that the Federal Reserve Act of 23 December 1913 was imposed upon the citizens of _____ County, State of _____ in violation of Article I, section 1, Constitution of the United States.

THE COMMISSION FINDS that the Federal Reserve System, which is not subject to any official periodic review or oversight by Congress, has unconstitutionally controlled the economy of the United States and financial fortunes of _____ County citizens, State of _____, through the alleged powers of the Federal Reserve Act unconstitutionally granted by the Congress of the United States.

THE COMMISSION FINDS that the citizens of _____ County, State of _____, face economic crisis and undue hardship brought about by the unconstitutional, arbitrary and capricious control and management of the nation's money supply by the Federal Reserve Board, the policy-making agency of the Federal Reserve System, a consortium of private bankers.

THE COMMISSION CONDEMNNS economic control over the citizens of _____ County by the Federal Reserve Board, and decrees that the _____ State legislature shall instruct members of the _____ State Congressional Delegation to jointly sponsor legislation to repeal the Federal Reserve Act of 23 December 1913, as they are authorized to do under Article 30 of the original Act.

THE COMMISSION URGES the _____ State legislature to take whatever additional action may be necessary to protect the money and property of _____ County citizens, State of _____, as it is required to do under provisions of the _____ State Constitution and the Constitution of the United States.

THE COMMISSION DIRECTS that a copy of this ordinance, accompanied by supporting documents, be forwarded to the State Legislative Delegation, Majority Leaders of Senate and House, Governor, Lieutenant Governor, Secretary of State, Attorney General, and to the President, State Association of County Commissioners, State of _____, requesting enabling legislation.^(a)

ORDINANCE # _____, introduced by _____, seconded by _____, and unanimously approved, is duly declared passed and adopted this _____ day of _____, 198_____.

BY: _____ Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

_____, Counsel

^(a) Sample Enabling State Memorial (Resolution) attached, "A Concurrent Memorial (Resolution) Urging the President and the Congress of the United States to Repeal the Federal Reserve Act."

SAMPLE: ENABLING STATE LEGISLATION (HCM #2002 adopted 1 March 1982)

State of Arizona
House of Representatives
Thirty-fifth Legislature
Second Regular Session
1982

Rough Draft Folder #369-11/16/81 DG/dl

REFERENCE TITLE:
repeal of Federal Reserve Act; memorial
1982

H.C.M. _____

Introduced by Rep. D. Lee Jones

A CONCURRENT MEMORIAL

URGING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO REPEAL THE FEDERAL RESERVE ACT.

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

WHEREAS, Article I, section 8, Constitution of the United States provides that only the Congress of the United States shall have the power "to borrow Money on the credit of the United States;" and

WHEREAS, the Federal Reserve Act of December 23, 1913 (Act of December 23, 1913; 38 Stat. 251; 12 United States Code section 221 et seq.) transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article I, section 8, Constitution of the United States; and

WHEREAS, Article I, section 8, Constitution of the United States directs that only the Congress of the United States is permitted "to coin Money, regulate the Value thereof, and of foreign coin, and fix the Standard of Weights and Measures;" and

WHEREAS, the Federal Reserve Act of 23 December 1913 transferred the power to coin money, regulate the value thereof, and of foreign coin, to a consortium of private bankers in violation of the prohibitions of Article I, section 8, Constitution of the United States; and

WHEREAS, Article I, section 1, Constitution of the United States, provides that "all legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives;" and

WHEREAS, the Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the People of the United States; and

WHEREAS, the Federal Reserve Act of December 23, 1913 was imposed upon the People of the State of Arizona in violation of the provisions of Article I, section 1, Constitution of the United States; and

WHEREAS, members of the Federal Reserve System, a consortium of private bankers, have threatened the very integrity of our national government through their arbitrary and capricious control and management of the nation's money supply; and

WHEREAS, testimony entered into the *Congressional Record* on April 19, 1971 by one observer, Mr. Archibald E. Roberts, indicates that past and present members of the Federal Reserve Board may be guilty of criminal conduct and there is evidence to support his view; and

WHEREAS, the United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

WHEREAS, a consortium of private bankers which is not subject to any official periodic review or oversight by Congress has unconstitutionally controlled the economy of the United States through the Federal Reserve Act since 1913; and

WHEREAS, this nation faces an immediate economic crisis. It is extremely urgent that the Congress of the United States act before it is too late by repealing the Federal Reserve Act and restoring the economy of this nation to a sound basis through a withdrawal of all "fiat money" now in circulation — the so-called Federal Reserve Notes . . .

WHEREFORE, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States immediately enact such legislation as is necessary to repeal the Federal Reserve Act . . .
2. That the President of the United States immediately sign the necessary enabling legislation once it reaches his desk.
3. That the Secretary of State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

**CORRECTIVE STATE LEGISLATION
IS THE SOLUTION
TO CONSTITUTIONAL CRISIS**

**LAW OF AGENCY . . .
UNAUTHORIZED ACTS BY AN AGENT ARE NOT BINDING
ON THE PRINCIPAL**

"Law of Agency" is central to resolving the constitutional crisis.

The original thirteen Nations, recognized as such by the Treaty of Peace which concluded the Revolutionary War, created the Federal government.

Following the War for Independence, the thirteen nation-states organized themselves as the United States under a mutual compact, the Constitution of the United States.

Every succeeding State entered the Union of States, ". . . upon an equal footing with the original States in all respects whatsoever," (Chapter XXXVI, 13 United Statutes at Large, 1864).

The constitutional contract established, in the first three Articles, three branches of government: Legislative, Executive and Judicial. The People, through their State deputies, delegated to these three agencies certain limited powers, retaining unto themselves all powers not so delegated.

Each sovereign State, as a Principal under the constitutional compact, is supreme over its Federal agencies. The State is empowered to correct acts by its Federal agents which IT deems violate delegated powers enumerated in the Articles of the Constitution.

Each sovereign State has the authority and the responsibility to enforce provisions of the Constitution within its borders, and to provide criminal sanctions for violators.

The People, from whom flow all political powers, are responsible for instructing their State senators and representatives to challenge unconstitutional acts by Federal agents, as they are required to do by oath of office.

Each citizen is charged with the mission of defending and preserving freedoms of person and property guaranteed to the People by the Constitution of the United States.

"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."

BENJAMIN FRANKLIN

THE CONSTITUTION SECURES POWER TO THE PEOPLE

Hon. John R. Rarick, in the House of Representatives, 19 April 1971

Mr. RARICK. Mr. Speaker, "power to the people" is a slogan used not only by radical socialists in their plans to communize America but also by President Nixon in his New American Revolution.

In his State of the Union Address on January 22, 1971, the President stated:

So let us put the money where the needs are. And let us put the power to spend it where the people are.

The further away government is from people, the stronger government becomes and the weaker people become. And a nation with a strong government and a weak people is an empty shell.

I reject the idea that government in Washington, D.C. is inevitably more wise, more honest, and more efficient than government at the local or State level. . .

The idea that a bureaucratic elite in Washington knows best what is best for people everywhere and that you cannot trust local government is really a contention that you cannot trust people to govern themselves. This notion is completely foreign to the American experience. Local government is the government closest to the people and it is most responsive to the individual person; it is people's government in a far more intimate way than the government in Washington can ever be.

People came to America because they wanted to determine their own future rather than to live in a country where others determined their future for them.

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What this change means is that once again in America we are placing our trust in people.

I have faith in people. I trust the judgment of people. Let us give the people of America a chance, a bigger voice in deciding for themselves those questions that so greatly affect their lives.

Whereas the rhetoric of the President is desirable and encouraging, the words unfortunately are made suspect by actions. By consistently asking for more and more tax funds for more and more Federal programs which add to the Federal payroll an increasing number of bureaucrats who increasingly control more and more facets of the daily lives of citizens; by grouping the States into regions with unelected Federal overseers, thereby removing power farther from the people; and by promoting such programs as the Atlantic Union which if effected would remove power still more distant from the people, the Chief Executive is, in effect, fostering power over the people rather than "power to the people."

"Power to the people" is a traditionally American concept which is what the Constitution of the United States is all about. When the necessary number of the Original Thirteen Colonies ratified the U.S. Constitution, they established a government in which political power was decentralized. By the constitutional contract they surrendered to the Federal Government only specified powers. Powers not delegated to the Federal Government were reserved to the States and to the people. And rather than to permit such a logical conclusion from being misunderstood, the 10th amendment so specified the intent.

Under this concept of government, power was concentrated at the bottom — at the lowest denominator of government — the level closest to the people and most responsive to the desires and wishes of the individual person.

Locally controlled governments and systems of education, a basically religious people who in large measure recognized the Holy Bible as a guide to conduct, and a free enterprise economic system with a minimum of government interference produced the most prosperous and powerful Nation on earth. America abounded in Peace, opportunity, and true progress so long as America adhered to the Holy Bible and the Constitution.

The second decade of the present century saw the beginning of a trend in the direction of removing power from the hands of people at the State and local level and concentrating more and more power over the lives of people in the hands of unelected bureaucrats at the regional and Federal levels, in fact, even the surrendering of national powers and prerogatives to international bodies.

This trend was given impetus in 1913, with the enactment of the Federal Reserve Act, which took away people's control over their money; the 16th amendment to the Constitution calling for the graduated Federal income tax — a plank of the Marxist platform — and in 1919, with the establishment of the Council on Foreign Relations which has been instrumental in promoting world government.

The ratification of the U.N. Charter, a plan for world government, by the U.S. Senate in 1945, transferred "people power" still farther away from the people at the local level. The present emphasis being given to regional government and to an Atlantic Union, both of

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which have the President's approval, further erodes the Constitution and are obstacles to circumvent "people power."

Thanks to the seeds of knowledge planted during the past 2 or 3 decades by various constitutional groups and individuals, more and more Americans are becoming informed as to who the anti-Americans are and what they are doing to emasculate our Constitution and to destroy our country by trapping us into regional and world government. Action at the local and State levels by informed groups and individuals to salvage and restore the Constitution and, as a consequence, "people power" is a most encouraging sign.

One such organization is the Committee to Restore the Constitution which recently presented its case to a Special Joint Committee, Wisconsin State Legislature.

I insert to follow my remarks the testimony entitled *The Most Secret Science* before a special joint committee of the Wisconsin State Legislature by Lt. Col. Archibald E. Roberts, A.U.S. — retired, Director of the Committee to Restore the Constitution, Inc.

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

ANDREW JACKSON

OUTLAW THE FED ARIZONA LEGISLATORS PETITION PRESIDENT AND CONGRESS

United States facing economic debacle of massive proportions due to arbitrary and capricious control of nation's money by private banking interests, say lawmakers.

Charging that the Federal Reserve Act of 1913 was imposed on the people of Arizona in violation of Article I, section 1, Constitution of the United States, the Arizona State Senate, on 1 March 1982, voted 18 to 11 for adoption of House Concurrent Memorial #2002, urging the President and Congress to restore control of the nation's economy to the People.

House of Representative members had, three weeks earlier, passed the historic petition by a 'booming' 51-0 vote.

Representative D. Lee Jones, principal sponsor and chief lobbyist for HCM #2002, noted that Article I, section 8, Constitution of the United States, provides that only the Congress is authorized to, "... borrow Money on the credit of the United States," and, "... to coin Money and regulate the Value thereof."

Federal legislative agencies are prohibited from transferring these vital powers to private banking interests, he said.

Adorned with the names of sixty-eight co-sponsors (49 Representatives and 19 Senators) House Concurrent Memorial #2002 declares that the Congress of the United States is, "... without authority to delegate any powers which it has received under the Constitution of the United States established by the People of the United States."

Being unconstitutional, the Federal Reserve Act of 1913 must be put down.

Arizona lawmakers further direct that the Secretary of State transmit copies of the memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Member of the Arizona Congressional Delegation.

Lawmakers in other states, reports Rep. Jones, "... have contacted me with indications of their interest in the move to oust the International Bankers ... from our national pocketbook."

Letter of transmittal from Mr. Jones and full text of Arizona HCM #2002, "Urging the President and Congress of the United States to Repeal the Federal Reserve Act," begin on the following page.



Arizona House of Representatives
Phoenix, Arizona 85007

March 2, 1982

Colonel A. E. Roberts
Committee to Restore the Constitution Inc.
P.O. Box 986
Fort Collins, Colorado 80522

Dear Colonel Roberts:

Good news! After what has seemed to have been a long and difficult ordeal of unbelievable political reality, our Arizona Senate yesterday finally gave our House Concurrent Memorial a favorable 18-11-1 vote, after my more conservative House of Representatives had passed it out several weeks ago with a booming 51-0 vote (with nine members absent and not voting).

It is becoming increasingly obvious that if our 1982 Congress had been in power in 1776, our Constitution, as it is today, would never have been written.

Maybe what ails our country is a near-lethal dose of ignorance, aided and abetted by a lot of apprehension and/or indifference.

Enclosed are a couple copies of the HCM 2002 which, in my estimation, would be more acceptable if printed on only one side of the paper.

I shall try to locate some addresses of people who have contacted me, with indications of their interest in the move to oust the International Bankers out and away from our national pocketbook.

Sincerely,

D. Lee Jones
State Representative

DLJ:ba
Enclosure

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STATE OF ARIZONA
35th LEGISLATURE
SECOND REGULAR
SESSION

HOUSE
HCM 2002
Introduced
January 21, 1982
Adopted
1 March 1982

REFERENCE TITLE: Repeal of Federal Reserve Act; Memorial

Referred on January 21, 1982
Rules

Introduced by
Representatives Jones, Skelly, Hamilton: Abril, Baker, Barr, Cajero, Carlson, Cooper, Courtright, De Long, English, Everall, Goudinoff, Harelson, Hartdegen, Hays, Higuera, Hull, Hungerford, Jennings, Jewett, Jordan, Kelley, Kenney, Kline, Kunasek, Lane, Lewis, Macy, McConnell, McElhaney, Meredith, Messenger, Morales, Pacheco, Ratliff, Rockwell, Rodriguez, Rosenbaum, Sossaman, Thomas, Thompson, Todd, Vukceovich, West, Wettaw, Wilcox, Wright, Senators Corbet, Gabaldon, Getzwiller, Gonzales, J. Gutierrez, Hardt, Hill, Kay, Lindeman, Lunn, Mack, Runyan, Sawyer, Steiner, Swink, Taylor, Tenney, Turley, Usdane

A CONCURRENT MEMORIAL
URGING THE PRESIDENT AND THE
CONGRESS OF THE UNITED STATES
TO REPEAL THE FEDERAL RESERVE ACT.
To the President and the Congress of the United States of America:

Your memorialist respectfully represents:
WHEREAS, Article I, section 8, Constitution of the United States, provides that only the Congress of the United States shall have the power "to borrow Money on the credit of the United States;" and

WHEREAS, Article I, section 8, Constitution of the United States, directs that only the Congress of the United States is permitted "to coin Money and regulate the Value thereof;" and

WHEREAS, the Federal Reserve Act of 1913 transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article I, section 8, Constitution of the United States; and

WHEREAS, the Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the People of the United States; and

WHEREAS, Article I, section 1, Constitution of the United States, provides that "all legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives;" and

WHEREAS, the Federal Reserve Act of 1913 was imposed upon the People of the State of Arizona in violation of the provisions of Article I, section 1, Constitution of the United States; and

WASHINGTON STATE LEGISLATORS
MOVE TO OUST INTERNATIONAL BANKERS FROM CONTROL
OF NATIONAL ECONOMY

Purported statutory powers of the Federal Reserve System to create and loan money to the government of the United States, and to set interest rates, are major factors in the present inflation and the interest rate crisis, say State lawmakers.

The *Olympia Herald*, 16 February 1982 issue, revealed that Senator Jack Metcalf, Washington State Legislator, has introduced Engrossed Senate Concurrent Resolution No. 127, "...challenging the constitutionality of the delegation of the power to create money to the Federal Reserve System."

"The Federal Reserve System is nothing more than a group of private banks which charge interest on money that never existed," Senator Metcalf declared.

The Metcalf resolution, which has cleared the Senate, asks the U.S. Supreme Court to look at the

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WHEREAS, the Federal Reserve Banking System, has threatened the integrity of our government through the arbitrary and capricious control and management of the nation's money supply; and

WHEREAS, the United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

WHEREFORE, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States immediately enact such legislation as is necessary to repeal the Federal Reserve Act.
2. That the Secretary of State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

Federal Reserve Act of 1913 and see if it is constitutional.

Senate report, "Information Prepared for Washington State Senate in Consideration of SCR #127," and full text of Senator Metcalf's resolution, follow.

INFORMATION PREPARED FOR
WASHINGTON STATE SENATE
IN CONSIDERING SCR 127

- Sen. Sellar: Senator Metcalf, are you contending that inflation and interest rates are directly related?
- Sen. Metcalf: Yes, they are. If you are willing to loan money at 5%, but anticipate a 10% inflation rate, you will ask 15% interest instead of 5%. What may be worse, you will fear further inflation so tend to ask a little more just in case. When

everyone anticipates inflation, it is self-fulfilling.

Sen. Reading your Resolution, are you really
McCaslin: telling us that the Federal Reserve Banking System is a private banking system?

Sen. Like most Americans, I believed the
Metcalf: Federal Reserve was a part of the Federal government. It is not! It is a federally chartered private banking corporation which has by law - not by the Constitution, but by law - been given the power to control and issue the "money" used in the U.S.

Sen. How does the Federal Reserve create
Guess: money?

Sen. This will have to be an over
Metcalf: simplification; the actual operation is very complicated. However, this is an accurate summary of what happens.

The Federal government is going into debt about a billion dollars a week. Where does that money come from? The government prints a billion dollars worth of interest bearing U.S. Government bonds, takes them to the Federal Reserve, the Federal Reserve accepts them and places \$1 billion in a checking account. The government then writes checks to a total of \$1 billion.

The crucial question is: "Where was that \$1 billion just before they touched the computer and put it in the checking account?" The answer: "It didn't exist." We, the people, allow a private banking system to create money at will - out of absolutely nothing - to call it a loan to our government and then charge us interest on it forever.

Sen. Are you saying the Federal Reserve
Quigg: Act gives to the national banking system as a whole the power to create money, in addition to what you have said about the Federal Reserve specifically?

Sen. Yes, the Fractional Reserve System
Metcalf: implemented under the Federal Reserve Act of 1913 allows the banking system, as a system, to create money - to

expand the money supply. The authority to expand or contract the money supply by changing reserve requirements, given to a private banking system, puts our whole money system in fearful jeopardy.

I would urge you to remember the quote from Thomas Jefferson that I placed on your desks in the last session.

I believe that 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 the government, to whom it properly belongs.

Jefferson emphasized repeatedly that no private bank - whether chartered by the federal or a state government - should ever be permitted to issue currency or control credit; for - once entrusted with such power - they become superior to the nation itself.

Sen. Do you contend that we, the people,
Vognild: are paying interest to a private banking system for use of our own government money?

Sen. Yes, and you bring up the most crucial
Metcalf: point. I mentioned the creation of "checkbook money" by the Federal Reserve. As these checks from the \$1 billion of newly created money go out all over America, they become our money in circulation. Why are we paying interest to a private banking system for use of our own money? By what logic does any private group collect a tax from the people for the use of our own money? And - remember - the Federal Reserve System, which receives the interest, is allowed to set the rate of interest they receive!

Sen. The Federal Reserve Act delegates to
Lysen: the Federal Reserve the power to create money. Are you contending that Congress does not have the constitutional authorization to delegate that power?

Sen. Now, we are down to the crux of the
Metcalf: matter. We are all aware that power granted to a body may or may not be delegated to another body, agency or institution. Our most basic document, the U.S. Constitution, states in Article I, section 8:

The Congress shall have the power to coin money and regulate the value thereof.

Nowhere is there the slightest hint of authorization to delegate that power even to another governmental institution - much less to a private banking system. That is absolutely outside the most broad interpretation possible.

The Constitution does not grant the authority to delegate the power to create money, and this is the heart of the resolution introduced in the Senate. This resolution, SCR 127, declares it the intent of the State of Washington to

STATE OF WASHINGTON

47th LEGISLATURE
SECOND EXTRAORDINARY
SESSION

ENGROSSED SENATE CONCURRENT RESOLUTION NO. 127

Offered by:

Senators Metcalf, Vognild, Rasmussen, Moore, McCaslin, Pullen, Guess, Hansen, Bauer, Lysen, Craswell and Fuller

WHEREAS, A sound money system is absolutely vital to a free people; and

WHEREAS, Inflation and exorbitant interest rates have historically been not only disastrous to the people but proof of an unsound money system and thus a real threat to established governments; and

WHEREAS, The present rampant inflation and exorbitant interest rates in the American economy are a clear and present danger to the people and to the governments of the State of Washington and the United States of America; and

WHEREAS, The purported statutory powers of the Federal Reserve System to create and loan money to the government of the United States, and to set interest rates are major factors in the

cause an action to be filed in the U.S. Supreme Court challenging the constitutionality of the delegation of power embodied in the Federal Reserve Act of 1913. This action is a matter of monumental importance to the people of this state and of this nation, especially at this time of high interest rates and budget deficits at all levels - federal, state and in the businesses and homes all across this land.

Sen. Has there never been an independent
Fleming: audit of the Federal Reserve?

Sen. It does seem incredible, but the Federal
Metcalf: Reserve has never been subject to an independent audit. On several occasions, members of Congress and of the U.S. Senate have requested such an audit, but a way has always been found to avoid it.

Our action here must result in that audit.

present inflation and the interest rate crisis; and

WHEREAS, Article I, section 8, clause 5 of the United States Constitution grants to Congress the exclusive power "To coin money and regulate the value thereof;" and

WHEREAS, The Federal Reserve Act of 1913 and other acts of Congress purport to delegate to a federally chartered private banking system the authority to create money and to set interest rates; and

WHEREAS, The United States Constitution nowhere authorizes Congress to delegate such power, and

WHEREAS, There has never been an independent audit of the Federal Reserve System;

NOW, THEREFORE, BE IT RESOLVED, By the Senate of the State of Washington, the House concurring, that it is hereby the declared intent of the State of Washington to cause to be filed in the original jurisdiction of the Supreme Court of the United States:

(1) An action challenging the Constitutionality of the delegation of the power to create money to the Federal Reserve System; and

(2) An action requiring an independent audit of the Federal Reserve System.

ONLY SOVEREIGN STATE CAN ACT* WHEN FEDERAL AGENTS VIOLATE UNITED STATES CONSTITUTION

Now, we find Mr. Lincoln saying in his first Inaugural Address:

I do not forget the position assumed by some, the Constitutional questions are to be decided by the Supreme Court. Nor do I deny that such decisions must be binding in any case upon the parties of a suit. As to the object of that suit. While they are also entitled to very high respect and consideration in all parallel cases by all other departments of the government. And while it is obviously possible that such decision may be erroneous in any given case, still the evil effects flowing from it being limited to that particular case with a chance that it may be overruled and never become a precedent in other cases, can better be borne than the evils of a different practice. At the same time, continues Lincoln, the candid citizen must confess that if the policy of the government upon vital questions effecting the whole people is to be irrevocably fixed by decisions of the Supreme Court the instant they are made in ordinary litigation between parties and personal actions, then the people would have ceased to be their own rulers. Having to that extent practically resigned their government into the hands of that eminent tribunal. Nor is there in this view, concludes Lincoln, any assault upon the court or the judges. It is a duty from which they may not shrink to decide cases properly brought before them and it is no fault of theirs if others seek to turn their decision to political purposes.

Now, political purposes, of course, have to do with policy. And if we are to allow members of the Court who have only judicial power, not legislative power, to assume a role of telling us what to do in the legislative area, then we will be doing precisely what Lincoln was warning us against, namely, resigning our government into the hands of the members of the Court.

*Extract testimony by Attorney T. David Horton, Counsel, Committee to Restore the Constitution before Kansas State Senate Committee on the Judiciary, hearings on regional governance, Topeka, 23 August 1979.

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They can't act as a court if they go beyond the authority specifically granted, but the members of the Court can do anything they see fit, and they can get the Clerk to put the seal of the Court on it and to the casual observer it might appear to be what the Court has done. However, if they lack authority, just as was found in the case of *Marbury v. Madison* with regard to a purported statute, what the Court attempts to do that is beyond its authority is void and it is just as void as a statute or an act of the administration would be.

"Law repugnant to the Constitution is void... for I cannot call it law contrary to the first great principles of the social compact... (It) cannot be considered a rightful exercise of legislative authority."

U.S. Sup. Ct., Marbury vs Madison, 1803, 2 L. ed. 60; 1 Cra. 137; ref Whea; 246 & Wal 601

Now, when it comes to deciding what kind of remedy to apply, again, I think that we can find some interesting and instructive material in considering the conclusions of those who were a little closer than we are today to the framers of the agreement. We have, for example, this passage out of the report of the Kentucky legislature of November 19, 1799, which says:

Whensoever the general government assumes undelegated powers, its acts are unauthoritative, void and of no force. That to this contract (that is the Constitution) each state exceeded as a state and is an integral party, its co-states forming as to itself the other party. That government created by this contract was not made the exclusive or final judge of the extent of the powers delegated to itself, since that would have made its discretion and not the Constitution the measure of its powers. But that, as in all other cases of compact among parties having no common judge, each party has an equal right to judge for itself as well of infraction as of the mode and measure of redress.

Now, returning to President James Madison we find in Mr. Madison's report with specific reference to the judiciary and the manner in which we may be departing from the heritage that most

of us have been taught to believe is a good one. Mr. Madison has said in his report:

If the decision of the judiciary be raised above the authority of the sovereign parties to the Constitution (of which Kansas is one) the decisions of the other departments not carried by the forms of the Constitution before the judiciary must be equally authoritative and final with the decisions of that department. However true, therefore, it may be that the judicial department is, in all questions submitted to it by the forms of the Constitution, to decide in the last resort, this resort must necessarily be deemed the last in

relation to the authorities of the other departments of the government, not in relation to the rights of the parties to the constitutional compact, from which the judicial, as well as the other departments, hold their delegated trust. On any other hypothesis, continues Madison, the delegation of the judicial power would annul the authority delegating it, and the concurrence of this department with the others in usurped powers, might subvert forever and beyond the possible reach of any rightful remedy, the very Constitution which all were instituted to preserve.

FEDERAL RESERVE ACT: A CONSPIRACY AGAINST AMERICA

Interest payments (tax money paid to the Federal Reserve System, a consortium of private bankers) are the third-largest component of the Federal budget, after Defense and Social Security, according to the Office of Management and Budget.

The Federal government spent a whopping one-hundred eleven billion, eight-hundred million dollars paying interest on the national debt in the 1983 budget year ending 30 September.

Gannet News Service, "Interest Drains Budget as Federal Debt Grows," 16 November 1983, reported that interest on the national debt is taking an ever-larger share of Federal funds, thirteen point eight percent of all spending in 1983.

The Federal Reserve Act (Act of December 23, 1913; 38 Stat: 251; 12 United States Code section 221 et seq.) is an unauthorized act by Congress, an agency of the sovereign states.

Being illegal, it must be put down by appropriate corrective action by the sovereign states.

Violations of the Constitution inherent in the Federal Reserve Act are illustrated in the following citations:

The Constitution of the United States, Article 1, section 8 provides that only the Congress of the United States shall have the power "to borrow Money on the credit of the United States."

The Federal Reserve Act illegally transferred the power to borrow money on the credit of the United States to a consortium of private bankers, the Federal Reserve Board, in violation of the prohibitions of Article 1, section 8, Constitution of the United States.

The Constitution of the United States, Article 1, section 8, directs that only the Congress of the United States is permitted "to coin Money, regulate the Value thereof, and of foreign coin, and fix the Standard of Weights and Measures."

The Federal Reserve Act illegally transferred the power to coin money, regulate the value thereof, and of foreign coin, to a consortium of private bankers, the Federal Reserve Board, in violation of the prohibitions of Article 1, section 8, Constitution of the United States.

The Constitution of the United States, Article 1, section 1, provides that "all legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

The Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States, established by the People of the United States.

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"The Government should create, issue and circulate all the money and currency needed to satisfy the spending power of the government and the buying power of the consumers."

ABRAHAM LINCOLN

ARKANSAS ACTS ON FED CITIZENS SEEK ESCAPE FROM IMPENDING ECONOMIC DEBACLE

First hearing on Arkansas' House Concurrent Resolution #18, "Urging the Congress of the United States to Repeal the Federal Reserve Act," introduced by Representative Jim Smithson, House Committee on Aging and Legislative Affairs, held 16 February, revealed that the Fed is a private banking cartel.

Pointing to a decision by the United States Court of Appeals, Ninth Circuit, in the case of, *Lewis v. United States*, Archibald Roberts, Lt. Col., AUS, ret., Director, Committee to Restore the Constitution, Inc., charged that, "Federal reserve banks are not federal instrumentalities . . . but are independent, privately owned and locally controlled corporations. . . ."

and,

"Each Federal Reserve Bank is a separate corporation owned by commercial banks in its region. The stockholding commercial banks elect two thirds of each Bank's nine member board of directors. The remaining three directors are appointed by the Federal Reserve Board. The Federal Reserve Board regulates the Reserve Banks, but direct supervision and control of each Bank is exercised by its board of directors."

Congressman Wright Patman, House Banking and Currency Committee, Congress of the United States, said in 1952:

"The Open Market Committee (of the Federal Reserve System) has the power to obtain, and does obtain, the printed money of the United States - Federal Reserve Notes - (free) from the Bureau of Engraving and Printing," quoted Colonel Roberts.

"The Fed exchanges these printed notes, which of course are not interest bearing, for United States Government obligations that are interest bearing. After making the exchange," Patman explained, "the interest bearing obligations are retained by the 12 Federal Reserve banks and the interest collected annually on these Government obligations goes into the funds of the 12 Federal Reserve Banks."

"U.S. Treasury financial report for 1982 placed the Federal debt (money borrowed from the Federal Reserve System) at one trillion, seventy billion, two hundred forty-one million dollars," said Roberts. "Interest paid to Federal Reserve stockholders by American taxpayers on the \$1,070,241,000,000 debt," Roberts stated in his testimony, "is one hundred fifteen billion, eight hundred million dollars."

Charging that the federal debt is a lien on all property, both public and private, in the United States, Roberts said that the Open Market Committee of the Federal Reserve System determines the course of the U.S. economy by setting interest rates charged by member banks,

regulating the volume of Federal Reserve notes in circulation, determining the value of money, regulating the stock market, and by controlling other economic factors.

"The Fed," he stated, "controls the government and determines whether American citizens will live in a prosperous or bankrupt society."

Congress has no authority to transfer these vast powers to a cartel of private bankers. The Constitution is very specific about this. Article I, section eight of the Constitution of the United States directs that, "The Congress is authorized to borrow money on the credit of the United States," and, ". . . to coin money and regulate the value thereof."

Quoting *Constitution Law (16 Am Jur 2d)*, Roberts said,

The general rule is that an unconstitutional statute, whether federal or state, though having the form and name of law, is in reality no law, but is wholly void and ineffective for any purpose, since unconstitutionality dates from the time of its enactment, and not merely from the date of the decision so branding it. An unconstitutional law, in legal contemplation, is as inoperative as if it had never been passed.⁷

Being unconstitutional, Roberts told panel members, the Federal Reserve Act (H.R. 7837) must be put down.

The State of Arkansas, operating at its highest sovereign capacity, has the power to correct the "unconstitutional" Federal Reserve Act of the 1913 Congress by directing its agents in Washington to "enact such legislation as is necessary to repeal the Federal Reserve," as they are authorized to do under the provisions of section 30 of the Act.

Corrective action in the twenty-fifth state, inspired by a coalition of conservative organizations headed by Mathias Frank, is supported by parallel legislation in Arizona, Washington, Nebraska, North Carolina, South Carolina, Montana, Pennsylvania, Utah, Alabama, Idaho, Illinois, Texas, Virginia, Oregon, and Indiana.

In special session, the Arkansas House of Representatives heard Roberts summarize the effect on the state's economy passage of HCR #18

would ultimately have. By supporting U.S. Congressman Ron Paul's bill to rescind the Federal Reserve Act, Arkansas agriculture would be energized, business and industry rejuvenated, and the freedoms of person and property guaranteed to the people of Arkansas by the Constitution would be restored and preserved."

EXHIBITS

¹*Lewis v. United States, No. 80-5905, United States Court of Appeals, Ninth Circuit, 19 April 1982, beginning on this page.*

⁷*Constitutional Law (16 Am Jur 2d), "D.Effect of Totally or Partially Unconstitutional Statutes," "1. Total Unconstitutionality," beginning on page 47.*

EXHIBIT 1

AMENDED OPINION *LEWIS v. UNITED STATES*

John L. LEWIS, Plaintiff/Appellant,

v.

UNITED STATES of America,
Defendant/Appellee.

No. 80-5905.

United States Court of Appeals,
Ninth Circuit.

Submitted March 2, 1982.

Decided April 19, 1982.

As Amended June 24, 1982.

Plaintiff, who was injured by vehicle owned and operated by a federal reserve bank, brought action alleging jurisdiction under the Federal Tort Claims Act. The United States District Court for the Central District of California, David W. Williams, Jr., dismissed holding that federal reserve bank was not a federal agency within meaning of Act and that the court therefore lacked subject matter jurisdiction. Appeal was taken. The Court of Appeals, Poole, Circuit Judge, held that federal reserve banks are not federal instrumentalities for purposes of the Act, but are independent, privately owned and locally controlled corporations.

Affirmed.

1. United States — 78(4)

There are no sharp criteria for determining whether an entity is a federal agency within meaning of the Federal Tort Claims Act, but the

critical factor is existence of federal government control over "detailed physical performance" and "day to day operation" of an entity. 28 U.S.C.A. §1346(b).

2. United States — 78(4)

Federal reserve banks are not federal instrumentalities for purposes of a Federal Tort Claims Act, but are independent, privately owned and locally controlled corporations in light of fact that direct supervision and control of each bank is exercised by board of directors, federal reserve banks, though heavily regulated, are locally controlled by their member banks, banks are listed neither as "wholly owned" government corporations nor as "mixed ownership" corporations; federal reserve banks receive no appropriate funds from Congress and the banks are empowered to sue and be sued in their own names. 28 U.S.C.A. § 1346(b); Federal Reserve Act §§ 4, 10(a, b), 13, 13a, 13b, 14, 14(a-g), 16, 12 U.S.C.A. §§ 301, 341-360; 12 U.S.C.A. § 361; Government Corporation Control Act, §§ 101, 201, 31 U.S.C.A. §§ 846, 856.

3. United States — 78(4)

Under the Federal Tort Claims Act, federal liability is narrowly based on traditional agency principles and does not necessarily lie when tortfeasor simply works for an entity, like the Reserve Bank, which performs important activities for the government. 28 U.S.C.A. § 1346(b).

4. Taxation — 6

The Reserve Banks are deemed to be federal instrumentalities for purposes of immunity from state taxation.

5. States — 4.15

Taxation — 6

Tests for determining whether entity is federal instrumentality for purposes of protection from state or local action or taxation, is very broad; whether entity performs important governmental function.

Appeal from the United States District Court for the Central District of California.

Before POOLE and BOOCHEVER, Circuit Judges, and SOLOMON, District Judge.*

POOLE, Circuit Judge:

On July 27, 1979, appellant John Lewis was

injured by a vehicle owned and operated by the Los Angeles branch of the Federal Reserve Bank of San Francisco. Lewis brought this action in district court alleging jurisdiction under the Federal Tort Claims Act (the Act), 28 U.S.C. § 1346(b). The United States moved to dismiss for lack of subject matter jurisdiction. The district court dismissed, holding that the Federal Reserve Bank is not a federal agency within the meaning of the Act and that the court therefore lacked subject matter jurisdiction. We affirm.

In enacting the Federal Tort Claims Act, Congress provided a limited waiver of the sovereign immunity of the United States for certain torts of federal employees. *United States v. Orleans*, 425 U.S. 807, 813, 96 S. Ct. 1971, 1975, 48 L.Ed.2d 390 (1976). Specifically, the Act creates liability for injuries "caused by the negligent or wrongful act or omission" of an employee of any federal agency acting within the scope of his office or employment. 28 U.S.C. §§ 1346(b), 2671. "Federal agency" is defined as:

the executive departments, the military departments, independent establishments of the United States, and corporations acting primarily as instrumentalities of the United States, but does not include any contractors with the United States.

28 U.S.C. § 2671. The liability of the United States for the negligence of a Federal Reserve Bank employee depends, therefore, on whether the Bank is a federal agency under § 2671.

[1,2] There are no sharp criteria for determining whether an entity is a federal agency within the meaning of the Act, but the critical factor is the existence of federal government control over the "detailed physical performance" and "day to day operation" of the entity. *United States v. Orleans*, 425 U.S. 807, 814, 96 S.Ct. 1971, 1975, 48 L.Ed.2d 390 (1976), *Logue v. United States*, 412 U.S. 521, 528, 93 S.Ct. 2215, 2219, 37 L.Ed.2d 121 (1973). Other factors courts have considered include whether the entity is an independent corporation, *Pearl v. United States*, 230 F.2d 243 (10th Cir. 1956), *Freeling v. Federal Deposit Insurance Corporation*, 221 F.Supp. 955 (W.D. Okla. 1962), *aff'd per curiam*, 326 F.2d 971 (10th Cir. 1963), whether the government is involved in the entity's finances. *Goddard v. District of Columbia Redevelopment Land Agency*, 287 F.2d 343, 345 (D.C.Cir. 1961), *cert. denied*, 366 U.S. 910, 81 S.Ct. 1085, 6 L.Ed.2d 235 (1961), *Freeling*

v. Federal Deposit Insurance Corporation, 221 F.Supp. 955, and whether the mission of the entity furthers the policy of the United States, *Goddard v. District of Columbia Redevelopment Land Agency*, 287 F.2d at 345. Examining the Organization and function of the Federal Reserve Banks and applying the relevant factors, we conclude that the Reserve Banks are not federal instrumentalities for purposes of the FTCA, but are independent, privately owned and locally controlled corporations.

Each Federal Reserve Bank is a separate corporation owned by commercial banks in its region. The stockholding commercial banks elect two-thirds of each Bank's nine member board of directors. The remaining three directors are appointed by the Federal Reserve Board. The Federal Reserve Board regulates the Reserve Banks, but direct supervision and control of each Bank is exercised by its board of directors. 12 U.S.C. § 301. The directors enact by laws regulating the manner of conducting general Bank business, 12 U.S.C. § 341, and appoint officers to implement and supervise daily Bank activities. These activities include collecting and clearing checks, making advances to private and commercial entities, holding reserves for members banks, discounting the notes of members banks, and buying and selling securities on the open market. See 12 U.S.C. §§ 341-361.

Each Bank is statutorily empowered to conduct these activities without day-to-day direction from the federal government. Thus, for example, the interest rates on advances to member banks, individuals, partnerships, and corporations are set by each Reserve Bank and their decisions regarding the purchase and sale of securities are likewise independently made.

It is evident from the legislative history of the Federal Reserve Act that Congress did not intend to give the federal government direction over the daily operation of the Reserve Banks:

It is proposed that the Government shall retain sufficient power over the reserve banks to enable it to exercise a direct authority when necessary to do so, but that it shall in no way attempt to carry on through its own mechanism the routine operations and banking which require detailed knowledge of local and individual credit and which determine the funds of the community in any given instance. In other

words, the reserve bank plan retains to the Government power over the exercise of the broader banking functions, while it leaves to individuals and privately owned institutions the actual direction of routine.

H.R. Report No. 69, 63 Cong. 1st Sess. 1819 (1913).

The fact that the Federal Reserve Board regulates the Reserve Banks does not make them federal agencies under the Act. In *United States v. Orleans*, 425 U.S. 807, 96 S.Ct. 1971, 48 L.Ed.2d 390 (1976), the Supreme Court held that a community action agency was not a federal agency or instrumentality for purposes of the Act, even though the agency was organized under federal regulations and heavily funded by the federal government. Because the agency's day to day operation was not supervised by the federal government, but by local officials, the Court refused to extend federal tort liability for the negligence of the agency's employees. Similarly, the Federal Reserve Banks, though heavily regulated, are locally controlled by their member banks. Unlike typical federal agencies, each bank is empowered to hire and fire employees at will. Bank employees do not participate in the Civil Service Retirement System. They are covered by worker's compensation insurance, purchased by the Bank, rather than the Federal Employees Compensation Act. Employees traveling on Bank business are not subject to federal travel regulations and do not receive government employee discounts on lodging and services.

The Banks are listed neither as "wholly owned" government corporations under 31 U.S.C. § 846 nor as "mixed ownership" corporations under 31 U.S.C. § 856, a factor considered in *Pearl v. United States*, 230 F.2d 243 (10th Cir. 1956), which held that the Civil Air Patrol is not a federal agency under the Act. Closely resembling the status of the Federal Reserve Bank, the Civil Air Patrol is a non-profit, federally chartered corporation organized to serve the public welfare. But because Congress' control over the Civil Air Patrol is limited and the corporation is not designated as a wholly owned or mixed ownership government corporation under 31 U.S.C. §§ 846 and 856, the court concluded that the corporation is a non-governmental, independent entity, not covered under the Act.

Additionally, Reserve Banks, as privately owned entities, receive no appropriated funds

from Congress. *Cf. Goddard v. District of Columbia Redevelopment Land Agency*, 287 F.2d 343, 345 (D.C.Cir. 1961), cert. denied, 366 U.S. 910, 81 S.Ct. 1085, 6 L.Ed.2d 235 (1961) (court held land redevelopment agency was federal agency for purposes of the Act in large part because agency received direct appropriated funds from Congress.)

Finally, the Banks are empowered to sue and be sued in their own name. 12 U.S.C. § 341. They carry their own liability insurance and typically process and handle their own claims. In the past, the Banks have defended against tort claims directly, through private counsel, not government attorneys, e.g., *Banco De Espana v. Federal Reserve Bank of New York*, 114 F.2d 438 (2d Cir. 1940); *Huntington Towers v. Franklin National Bank*, 559 F.2d 863 (2d Cir. 1977); *Bollow v. Federal Reserve Bank of San Francisco*, 650 F.2d 1093 (9th Cir. 1981), and they have never been required to settle tort claims under the administrative procedure of 28 U.S.C. § 2672. The waiver of sovereign immunity contained in the Act would therefore appear to be inapposite to the Banks who have not historically claimed or received general immunity from judicial process.

[3] The Reserve Banks have properly been held to be federal instrumentalities for some purposes. In *United States v. Hollingshead*, 672 F.2d 751 (9th Cir. 1982), this court held that a Federal Reserve Bank employee who was responsible for recommending expenditure of federal funds was a "public official" under the Federal Bribery Statute. That statute broadly defines public official to include any person acting "for or on behalf of the Government." S. Rep. No. 2213, 87th Cong., 2nd Sess. (1962), reprinted in [1962] U.S. Code Cong. & Ad. News 3852 3856. See 18 U.S.C. § 201(a). The test for determining status as a public official turns on whether there is "substantial federal involvement" in the defendant's activities. *United States v. Hollingshead*, 672 F.2d at 754. In contrast, under the FTCA, federal liability is narrowly based on traditional agency principles and does not necessarily lie when the tortfeasor simply works for an entity, like the Reserve Banks, which perform important activities for the government.

[4, 5] The Reserve Banks are deemed to be federal instrumentalities for purposes of immunity from state taxation. *Federal Reserve Bank of Boston v. Commissioner of Corporations &*

Taxation, 499 F.2d 60 (1st Cir. 1974), after remand, 520 F.2d 221 (1st Cir. 1975); *Federal Reserve Bank of Minneapolis v. Register of Deeds*, 288 Mich. 120, 284 N.W. 667 (1939). The test for determining whether an entity is a federal instrumentality for purposes of protection from state or local action or taxation, however, is very broad: whether the entity performs an important governmental function. *Federal Land Bank v. Bismarck Lumber Co.*, 314 U.S. 95, 102, 62 S.Ct. 1, 5, 86 L.Ed. 65 (1941); *Rust v. Johnson*, 597 F.2d 174, 178 (9th Cir. 1979), cert. denied, 444 U.S. 964, 100 S.Ct. 450, 62 L.Ed.2d 376 (1979). The Reserve Banks, which further the nation's fiscal policy, clearly perform an important governmental function.

Performance of an important governmental function, however, is but a single factor and not determinative in tort claims actions. *Federal Reserve Bank of St. Louis v. Metrocentre Improvement District*, 657 F.2d 183, 185 n.2 (8th Cir. 1981), *Cf. Pearl v. United States*, 230 F.2d 243 (10th Cir. 1956). State taxation has traditionally been viewed as a greater obstacle to an entity's ability to perform federal functions than exposure to judicial process; therefore tax immunity is liberally applied. *Federal Land Bank v. Priddy*, 294 U.S. 229, 235, 55 S.Ct. 705, 708, 79 L.Ed. 1408 (1955). Federal tort liability, however, is based on traditional agency principles and thus depends upon the principal's ability to control the actions of his agent, and not simply upon whether the entity performs an important governmental function. See *United States v. Orleans*, 425 U.S. 807, 815, 96 S.Ct. 1971, 1976, 48 L.Ed.2d 390 (1976), *United States v. Logue*, 412 U.S. 521, 527-28, 93 S.Ct. 2215, 2219, 37 L.Ed.2d 121 (1973).

Brinks Inc. v. Board of Governors of the Federal Reserve System, 466 F.Supp. 116 (D.D.C. 1979), held that a Federal Reserve Bank is a federal instrumentality for purposes of the Service Contract Act, 41 U.S.C. § 35. Citing *Federal Reserve Bank of Boston and Federal Reserve Bank of Minneapolis*, the court applied the "important government function" test and concluded that the term "Federal Government" in the Service Contract Act must be "liberally construed to effectuate the Act's humanitarian purposes of providing minimum wage and fringe benefit protection to individuals performing contracts with the federal government." *Id.* 288 Mich. at 120, 284 N.W.2d 667.

Such a liberal construction of the term "federal agency" for purposes of the Act is unwarranted. Unlike in *Brinks*, plaintiffs are not without a forum in which to seek a remedy, for they may bring an appropriate state tort claim directly against the Bank; and if successful, their prospects of recovery are bright since the institutions are both highly solvent and amply insured.

For these reasons we hold that the Reserve Banks are not federal agencies for purposes of the Federal Tort Claims Act and we affirm the judgment of the district court.

AFFIRMED.

**The Honorable Gus J. Solomon, Senior District Judge for the District of Oregon, sitting by designation.*

EXHIBIT 2

CONSTITUTIONAL LAW 16 Am Jur 2d

D. Effect of Totally or Partially Unconstitutional Statutes

1. Total Unconstitutionality

§ 256. Generally.

The general rule is that an unconstitutional statute, whether federal³⁹ or state,⁴⁰ though having the form and name of law, is in reality no law,⁴¹ but is wholly void,⁴² and ineffective for any purpose,⁴³ since unconstitutionality dates from the time of its enactment, and not merely from the date of the decision so branding it,⁴⁴ an unconstitutional law, in legal contemplation, is as inoperative as if it had never been passed.⁴⁵ Such a statute leaves the question that it purports to settle just as it would be had the statute not been enacted.⁴⁶ No repeal of such an enactment is necessary.⁴⁷

Since an unconstitutional law is void, the general principles follow that it imposes no duties,⁴⁸ confers no rights,⁴⁹ creates no office,⁵⁰ bestows no power or authority on anyone,⁵¹ affords no protection,⁵² and justifies no acts performed under it.⁵³ A contract which rests on an unconstitutional statute creates no obligation to be impaired by subsequent legislation.⁵⁴

No one is bound to obey an unconstitutional law⁵⁵ and no courts are bound to enforce it.⁵⁶ Persons convicted and fined under a statute subsequently held unconstitutional may recover the fines paid.⁵⁷

A void act cannot be legally inconsistent with a valid one.⁵⁸ And an unconstitutional law cannot operate to supersede any existing valid law.⁵⁹ Indeed, insofar as a statute runs counter to the fundamental law of the land, it is superseded thereby.⁶⁰ Since an unconstitutional statute cannot repeal or in any way affect an existing one,⁶¹ if a repealing statute is unconstitutional, the statute which it attempts to repeal remains in full force and effect.⁶² And where a clause repealing a prior law is inserted in an act, which act is unconstitutional and void, the provision for the repeal of the prior law will usually fall with it and will not be permitted to operate as repealing such prior law.⁶³

The general principles stated above apply to the constitutions as well as to the laws of the several states insofar as they are repugnant to the Constitution and laws of the United States.⁶⁴ Moreover, a construction of a statute which brings it in conflict with a constitution will nullify it as effectually as if it had, in express terms, been enacted in conflict therewith.⁶⁵

An unconstitutional portion of a statute may be examined for the purpose of ascertaining the scope and effect of the valid portions.⁶⁶

³⁹Under Article VI of the United States Constitution, it is not the laws of the United States, but the laws of the United States which shall be made in pursuance of the Constitution, that bind the judges in every state. *People v Long I.R.R.*, 113 Misc 700, 185 NYS 594, revd on other grounds 195 App Div 897, 186 NYS 589.

⁴⁰*Atkins v Hertz Drivursel' Stations, Inc.* 261 NY 352, 185 NE 408, affd 291 US 641, 78 L Ed 1039, 54 S Ct 437.

⁴¹*Chicago, I. & L.R. Co. v Hackett*, 228 US 559, 57 L Ed 966, 33 S Ct 581; *United States v Realty Co.*, 163 US 427, 41 L Ed 215, 16 S Ct 1120; *Huntington v Worthen*, 120 US 97, 30 L Ed 588, 7 S Ct 469; *Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Ex parte Royall*, 117 US 241, 29 L Ed 868, 6 S Ct 734; *Hirsh v Block*, 50 App DC 56, 267 F 614, 11 ALR 1238, cert den 254 US 640, 65 L Ed 452, 41 S Ct 13; *Texas Co. v State*, 31 Ariz 485, 254 P 1060, 53 ALR 258; *Quong Ham Wah Co. v Industrial Acci. Com.*, 184 Cal 26, 192 P 1021, 12 ALR 1190, writ dismissed 255 US 445, 65 L Ed 723, 41 S Ct 373; *State ex*

rel. *Nuveen v Greer*, 88 Fla 249, 102 So 739, 37 ALR 1298; *Commissioners of Roads & Revenues v Davis*, 213 Ga 792, 102 SE2d 180; *Grayson-Robinson Stores, Inc. v Oneida, Ltd.*, 209 Ga 613, 75 SE2d 161, cert den 346 US 823, 98 L Ed 348, 74 S Ct 39; *State v Garden City*, 74 Idaho 513, 265 P2d 328; *Security Sav Bank v Connell*, 198 Iowa 564, 200 NW 8, 36 ALR 486; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; Re Opinion of Justices, 269 Mass 611, 168 NE 536, 66 ALR 1477; State ex rel. *Miller v O'Malley*, 342 Mo 641, 117 SW2d 319; *Garden of Eden Drainage Dist. v Bartlett Rust Co.*, 330 Mo 554, 50 SW2d 627, 84 ALR 1078; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *Daly v Beery*, 45 ND 287, 178 NW 104; *Threadgill v Cross*, 26 Okla 403, 109 P 558; Ex parte Hollman, 79 SC 9, 60 SE 19; *Atkinson v Southern Express Co.*, 94 SC 444, 78 SE 516; *Henry County v Standard Oil Co.*, 167 Tenn 485, 71 SW2d 683, 93 ALR 1483; *Peay v Nolan*, 157 Tenn 222, 7 SW2d 815, 60 ALR 408; State ex rel. *University of Utah v Candland*, 36 Utah 406, 104 P 285; *Miller v State Entomologist*, 146 Va 175, 135 SE 813, 67 ALR 197, affd 276 US 272, 72 L Ed 568, 48 S Ct 246; *Bonnett v Vallier*, 136 Wis 193, 116 NW 885; *Cincinnati, W. & Z. R. Co. v Commissioners of Clinton County*, 1 Ohio 77.

"An unconstitutional law is void and is as no law. An offense created by it is no crime. A conviction under it is not merely erroneous, but is illegal and void and cannot be a legal cause of imprisonment." Ex parte Siebold, 100 US 371, 25 L Ed 717.

A discriminatory law is, equally with the other laws offensive to the constitution, no law at all. *Quong Ham Wah Co. v Industrial Acci. Com.*, 184 Cal 26, 192 P 1021, 12 ALR 1190, writ dismissed 255 US 445, 65 L Ed 723, 41 S Ct 373.

"Ex parte Royall, 117 US 241, 29 L Ed 868, 6 S Ct 734; Ex parte Siebold, 100 US 371, 25 L Ed 717; *Cohens v Virginia*, 19 US 264, 5 L Ed 257; State ex rel. *Nuveen v Greer*, 88 Fla 249, 102 So 739, 37 ALR 1298; *Commissioners of Roads & Revenues v Davis*, 213 Ga 792, 102 SE2d 180; *Grayson-Robinson Stores, Inc. v Oneida, Ltd.*, 209 Ga 613, 75 SE2d 161, cert den 346 US 823, 98 L Ed 348, 74 S Ct 39; *Hillman v Pocatello*, 74 Idaho 69, 256 P2d 1072; *Henderson v Lieber's Ex'r*, 175 Ky 15, 192 SW 830, 9 ALR 620; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; Re Opinion of Justices, 269 Mass 611, 168 NE 536, 66 ALR

1477; *President, Directors & Co. of Michigan State Bank v Hastings (Mich)* 1 Dougl 225; *Garden of Eden Drainage Dist. v Bartlett Rust Co.*, 330 Mo 554, 50 SW2d 627, 84 ALR 1078; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; State ex rel. *Stevenson v Tuflly*, 20 Nev 427, 22 P 1054; *State v Williams*, 146 NC 618, 61 SE 61; *Daly v Beery*, 45 ND 287, 178 NW 104; *Atkinson v Southern Express Co.*, 94 SC 444, 78 SE 516; Ex parte Hollman, 79 SC 9, 60 SE 19; *Henry County v Standard Oil Co.*, 167 Tenn 485, 71 SW2d 683, 93 ALR 1483; *Peay v Nolan*, 157 Tenn 222, 7 SW2d 815, 60 ALR 408; *Miller v Davis*, 136 Tex 299, 150 SW2d 973, 136 ALR 177; *Almond v Day*, 197 Va 419, 89 SE2d 851; *Miller v State Entomologist*, 146 Va 175, 135 SE 813, 67 ALR 197, affd 276 US 272, 72 L Ed 568, 48 S Ct 246; *Servonitz v State*, 133 Wls 231, 113 NW 277; State ex rel. *Hostetter v Hunt*, 132 Ohio St 568, 8 Ohio Ops 558, 9 NE2d 676, reh den.

Unconstitutionality is illegality of the highest order. *Board of Zoning Appeals v Decatur Co. of Jehovah's Witnesses*, 233 Ind 83, 117 NE2d 115.

"State v One Oldsmobile Two-Door Sedan, 227 Minn 280, 35 NW2d 525; *Grieb v Department of Liquor Control*, 153 Ohio St 77, 41 Ohio Ops 148, 90 NE2d 691.

An unconstitutional statute is of no effect and binding on no one. Ex parte Messer, 87 Fla 92, 99 So 330.

"State ex rel. *Nuveen v Greer*, 88 Fla 249, 102 So 739, 37 ALR 1298; State ex rel. *Miller v O'Malley*, 342 Mo 641, 117 SW2d 319; *Bonham v Hamilton*, 66 Ohio St 82, 63 NE 597.

"*Chicago, I. & L. R. Co. v Hackett*, 228 US 559, 57 L Ed 966, 33 S Ct 581; *Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Louisiana v Pilsbury*, 105 US 278, 26 L Ed 1090; *Gunn v Barry*, 82 US 610, 21 L Ed 212; *Hirsh v Block*, 50 App DC 56, 267 F 614, 11 ALR 1238, cert den 254 US 640, 65 L Ed 452, 41 S Ct 13; *Texas Co. v State*, 31 Ariz 485, 254 P 1060, 53 ALR 258; *Morgan v Cook* 211 Ark 755, 202 SW2d 355; *Connecticut Baptist Convention v McCarthy*, 128 Conn 701, 25 A2d 656; *Commissioners of Roads & Revenues v Davis*, 213 Ga 792, 102 SE2d 180; *Grayson-Robinson Stores, Inc. v Oneida, Ltd.*, 209 Ga 613, 75 SE2d 161, cert den 346 US 823, 98 L Ed 348, 74 S Ct 39; *Security Sav. Bank v Connell*, 198 Iowa 564, 200 NW 8, 36 ALR 486; *Flournoy v First Nat. Bank*, 197 La

1067, 3 So 2d 244; *Cooke v Iverson*, 108 Minn 388, 122 NW 251; *Clark v Grand Lodge, B.R.T.*, 328 Mo 1084, 43 SW2d 404, 88 ALR 150; *St. Louis v Polar Wave Ice & Fuel Co.*, 317 Mo 907, 296 SW 993, 54 ALR 1082; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *Daly v Beery*, 45 ND 287, 178 NW 104; State ex rel. *Tharel v Board of County Com'rs*, 188 Okla 184, 107 P2d 542; *Atkinson v Southern Express Co.*, 94 SC 444, 78 SE 516; *Henry County v Standard Oil Co.*, 167 Tenn 485, 71 SW2d 683, 93 ALR 1483; State ex rel. *University of Utah v Candland*, 36 Utah 406, 104 P 285; *Bonnett v Vallier*, 136 Wis 193, 116 NW 885; *Brandenstein v Hoke*, 101 Cal 131, 35 P 562; State ex rel. *West v Butler*, 70 Fla 102, 69 So 771; *Briggs v Campbell, Wyant & Cannon Foundry Co.*, 2 Mich App 204, 139 NW2d 336, affd 379 Mich 160, 150 NW2d 752; State ex rel. *Allison v Garver*, 66 Ohio St 555, 64 NE 573.

"*Commissioners of Roads & Revenues v Davis*, 213 Ga 792, 102 SE2d 180; *Grayson-Robinson Stores, Inc. v Oneida, Ltd.*, 209 Ga 613, 75 SE2d 161, cert den 346 US 823, 98 L Ed 348, 74 S Ct 39; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Clark v Grand Lodge, B.R.T.*, 328 Mo 1084, 43 SW2d 404, 88 ALR 150; *Cleveland v Watertown*, 99 Misc 66, 165 NYS 305, affd 179 App Div 954, 166 NYS 286, revd 222 NY 159, 118 NE 500; *Atkinson v Southern Express Co.*, 94 SC 444, 78 SE 516.

"A nullity needs no repeal. *Nicol v Board of Education*, 125 Misc 678, 211 NYS 749.

"*Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Security Sav. Bank v Connell*, 198 Iowa 564, 200 NW 8, 36 ALR 486; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Kesbec, Inc. v Taylor*, 253 App Div 353, 2 NYS2d 241, mod on other grounds 278 NY 293, 16 NE2d 288, 119 ALR 536, reh den 278 NY 716, 17 NE2d 136; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *Daly v Beery*, 45 ND 287, 178 NW 104; *Henry County v Standard Oil Co.*, 167 Tenn 485, 71 SW2d 683, 93 ALR 1483; State ex rel. *University of Utah v Candland*, 36 Utah 406, 104 P 285.

"*Chicago, I. & L.R. Co. v Hackett*, 228 US 559, 57 L Ed 966, 33 S Ct 581; *Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Hirsh v Block*, 50 App DC 56, 267 F 614, 11 ALR 1238, cert den 254 US 640, 65 L Ed 452, 41 S Ct 13; *Smith v Costello*, 77 Idaho 205, 290 P2d 742,

56 ALR2d 1020; *Security Sav. Bank v Connell*, 198 Iowa 564, 200 NW 8, 36 ALR 486; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Garden of Eden Drainage Dist. v Bartlett Rust Co.*, 330 Mo 554, 50 SW2d 627, 84 ALR 1078; *St. Louis v Polar Wave Ice & Fuel Co.*, 317 Mo 907, 296 SW 993, 54 ALR 1082; *Watkins v Dodson*, 159 Neb 745, 68 NW2d 508; State ex rel. *Charleston, C. & C.R. Co. v Whitesides*, 30 SC 579, 9 SE 661; *Kesbec, Inc. v Taylor*, 253 App Div 353, 2 NYS2d 241, mod on other grounds 278 NY 293, 16 NE2d 288, 119 ALR 536, reh den 278 NY 716, 17 NE2d 136; *Henry County v Standard Oil Co.*, 167 Tenn 485, 71 SW2d 683, 93 ALR 1483.

Under Nebraska law an unconstitutional statute is an utter nullity, is void from the date of its enactment, and is incapable of creating any rights. *Propst v Board of Educational Lands & Funds (DC Neb)* 103 F supp 457, app dismissed 343 US 901, 96 L Ed 1321, 72 S Ct 636, reh den 343 US 937, 96 L Ed 1344, 72 S Ct 769.

Compare *Swijt v Calnan*, 102 Iowa 206, 71 NW 233, holding that while no right may be based upon an unconstitutional statute, part of its provisions may be considered in construing other provisions confessedly good, in arriving at the correct interpretation of the latter.

As to the effect of, and rights under, a judgment based upon an unconstitutional law, see 46 Am Jur 2d, JUDGMENTS § 19; as to the res judicata effect of such a judgment, see 46 Am Jur 2d, JUDGMENTS § 441.

"*Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Security Sav. Bank v Connell*, 198 Iowa 564, 200 NW 8, 36 ALR 486; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244.

"*Felix v Board of Com'rs*, 62 Kan 832, 62 P 667; *Henderson v Lieber's Ex'r*, 175 Ky 15, 192 SW 830, 9 ALR 620; *Flournoy v First Nat Bank*, 197 La 1067, 3 So 2d 244; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *Daly v Beery*, 45 ND 287, 178 NW 104.

"*Norton v Shelby County*, 118 US 425, 30 L Ed 178, 6 S Ct 1121; *Huntington v Worthen*, 120 US 97, 30 L Ed 588, 7 S Ct 469; *Osborn v President, Directors & Co. of Bank*, 22 US 738, 6 L Ed 204; *Smith v Costello*, 77 Idaho 205, 290 P2d 742, 56 ALR2d 1020; *Board of Highway Com'rs v Bloomington*, 253 Ill 164, 97 NE 280; *Security Sav. Bank v Connell*, 198 Iowa 564, 200 NW 8, 36

ALR 486; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *St. Louis v Polar Wave Ice & Fuel Co.*, 317 Mo 907, 296 SW 993, 54 ALR 1082; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *State v Williams*, 146 NC 618, 61 SE 61; *Daly v Beery* 45 ND 287, 178 NW 104; *Atkinson v Southern Express Co.*, 94 SC 444, 78 SE 516; *Sharber v Florence*, 131 Tex 341, 115 SW2d 604; *State ex rel. University of Utah v Candland*, 36 Utah 406, 104 P 285; *Bonnett v Vallier*, 136 Wis 193, 116 NW 885; *Little Rock & F.S. Railway v Huntington*, 120 US 160, 30 L Ed 591, 7 S Ct 517.

It is said that all persons are presumed to know the law, meaning that ignorance of the law excuses no one; if any person acts under an unconstitutional statute, he does so at his peril and must take the consequences. *Sumner v Beeler*, 50 Ind 341.

As to the limitations to which this rule is subject, see §257, *infra*.

¹⁰*Osborn v President, Directors & Co. of Bank*, 22 US 738, 6 L Ed 204; *Millet v Rizzo* (La App) 2 So 2d 244; *Board of Managers v Wilmington*, 237 NC 179, 74 SE2d 749; *State ex rel. Tharel v Board of County Com'rs*, 188 Okla 184, 107 P2d 542; *Sharber v Florence*, 131 Tex 341, 115 SW2d 604; *People ex rel. McLees v Berner*, 170 Misc 501, 10 NYS2d 339.

¹¹"A contract executed solely for the purpose of complying with the provisions of an unconstitutional statute is not valid, and the person who under its terms is obligated to comply with the provisions of the unconstitutional act is entitled to relief. *Cleveland v Clements Bros. Const. Co.*, 67 Ohio St 197, 65 NE 885; *Jones v Columbian Carbon Co.*, 132 W Va 219, 51 SE2d 790.

Generally, as to the application to invalidate contracts of the obligation of contracts guaranty, see §688, *infra*.

¹²*Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *State ex rel. Clinton Falls Nursery Co. v Steele County Board of Com'rs*, 181 Minn 427, 232 NW 737, 71 ALR 1190; *St. Louis v Polar Wave Ice & Fuel Co.*, 317 Mo 907, 296 SW 993, 54 ALR 1082; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *Amyot v Caron*, 88 NH 394, 190 A 134; *State v Williams*, 146 NC 618, 61 SE 61; *Daly v Beery*, 45 ND 287, 178 NW 104.

¹³*Chicago, I. & L.R. Co. v Hackett*, 228 US 559, 57 L Ed 966, 33 S Ct 581; *United States v Realty Co.*, 163 US 427, 41 L Ed 215, 16 S Ct 1120; *Payne v Griffin* (DC GA) 51 F Supp 588; *Hammond v Clark*, 136 Ga 313, 71 SE 479; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Anderson v Lehmkuhl*, 119 Neb 451, 229 NW 773; *State v Williams*, 146 NC 618, 61 SE 61; *Daly v Beery*, 45 ND 287, 178 NW 104; *State ex rel. Weinberger v Miller*, 87 Ohio St 12, 99 NE 1078.

Only the valid legislative intent becomes the law to be enforced by the courts. *State ex rel. Clarkson v Phillips*, 70 Fla 340, 70 So 367; *Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244.

¹⁴*Neely v United States* (CA3 Pa) 546 F2d 1059, 41 ALR Fed 331, reh den (CA3 Pa) 554 F2d 114 and on remand (WD Pa) 78 FRD 515, dismd without op (CA3 Pa) 594 F2d 855.

¹⁵*Re Application of Spencer*, 228 US 652, 57 L Ed 1010, 33 S Ct 709; *Board of Managers v Wilmington*, 237 NC 179, 74 SE2d 749.

¹⁶*Chicago, I. & L.R. Co. v Hackett*, 228 US 559, 57 L Ed 966, 33 S Ct 581; *Berry v Summers*, 78 Idaho 446, 283 P2d 1093; *Board of Managers v Wilmington*, 237 NC 179, 74 SE2d 749; *State v Savage*, 96 Or 53, 184 P 567, adhered to 96 Or 65, 189 P 427.

¹⁷*Thiede v Scandia Valley*, 217 Minn 218, 14 NW2d 400.

¹⁸*State v One Oldsmobile Two-Door Sedan*, 227 Minn 280, 35 NW2d 525.

¹⁹*State ex rel. Boyd v Green* (Fla) 355 So 2d 789; *State v One Oldsmobile Two-Door Sedan*, *supra*; *State v Kolocotronis*, 73 Wash 2d 92, 436 P2d 774; *Boeing Co. v State*, 74 Wash 2d 82, 442 P2d 970.

²⁰§264, *infra*.

²¹*Gunn v Barry*, 82 US 610, 21 L Ed 212; *Cohens v Virginia*, 19 US 264, 5 L Ed 257.

²²*Flournoy v First Nat. Bank*, 197 La 1067, 3 So 2d 244; *Gilkeson v Missouri P.R. Co.*, 222 Mo 173, 121 SW 138; *Peay v Nolan*, 157 Tenn 222, 7 SW2d 815, 60 ALR 408.

²³*Beneficial Loan Soc. v Haight*, 215 Cal 506, 11 P2d 857.

As to partial unconstitutionality of statutes, see §§ 260 et seq., *infra*.

"If the Nation can issue a dollar bond it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets the money broker 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 and cannot issue currency. Both are promises to pay, but the one fattens the usurer and the other helps the People."

THOMAS EDISON

A NATION IN HOCK IDAHO TESTIMONY REVEALS FEDERAL RESERVE HAS LIEN AGAINST ALL U.S. PROPERTY

Trillion dollar national debt, money borrowed by the Federal government from the Federal Reserve System, a private banking cartel, is a lien against all property in the United States, both public and private, constitutionalist tells panel investigating cause for bankrupt society.

Solution is citizen participation in State demand for repeal of Federal Reserve Act, restoring to Congress power to 'borrow money on credit of the United States,' and returning control of economy to the people, speaker says.

On 7 March 1983 Archibald Roberts, Director, Committee to Restore the Constitution, appeared before the Idaho Senate State Affairs Committee, Honorable Walter H. Yarbrough, Chairman, to testify in support of House Joint Memorial #3, calling for repeal of the Federal Reserve Act of 1913.

Introduced by Representative Frank Findlay in response to demand by thousands of irate Idaho

citizens, HJM #3 was adopted 46 to 22 by the House of Representatives on 4 February.

Senate hearings of 7 March resulted in passage by voice vote on 14 March, propelling Idaho into ranks of states challenging the constitutionality of the Federal Reserve Act.

State legislative action on the Federal Reserve demonstrates a national movement of enormous potential for reversing decline of the American civilization.

Following is a transcription from a live tape recording of address by Col. Roberts, and questions on the issue by Senate Committee members.

Mr. Chairman and members of the Senate State Affairs Committee, my name is Archibald Roberts. I am a resident of Fort Collins, Colorado, and the Director of the Committee to Restore the Constitution. The Committee is a non-profit corporation. We are a political research and public information organization. The thrust of the

Committee to Restore the Constitution, Mr. Chairman and members, is to encourage support of the Articles of the Constitution within the borders of each State. The reason for that, of course, is that the State is the principal under the Constitution having created the Federal government by the first three articles of the Constitution. Since we are dealing with Principal and Agent, it is clearly the responsibility of the respective States, as Principals, to correct any excesses of their Federal agencies in Washington, D.C. And so, in the case of the Federal Reserve Act, which we will show later in this presentation to be unconstitutional, it will be our purpose to support the resolution now before this Committee, that is House Joint Resolution No. 3, calling for repeal of the Federal Reserve Act of 1913.

During the next few minutes, Mr. Chairman, I would like to present to the Committee the origins of the national economic crisis. This, of course is at the heart of any consideration for corrective action. We will also reveal what we consider to be the proper solution for these excesses by Federal agencies, namely repeal of the Federal Reserve Act of 1913.

Because the State is superior to its creature, it is obviously the constitutional responsibility of elected state officials, representing their constituencies, to take whatever action is necessary to enforce the articles of the Constitution within the borders of the State of Idaho. Of course, all political power flows from the people. It is the responsibility of the individual citizen, therefore, to bring to the attention of elected officials violations of the Constitution, or abridgements thereof, which threaten any of the freedoms of persons or property guaranteed to the people by the Constitution.

Now the issue of economic crisis.

I believe that the magnitude of this problem, Mr. Chairman, was revealed by an Associated Press story out of Washington dated the 24th of June, 1982. The Treasury financial report of this date stated that the Federal debt was \$1,070,241,000,000. The Associated Press story stated that Congress' limitation on the national debt is the reason the Senate had raised the ceiling to accommodate an anticipated budget deficit in excess of \$100,000,000,000.

Mr. Chairman, we know now that since that date the deficit has been raised substantially.

These are very grave conditions with a national debt of over one trillion dollars and an estimated deficit of 170 billion. Mr. Marvin Stone, Mr. Chairman, the editor of *U.S. News and World Report*, declared on the 28th of June, 1982, that today's interest on the national debt is over \$100 billion annually, based on the trillion dollar national debt. \$100 billion interest paid on the national debt. The significance here of course, is that the so-called trillion dollar debt is money borrowed by the Federal government from the Federal Reserve which is, as we will show, a private banking establishment. Therefore, the interest of \$100 billion paid on the national debt is actually paid to the private banking cartel called the Federal Reserve, and its Class A stockholders.

I think that Americans, and particularly the people of Idaho should know to whom this trillion dollars is owed, and who collects the \$100 billion dollar interest payment which we have identified. And finally, are America's taxpayers actually victims of a gigantic hoax. If the later is the case, then we of course are dealing with a criminal conspiracy.

A clue to these questions is found in a United Press International release which stated, and I quote, "Panel to Decide U.S. Monetary Course." Panel meaning the Federal Reserve Panel. This is a *Rocky Mountain News* article Mr. Chairman, and it revealed that the Federal Reserve Open Market Committee is the policy making body of the Federal Reserve System. Therefore, this Committee sets the course of the U.S. economy. It sets the interest rates on all money loaned by the banks and trickles down to the other lending agencies. It also, of course, determines the amount of Federal Reserve notes in circulation, which are not based on anything of value but are created out of thin air. It determines the stock market action, whether it will be up or down, and other factors which have a direct bearing on whether Americans and the citizens of Idaho will live in a bankrupt or a prosperous society. We are now living in a bankrupt society directly due to the manipulation of credit and the volume of currency put into circulation by the Federal Reserve System.

I think it would be prudent to follow this lead which we have uncovered to determine how it affects individuals involved in the lawmaking process, and of course, their constituents living in the State of Idaho.

Mr. Chairman and members of this Committee, I testified on the Federal Reserve System before the Wisconsin State Affairs Committee in Madison, Wisconsin on 30 March 1971. The title of my address was "The Secret Government of Monetary Power." This address was placed in the Congressional Record on the 19th of April, 1971, under the title "The Most Secret Science." Extracts of the Madison speech have a direct bearing on today's economic ills and explain how a secret government of monetary power did seize control of the Federal government in 1913. Since that time, Americans have existed at the whim of those who control the economy through the Federal Reserve System.

Before we examine this particular part of the presentation Mr. Chairman, it would be well to agree on the authority, the Law, affecting the economic situation in the United States. Mr. Chairman, the Constitution is very specific about control of the economy and the fiscal process of the United States. Article 1, section 8, directs that the Congress is authorized to borrow money on the credit of the United States, and to coin money and regulate the value thereof. Federal Agents, Mr. Chairman, are prohibited from modifying the Constitution or to transfer these vast powers to a private banking cartel. There is no authority in the Constitution permitting such usurpation of power. Later in this presentation, Mr. Chairman, we'll show how the State of Arizona, acting on this authority, that is the quoted authority of the Constitution, memorialized the President and Congress to rescind the Federal Reserve Act, as the resolution before this Committee proposes to do.

The Federal Reserve, as we have pointed out previously, is not a government agency. It is a private banking cartel. This is the crux of the issue. I think it might be pertinent therefore, Mr. Chairman, to examine the authority which the Federal Reserve itself declares established its legal status. This authority is quoted in a statement submitted to Congressman Wright Patman, who was then Banking and Currency Board Chairman, by the Board of Governors of the Federal Reserve System. This statement was made the 14th of April, 1952, and is as applicable today as it was then. I quote, "The twelve Federal Reserve Banks of the Federal Reserve Board are corporations set up by Federal law to operate for public purposes and are placed under government supervision." The Board further advised Mr. Patman, and again

I quote, "The Board of Governors was created by Congress and is a part of the government of the United States. Its members," they said assuringly, "are appointed by the President with the advice and consent of the Senate and it," that is the Fed, "has been held by the Attorney General to be a government establishment."

Mr. Patman retorted to these rather impressive claims and exploded the myth that the Federal Reserve acts with legality as a public servant. Mr. Patman stated, "There is no free market that can cope with a national debt of \$272 billion dollars, (This was in 1952. We are now well over one trillion dollars in debt as a result of the manipulation of the Federal Reserve) with 85 billion of it to be refunded within one year. The free market," he said, "means private manipulation of private credit."

As we have pointed out, Mr. Chairman, private manipulation of public credit is the purpose and objective of the Federal Reserve. I invite your attention again, Mr. Chairman and members, to Article 1 section 8 of the Constitution which declares that only the Congress can "borrow money on the credit of the United States." But in fact, as Mr. Patman pointed out, the objective of the private Federal System is to borrow money on the public credit of the United States in violation of prohibitions of the Constitution.

Then Congressman Patman revealed the contradiction in this Federal Reserve claim of government agency status, and explained how the Fed generates illegitimate profits for its members. I quote, "The Open Market Committee of the Federal Reserve System is composed of seven members of the Board of Governors and five members who are presidents of Federal Reserve banks, and who are directed by private commercial banking interests. The Open Market Committee has the power to obtain, and does obtain, the printed money of the United States (Federal Reserve Notes) (free) from the Bureau of Engraving and Printing. The Fed exchanges these printed notes," the Federal Reserve notes, "which are not, of course, interest bearing, for government obligations which are interest bearing."

This is how interest is generated on the Federal debt, the one trillion dollar Federal debt; \$100 billion interest. And then Mr. Patman explained, "The interest bearing obligations are retained by the 12 Federal Reserve banks and the interest

collected annually on these government obligations goes to the funds of the 12 Federal Reserve banks."

Then Mr. Patman exploded the myth that the Federal Reserve System is an instrumentality of the Federal government. "These funds," that is interest paid on the national debt to the Federal Reserve banks, "these funds are expended by the Federal Reserve System without an accounting to the Congress. In fact, there has never been an independent audit of any of the 12 Federal Reserve banks or by the Federal Reserve Board that has been made available to the Congress, where members of the Congress would have an opportunity to inspect it. The General Accounting Office," Mr. Patman pointed out, "does not have jurisdiction over the Federal Reserve. For 40 years," (that was in 1952), "for 40 years the System while freely using the money, that is the credit of the government of the United States, has not made a proper accounting."

An even more damning indictment of the Federal Reserve System was made by the late Lewis T. McFadden, Chairman of the Banking and Currency Committee, United States Congress. Mr. McFadden stated, "Every effort has been made by the Fed to conceal its power, but the truth is the Fed has usurped the government and it controls everything here (in Congress) and it controls all of our foreign relations. It makes and breaks governments at will."

Mr. Chairman, it is obvious that when the power to control money is transferred from the people to a private banking monopoly, as it is now proven the case in America, that the sovereignty of the people is surrendered too. Control of wealth confers upon those who control it final decision in the domestic and international affairs of nations. When an invisible government of monetary power usurps the coin of the realm, the people are disfranchised and real political authority is transferred into the hands of a financial aristocracy. Mr. Chairman, I believe that an invisible government of monetary power will continue to control the American destiny and the lives of the people until informed citizens dismantle the Federal Reserve System.

As I suggested at the beginning of this presentation, Mr. Chairman and members, we do have good news. Returning America to fiscal sanity and political responsibility has already begun. We believe that the first State to introduce

legislation challenging the constitutionality of the Federal Reserve Act is Arizona. The 21st of January, 1982 is perhaps the most significant date of this century. On this date members of the Arizona State Legislature, in both the House and Senate, memorialized the President and Congress to enact such legislation as is necessary to repeal the Federal Reserve Act. The Arizona resolution is identical to the proposal now before this Committee.

I quote from a statement made by Representative D. Lee Jones, principal sponsor of the Arizona resolution. "We are determined to oust the Federal Reserve System out and away from our national pocketbook."

Asserting that only the Congress has the power to borrow money on the credit of the United States, and to coin money and regulate the value thereof, Arizona lawmakers, by a booming majority, affirmed that Congress is without authority to delegate these powers to private banking interests.

Again I quote the Arizona resolution. "The United States," they warned, "is facing in the current decade an economic debacle of massive proportions due in large measure to a continuing erosion of our national currency and the resulting high interest rates caused by policies of the Federal Reserve Board."

Mr. Chairman, quick to follow the Arizona lead, the following States also introduced companion resolutions: Washington State, Utah, Nebraska, Alabama, Indiana, North Carolina, South Carolina, Pennsylvania and Montana. All challenging the constitutionality of the Federal Reserve Act. Since that time we have had additional states join this most important movement. The latest of these being the state of Arkansas, where I testified before the Arkansas State Affairs Committee on the 15th of February and endorsed their resolution to rescind the Federal Reserve Act.

Without quoting any of the points of the Arkansas action I merely point out that it is the same resolution as is before this Committee.

Mr. Chairman, I believe that in this very brief presentation we have pointed out three important factors for consideration by this panel. First, the trillion dollar national debt is not owed to ourselves as government handouts would have you believe. It is owed to a private banking

monopoly, the Federal Reserve System. Therefore, Mr. Chairman, the national debt is a lien against all property in the United States both public and private. Two, interest on the national debt, which is over \$100 billion for this year, \$115 billion as a matter of fact, is paid to the Class A stockholders of the Federal Reserve System, a private banking monopoly. Three, the Federal Reserve Open Market Committee, that is the policy making body of the Federal Reserve System, determines interest rates, sets the volume of Federal Reserve notes in circulation, controls the stockmarket and rules on other public economic factors which determine whether Americans will live in a prosperous or a bankrupt society. We have also found, Mr. Chairman, that the Federal Reserve System, which is the source of our economic crisis, exists outside the Law; that is, in violation of prohibitions of the Constitution. Being in violation of the Constitution, Mr. Chairman, it must be put down. I believe, Mr. Chairman, that, the issue is clearly before us. Survival is not a spectator sport but requires the attention and consideration of all concerned Americans. This is the reason why I have been invited by your constituency to appear and present some of the facts behind the Federal Reserve System for your consideration.

Mr. Chairman, I invite questions if it is your pleasure.

Chairman Yarbrough: Thank you, Colonel. Is there a question?

Q: Mr. Chairman and Colonel Roberts, I was reading your *Bulletin Committee to Restore the Constitution* on the second page it refers to a court case, *John L. Lewis v. the United States of America*. Where the U.S. Court of Appeals held that the Reserve banks are independent, privately owned and locally controlled corporations. That being the case and considering the considerable damage that is being cited as being done to the citizens of this great State, wouldn't it be possible within our laws to have our own Attorney General file suit against them for reparation of some of the damages done to the citizens?

ROBERTS: Mr. Chairman, members, sir; Indeed this is one of the options available to members of this body, and we certainly would encourage such an investigation inasmuch as the Court has, in fact, found that the Federal Reserve is a private corporation, and therefore operates for the profit of its members, its member banks and the stockholders of these banks.

Q: Mr. Chairman, Colonel Roberts, then if I understand you correctly, you would view the urging of this legislative body to reintroduce perhaps a concurrent resolution that would ask the Attorney General of the State of Idaho to file suit in the appropriate court against the Federal Reserve System, or the Reserve banks, perhaps I should differentiate there, so that we might indeed recover damages for what we suffer.

ROBERTS: Mr. Chairman, members, sir, This is, of course, a later option in our opinion. The reason we believe it a later option is, number one, that it is our responsibility, first, to clarify the Law. Well, the Law is the Constitution, therefore, we must, in our opinion, go to the Congress with petitions from the various states demanding repeal of the Federal Reserve Act to clarify the Law. Once this action is under consideration, it is very feasible to then bring such action. However, in the case of the State of Washington, Mr. Chairman, sir, the action was, as you suggested, taken by one of the senators (Senator Jack Metcalf) in the State of Washington. However, the Attorney General of the State of Washington recommended withholding action on this case until such time as additional States entered into a supporting movement. So this is really a first step, in our opinion, to present, first, the clear cut statement of the State of Idaho that there is violation of the Constitution. Then when we have a sufficient number of States, and we already have 16 involved, so when we have a sufficient number of States to support such action as bringing a legal case, then we are obviously in a much better position. Thank you very much.

Q: Mr. Chairman, Just one more. Colonel Roberts, I have one case before the Supreme Court now I am in no hurry to start another one. You spoke about the size of the deficit, are you able to recall those, or do you have in print the various deficits for different years?

ROBERTS: No, I don't have that list before me, but certainly we could find it. The deficits are obviously mounting in proportion to the increased money borrowed by the government from the Federal Reserve System. So it is a variable of an ever increasing size, Mr. Chairman.

Chairman Yarbrough: Any other questions?

Q: Mr. Chairman, Colonel Roberts, would you be providing stockholding members of the Federal Reserve System by name?

ROBERTS: I think first, Mr. Chairman, it would

be helpful to identify the origins of the Federal Reserve System itself. Very briefly, without going into a lot of historical background, we can quote Colonel Ely Garrison who was a friend and financial advisor to President Theodore Roosevelt and President Woodrow Wilson, who was President at the time the Federal Reserve Act was passed. In his autobiographical book which is entitled, *Roosevelt, Wilson and the Federal Reserve Act*, Garrison wrote, and I quote, "Mr. Paul Warburg was the man who got the Federal Reserve Act together after the Aldrich plan aroused such nationwide resentment and opposition. The master mind of both plans," declared Garrison, "was Alfred Rothschild of London," end of quote.

Now to identify the real owners of the Federal Reserve which is your question sir, . . . Mr. Chairman, I would like to quote from sources from Switzerland and Saudi Arabia who were queried on the real owners of the Federal Reserve. Mr. Chairman and sir, we do not mean the managers of the twelve Federal Reserve banks who merely run the banks for the owners, the real owners. Nor do we mean the members of the Federal Reserve Board who merely make decisions in line and in consonance with the directions they receive from the real owners of the Federal Reserve. We certainly don't mean those who sit on the Open Market Committee of the Federal Reserve which we mentioned earlier in this presentation. We mean the real owners of the Federal Reserve. Mr. Chairman, this has been the best kept secret of this century. And it is the best kept secret because of a proviso on passage of the Federal Reserve Act. It was agreed that no information would be released on the Class A stockholders of the Federal Reserve. But, a Mr. R.E. McMaster, publisher of a newsletter, *The Reaper*, asked his Swiss and Saudi Arabian contacts which banks hold controlling interest in the Federal Reserve System. This was the answer received, and I quote, "Owner number one, Rothschild Banks of London and Berlin; Owner number two, Lazard Brothers Banks of Paris; Owner number three, Israel Moses Seif Banks of Italy; Owner number four, Warburg Bank of Hamburg and Amsterdam; Owner number five, Lehman Brothers Bank of New York; Owner number six, Kuhn, Loeb Bank of New York; Owner number seven, Chase Manhattan Bank of New York." Mr. Chairman, it is the Chase Manhattan Bank which controls all of the other

eleven Federal Reserve Banks. Finally, "Owner number eight, Goldman, Sachs Bank of New York."

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.

Q: You mentioned Class A stockholders. Now who would they be? The same bank members?

ROBERTS: These are the three hundred, sir, Mr. Chairman. These are the same three hundred that I mentioned at the end of this presentation who are Class A stockholders. We are in the process, of course, of seeking to identify these by name and address, but you can understand the difficulty of such investigative process. In fact, we are still in the process of locating the Articles of Incorporation of the Federal Reserve at the time it was passed in 1913. Again, we are obviously confronted by a massive wall of silence. So it is a difficult task. But nonetheless, we have made some breaches in their defense.

Q: What are the names of those eight members. I didn't get a chance to write them down.

ROBERTS: Mr. Chairman, sir, the listed names of the banks which own the Federal Reserve in the United States are in the copy of my presentation left with your secretary.

Q: Mr. Chairman, sir, supposing we had enough states to ratify this proposition and we stalled and curtailed the Federal Reserve Board. Do we have a plan where we could continue business as usual?

ROBERTS: Mr. Chairman, the question, of course is a very explicit one and that is that it really asks are we able to continue operating the economy without the Federal Reserve. I would point out, Mr. Chairman, sir, that the United States of America operated until 1913 without the service of the Federal Reserve through the existing agencies of government which still exist and function today. But the real control has been usurped from these agencies, authorized under the Constitution, and their power has been limited to merely approving what decisions are made by the owners of the Federal Reserve. So to answer your question, of course we'd continue the economy, but without paying the horrendous interest rates to the owners of the Federal Reserve. I would

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point out further, Mr. Chairman, that it would be our objective to repudiate the one trillion dollar national debt because it is not owed to us, it is owed to the Federal Reserve System. Since the Federal Reserve System, Mr. Chairman, is a criminal conspiracy, the ill-gotten gains, this trillion dollar debt, a lien against all private property in the United States, obviously is a criminal act against the people of the United States.

Chairman Yarbrough: Any further questions? If not Colonel, I believe there has always been a question involved in a lot of minds whether or not the Federal Reserve Board is a government agency or a private agency. Has there not been a recent court case to that effect.

ROBERTS: Mr. Chairman and members, the March 1983 *CRC Bulletin* produces in its entirety the Court decision to which you refer. This is, *Lewis v. the United States*, Court Case number 80-5905, United States Court of Appeals, Ninth Circuit Court, San Francisco, 19th of April, 1982. The entire text is reprinted so that there would be no question as to the finding, the ruling of the Court. The Court specifically stated that the Federal Reserve is a private banking monopoly.

Chairman Yarbrough: One further question along these same lines. Has this been appealed to the Supreme Court?

ROBERTS: Mr. Chairman, members, we do not have any record of appeal. If there is to be an appeal, and possibly there will be, then we'll bring that out later. I think the finding speaks for itself, and this is really the issue we want to bring out.

With your indulgence, Mr. Chairman, I would like to add one more thing to the evidence before this body, and that is the Monetary Control Act of 1980 which is, of course, an authority passed by the Congress allegedly placing all economic organizations under control of the Federal Reserve System. First, Mr. Chairman, it brings all U.S. depository institutions under the authority of the Federal Reserve System which is, as we have pointed out, an international banking cartel. Two, it expands the definition of collateral for Federal Reserve credit and Federal Reserve notes in circulation. This means that any asset the Fed can purchase on the open market can be used as an asset against such borrowing. The cartel thus, as I have pointed out, has a lien against all property in the United States, because all of the banking

institutions and lending institutions under the Federal Reserve today use their collateral as authority to create money out of thin air. This, then, is the means by which the internationalists have placed their control over all real estate of the United States, and, of course, all individuals who own private property of any kind.

For example, the Feds can now purchase such collateral as FHA and VA backed mortgages or corporate debt obligations. Also, the Fed can now bail out Chrysler, as it did, and any other corporation, by buying all of the commercial paper of that corporation. Therefore, the Fed controls the American economy and American industry through this technique. Also, the Fed can bail out the Chase Manhattan Bank, City Bank, or any other bank with the acceptance of federally backed mortgages from such banks. That is, irresponsible bank loans, foreign and domestic, as we have seen, through the activity of the Federal Reserve and the International Monetary Fund. They are able to bail out bankrupt foreign governments, placing the burden of repayment for those bad loans upon the backs of the American taxpayer.

Chairman Yarbrough: One further question. I think history teaches us when most every government went on paper money, off of a gold standard or silver standard, got in trouble. And knowing politicians pretty well, if we eliminated the Federal Reserve and gave that authority to Congress of the United States, unless we did go on a gold standard or have something behind the money to back it up, do you suppose we, in a short time, we'd be in worse shape than we are in now?

ROBERTS: Mr. Chairman, of course, we are speaking about violations of the Law, and therefore, a criminal conspiracy. So it is not an option of whether or not we will continue with the Federal Reserve. It is a matter of whether we are to enforce the Constitution. The Constitution is not a constitution of convenience, it is not what people may want to make it from day to day. It is very specific and, as we quoted in the early part of this presentation, Article I, section 8 of the Constitution is very clear on the responsibility of Congress to control fiscal activity of the United States through the apparatus established by the Congress. Therefore, the action of returning control of the economy to the American people through the Congress, as is proper under the Constitution, is a requirement. Either that, or we abolish the Constitution. Now I think it is clear

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that once we are in a position to control our own destiny by controlling the economy through the existing agencies now available, voiding and rescinding the Federal Reserve Act, that we go back to the same system which gave us the most powerful and most prosperous nation in the world, the United States of America. America is a free economy and became a free economy because of the Revolutionary War, which was not a war merely against the tax on tea imports, but rather it was a war against Thread Needle Street, the British debit money system imposed upon the colonists in violation of their free will. That was the real reason for the Revolutionary War.

Q: Could you give us a little broader base in particular on the Monetary Deregulation Act of 1980?

ROBERTS: Mr. Chairman, sir, the Monetary Control Act of 1980 is available in your reference library, I am sure. Its purpose was to bring together under the authority, alleged authority, of the Federal Reserve System, all lending agencies of the United States, as well as the banks which must operate in conformity with Chase Manhattan Bank guidelines. This Act, in fact, was responsible for a very powerful, silent revolution in the economy, and in the banking world of the United States. It did prepare and accomplished the consolidation or centralization of all economic factors in the United States under control of the Federal Reserve itself. The Federal Reserve, therefore, controls not only the twelve Federal Reserve Banks, but also all of the lending institutions in the United States. As we mentioned earlier, the mortgages held by these lending agencies are part and parcel of the credit controls upon which the Federal Reserve now exercises its alleged authority to create money out of thin air. It is a real lien against all private property in the United States, as well as Federal property, I might add.

Chairman Yarbrough: Any other questions? If not, I have one more. You say we can't get the stockholders in the Federal Reserve. Now if it is a Federal institution, as we have been lead to believe over these years, under the Freedom of Information Act, which was passed at a later date, should not that make all information of stockholders and such available to any person in the United States who wanted it?

ROBERTS: Mr. Chairman, that is precisely what

we are doing. Several months ago I presented a request to several Congressmen in Washington quoting the Freedom of Information Act and asking, number one, for a copy of the Articles of Incorporation of the Federal Reserve System. The Articles of Incorporation obviously would have to list the owners at that point. It would not necessarily, however, have to list the foreign owners. So we are working in both directions. That is, we want to secure a copy of the Articles of Incorporation to identify the domestic owners, but at the same time we are seeking further expansion of the identification of the owners of these eight banks, and the three hundred stockholders who actually own the Federal Reserve System in the United States. So, yes, we are working in this direction. As a matter of fact, it would be my assumption, sir, that the State of Idaho, in its highest sovereign capacity, would have a higher authority to bring pressure upon your representatives in Congress than does the Committee to Restore the Constitution. This would be an excellent avenue of investigation.

Chairman Yarbrough: Any further questions?

Q: What about bank deposits insured by a Federal agency?

ROBERTS: Mr. Chairman, sir. Since all banks are controlled or owned by the Federal Reserve System obviously it would be very risky to permit any independent agency of government to be without supervision of the Federal Reserve, because then the entire System would be at risk. So obviously all of these agencies, including the insurance procedure which you noted are part of the Fed control mechanism which we have outlined here today.

Chairman Yarbrough: I have a question. I understand the big banks are taking money to Mexico, Brazil, and all the developing nations. Are they responsible in case of default, or is the United States government?

ROBERTS: Mr. Chairman, under the provisions of the Monetary Control Act, as we pointed out, all of the foreign debts granted by the various banks are all based upon the ability of the American taxpayer to pay. All of these debts, under this alleged authority, are subject to monetization. That is, the tremendous Mexican debt, which you pointed out, can be monetized and declaring that it now is a responsibility of the

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Federal government to collect. Therefore, the taxpayers become subject to paying not only the interest on these horrendous debts, but also the principal. This is one of the aspects of the Control Act of 1980 which is so ominous. The International Monetary Fund is exercising that alleged authority to place the burden of repayment, not on the resources of the host

company, Mexico, in this case, but on the backs of the American taxpayers.

Chairman Yarbrough: Thank you. Any further questions? If not, Colonel, we thank you very much.

ROBERTS: Thank you, sir, it's an honor.

STATE OF IDAHO

MEMORIAL TO REPEAL FEDERAL RESERVE ACT

LEGISLATURE OF THE STATE OF IDAHO
FORTY-SEVENTH LEGISLATURE
FIRST REGULAR SESSION—1983

IN THE HOUSE OF REPRESENTATIVES
HOUSE JOINT MEMORIAL NO. 3
BY STATE AFFAIRS COMMITTEE

A JOINT MEMORIAL

To the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States in Congress assembled, and to the Congressional Delegation representing the State of Idaho in the Congress of the United States.

We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the First Regular Session of the Forty-seventh Idaho Legislature, do hereby respectfully represent that:

WHEREAS, the Constitution of the United States vests in the Congress of the United States the supreme power "to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures;" and

WHEREAS, Congress passed the Federal Reserve Act in 1913 and thereby abdicated its duty to fix a constant lawful value for United States money; and

WHEREAS, the national debt in 1913 was less than two billion dollars while the national debt in 1983 exceeds one trillion dollars; and

WHEREAS, the people of Idaho are suffering from the effects of high unemployment and the recession, which has been caused principally by high interest rates; and

WHEREAS, the control of interest rates by the Board of Governors of the Federal Reserve Board has led the Nation down a course toward economic calamity; and

WHEREAS, section 19, of the Federal Reserve Act specifically precludes the State of Idaho from effectively legislating or enacting any lawful ceiling for interest rates charged by the Federal Reserve, thereby immunizing banks and bankers from any threat of civil or criminal liability for interest rates charged; and

WHEREAS, the United States Government owns no stock in the Federal Reserve System, and the Federal Reserve, as such, is not a government agency, and is, in fact, a monopoly entirely independent of U.S. Government control absent direct legislative action by the Congress.

NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session of the Forty-seventh Idaho Legislature, the House of Representatives and the Senate concurring therein, that the United States Congress enact legislation providing for the immediate repeal of the Federal Reserve Act and place back in the Congress the power to regulate the value of United States money.

BE IT FURTHER RESOLVED that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States in Congress assembled and the congressional delegation representing the State of Idaho in the Congress of the United States.

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**FACT SHEET ON THE MONETARY CONTROL ACT, PUBLIC LAW 96-221,
Prepared by Dr. Ron Paul, Member of Congress, 23 March 1983**

On March 31, 1980 President Carter signed the Depository Institutions Deregulation and Monetary Control Act, Public Law 96-221. The Law consists of nine titles, most of which are unobjectionable. But the first title is not, yet it is the first title that went largely unexamined — and even unnoticed — when the House and the Senate debated the final version of the Act. That title provides that:

1. *The Federal Reserve is given control over all depository institutions, not just its own members. Credit unions, savings and loans, savings banks, and nonmember commercial banks are chafing under the burdens imposed by the Monetary Control Act. The Federal Reserve's direct control over financial institutions expanded from coverage of about 3000 institutions to about 14,000.*

2. *Reserve requirements are to be lowered over several years. This means that banks will be able to create more money out of thin air, aided and abetted by the Federal Reserve. Also, the Federal Reserve can now lower reserve requirements to zero.*

3. *The Federal Reserve can print unlimited quantities of Federal Reserve notes and store them in their vaults. All collateral requirements for "vault cash" were abolished. Collateral is required only when such notes are actually issued by the Federal Reserve banks.*

4. *The Federal Reserve can issue more paper money because it can now use virtually any of its assets as collateral for circulating notes. Such assets include debts issued by sewer commissions, municipalities, and irrigation districts, for example.*

5. *The Federal Reserve can monetize foreign debt by buying "obligations of, or fully guaranteed as to principal and interest by, a foreign government or agency thereof."*

6. *The Federal Reserve can further inflate by using this foreign debt as collateral for issuing Federal Reserve notes. In fact the Fed has done this on at least 139 occasions, from April 1981 to January 1983, as you will see from the tables at the end of this paper.*

Because of the vast inflationary and bailout potential of section 105(b) (2) of Title I of Public Law 96-221, I have introduced a bill, H.R. 876, to repeal that section.

Under that section, the Federal Reserve is given blanket authority to purchase the debt of any sovereign debtor. There is no language, either in the Act itself or in its scant legislative history, that restricts the number of governments from which the Federal Reserve can purchase debt.

Further, there is no restrictive language in the Act itself or in its virtually non-existent legislative history that restricts the Federal Reserve in what it may use to purchase the debt of foreign governments. The Federal Reserve has always maintained that (1) it would never purchase the debt of Third World nations and (2) that it would purchase debt only with the currencies of countries which it already holds as a result of its foreign exchange operations. Such a position is irrelevant: The Federal Reserve may have the best of intentions, but intentions and legal authority are two quite different things. It is the granting of this power that must be rescinded, and if the Federal Reserve really does have good intentions, it ought to support H.R. 876, for the bill would simply make the law conform to the Fed's good intentions.

The House Subcommittee on Domestic Monetary Policy is circulating a memorandum on the Monetary Control Act (MCA) that is seriously misleading.

It says, for example, that "... section 105(b) (2) ... allows the Federal Reserve to purchase short term securities of a foreign government." The statement is true, but misleading. The MCA *does* allow the Fed to purchase short-term securities, and also medium and long-term securities. The actual language of section 105(b) (2) permits the Federal Reserve to buy and sell, at home or abroad, "obligations of, or fully guaranteed as to principal and interest by, a foreign government or agency thereof."

The MCA says nothing about short-term or long-term securities. The Fed is simply empowered to purchase all and any obligations of a foreign

government or agency without regard to their maturities. The Subcommittee's statement is incomplete on several counts: (1) *All maturities, not merely short-term securities, are involved;* (2) *agencies of foreign governments, as well as the governments themselves, are involved;* (3) *obligations guaranteed by foreign governments or their agencies are involved.* While the Fed has repeatedly rolled over the short-term securities it has purchased, the purchase of long-term securities would signal an actual attempt to use section 105(b) as a device to bailout both foreign governments and overextended U.S. banks.

Second, the Subcommittee memorandum says that section 105(b) (2) was "Inserted during the House-Senate Conference with unanimous consent upon the motion of Chairman Proxmire ..." But the Senator's office has repeatedly denied that the provision was inserted on the Senator's motion. In fact, according to the Senator's staff, it was the House Republican members of the Conference Committee who offered the motion on behalf of the Federal Reserve. The House Committee, I was astounded to learn, has no records of the Conference proceedings.

Third, the memorandum states that "... the controversy over this section has been derived from great misunderstanding and mischievous (sic) intent." I do not believe that I have misunderstood the provision — it is really quite clear — and my only intent is to limit the broad power conferred on the Fed by this section of the law.

Fourth, the memorandum reads: "Contrary to some beliefs, this provision was not put in by Federal Reserve Chairman Volcker since only Representatives and Senators can be conferees." Whose beliefs are these? Chairman Volcker *did* request this provision in his testimony before the Senate Banking Committee in September 1979, and, as noted above, the Representatives who allegedly offered the motion at the Conference Committee were acting on behalf of the Federal Reserve.

Fifth, and most important, the memorandum shifts the debate: "There is no intention to permit the United States Government, through the actions of its Federal Reserve System, to subsidize any country, any central bank, or buy the debt of any financially troubled nation."

The central issue is not one of intent or intentions, despite the memorandum's interest in these things. The matter is one of authority conferred by Congress in the Act itself, and that authority is unlimited. Nowhere does the Act say that subsidies to any country or bank are illegal. It does say that the Fed may purchase the debt of any country, or any agency of any country, with any acceptable medium of exchange. The entire "legislative history" of this provision is as follows:

... the Federal Reserve Act already permits us to hold foreign bank deposits and bills of exchange; it would be helpful to us operationally if short-term foreign government securities could be added to our authorized holdings — an omission at the time of the original Federal Reserve Act when such securities were not widely available. (Paul Volcker, September 26, 1979, Testimony before the Senate Banking Committee.)

This paragraph is the first mention of allowing the Fed to use foreign government assets as collateral, and only 19 words of the paragraph refer to the Fed's ability to purchase foreign government securities. There were no questions from the Senators on the issue, and the provision requested by Chairman Volcker was *not added to the Senate bill*. Neither did it appear in the House bill; it was added to the Conference Report, and the House had to adopt a special rule for consideration of the Conference Report, since the Report contained new material and the conferees exceeded their authority.

The next mention of the provision allowing the Fed to purchase the securities of foreign governments and use them as collateral for Federal Reserve notes occurred on March 27, 1980. In his explanation of the Conference Report, Senator Proxmire said:

It (the Monetary Control Act) also authorizes the Federal Reserve to purchase and sell obligations issued by foreign governments.

Under existing statutory authority, the Federal Reserve, in the course of its normal activities in the foreign exchange markets from time to time acquires balances in foreign currencies. Under present arrangements there is no convenient way in

which foreign currency balances held by the Fed can be invested to earn interest.

The Monetary Control Act would amend section 14 of the Federal Reserve Act to provide a vehicle whereby such foreign currency holdings could be invested in obligations of foreign governments and thereby earn interest. This authority would be used only to purchase such obligations with foreign currencies balances acquired by the Federal Reserve in the normal course of business.

(By this statement, the Congress was led to believe that this provision was needed so that the Fed could conveniently earn interest on its foreign exchange holdings. But the Fed could then, and now is, earning interest on these holdings by depositing them in interest-bearing bank accounts. The excuse given for this provision - to earn interest - is misleading. The Fed did and does earn interest on the foreign currencies it holds without buying foreign debt.)

There is no mention of section 105(b) (2) in the Conference Report on H.R. 4986.

Those three paragraphs are the entire "legislative history" of this provision. Nothing appears in any House document; no testimony was taken on the provision; and no mention of the provision was made during the House debate on the Conference Report. It is this scant "legislative history" that, we are told, overrides the explicit language of the Act itself. But intentions are not law, and the intentions of the legislature are useful only when the law is ambiguous. Unfortunately, there is nothing ambiguous about section 105(b) (2) of the Monetary Control Act.

On June 25, 1981 Chairman Volcker testified before the House Banking Committee:

Rep. Paul: "I am concerned about the Fed's legal ability to do it (use foreign debt as collateral)."

Chrm. Volcker: "I think we can use it as collateral, that is correct as many other assets we can use as collateral."

Rep. Paul: "A Brazilian bond or a Polish bond, you could use this as collateral?"

Chrm. Volcker: "We only do this when we acquire a balance in the ordinary course of our foreign exchange operations. We don't have any foreign exchange operations with Brazil, so the issue does not arise in that case, and we would not use the authority to just go out and buy."

Rep. Paul: "I understand, you would not use it. I am still back to the long-term legal concern whether you could or could not if you decided to."

Chrm. Volcker: "I guess in connection with the legal concern there's my recollection that there is nothing in that provision that would theoretically stop it except the legislative history which is quite clear. Whether there is any other authority in the Federal Reserve Act that would authorize us to simply buy securities of foreign countries at random or whatever, and I'm not quite sure under which general authority that approach could come, but that provision itself does not constrain us." (Emphasis added.)

The law is clear, and the legislative history is legally irrelevant. The question is not what the present Governors of the Fed intend to do, but what they and future Governors are empowered to do. We might not always have such trustworthy men at the Fed as we have now.

Finally, the memorandum states that "The legislation nowhere makes Fed membership mandatory." That is true, but incomplete. What the MCA does is make Fed membership superfluous, for it amends the original Federal Reserve Act by striking out the phrase "member bank" each place it appears therein and inserting in lieu there "depository institution."

In conclusion, the memorandum offers no evidence to contradict the statement that the

Monetary Control Act of 1980 empowered the Federal Reserve to purchase the obligations of foreign governments, or obligations fully guaranteed by foreign governments, and use those

obligations as collateral for Federal Reserve notes. As a matter of fact, the Fed has done so on at least 139 different occasions. Below is a list provided by the Federal Reserve:

FOREIGN GOVERNMENT OBLIGATIONS PURCHASED BY FEDERAL RESERVE BANKS AND USED AS COLLATERAL TO ISSUE FEDERAL RESERVE NOTES (1981-1983)
(Federal Reserve Bank Principal identified by asterisks)

April 21, 1981	\$ 11.6 million	April 24, 1981	\$ 38.4 million
April 28, 1981	\$ 17.1 million	May 5, 1981	\$ 18.0 million
May 7, 1981	\$ 36.6 million	May 12, 1981	\$ 64.3 million
May 13, 1981	\$ 96.7 million	May 27, 1981	\$ 9.3 million
June 9, 1981	\$ 44.8 million	June 10, 1981	\$109.0 million
June 23, 1981	\$ 1.0 million	June 30, 1981	\$ 27.0 million
July 1, 1981	\$ 18.1 million	July 10, 1981	\$ 48.8 million
July 13, 1981	\$ 49.0 million	July 14, 1981	\$ 76.4 million
October* 5, 1981	\$ 8.0 million	October* 6, 1981	\$106.0 million
October 7, 1981	\$ 7.0 million	October* 7, 1981	\$196.0 million
November 17, 1981	\$ 51.0 million	November 18, 1981	\$ 45.0 million
November 24, 1981	\$ 20.0 million	November 27, 1981	\$ 31.0 million
November 30, 1981	\$ 57.0 million	December 1, 1981	\$ 82.0 million
December 2, 1981	\$ 64.0 million	December 3, 1981	\$ 28.0 million
December 4, 1981	\$ 36.0 million	December 7, 1981	\$ 31.0 million
December 8, 1981	\$ 5.0 million	December 9, 1981	\$ 55.0 million
December 15, 1981	\$ 8.0 million	December 16, 1981	\$ 45.0 million
December 18, 1981	\$ 15.0 million	December 21, 1981	\$104.0 million
December 22, 1981	\$ 71.0 million	December 23, 1981	\$106.0 million
December 24, 1981	\$102.0 million	December 28, 1981	\$121.0 million
December 29, 1981	\$ 73.0 million	December 30, 1981	\$ 22.0 million
January 6, 1982	\$ 88.0 million	January 13, 1982	\$ 31.0 million
January 19, 1982	\$ 8.0 million	March* 4, 1982	\$125.0 million
March* 5, 1982	\$ 86.0 million	March 8, 1982	\$ 9.0 million
March* 8, 1982	\$188.0 million	March 9, 1982	\$ 77.0 million
March* 9, 1982	\$216.0 million	March 10, 1982	\$ 90.0 million
March* 10, 1982	\$235.0 million	March* 31, 1982	\$ 64.0 million
April* 6, 1982	\$246.0 million	April** 6, 1982	\$ 76.0 million
April 7, 1982	\$ 93.0 million	April* 7, 1982	\$239.0 million
April** 7, 1982	\$183.0 million	April** 12, 1982	\$ 31.0 million
April 13, 1982	\$ 25.0 million	April* 13, 1982	\$ 42.0 million
April 14, 1982	\$ 27.0 million	April* 14, 1982	\$ 1.0 million
April** 14, 1982	\$ 51.0 million	June 30, 1982	\$ 39.0 million
July 6, 1982	\$ 43.0 million	July 7, 1982	\$ 81.0 million
July* 7, 1982	\$ 27.0 million	July 8, 1982	\$ 7.0 million
September** 15, 1982	\$ 17.0 million	September** 29, 1982	\$ 11.0 million
October** 6, 1982	\$121.0 million	October 8, 1982	\$ 40.0 million
October 11, 1982	\$ 40.0 million	October 12, 1982	\$ 52.0 million
October 13, 1982	\$ 69.0 million	October 14, 1982	\$ 39.0 million
October 20, 1982	\$ 50.0 million	October 21, 1982	\$ 10.0 million
October 28, 1982	\$ 18.0 million	October 29, 1982	\$ 14.0 million

*Richmond Federal Reserve Bank

**Kansas City Federal Reserve Bank

***Philadelphia Federal Reserve Bank

FOREIGN GOVERNMENT OBLIGATIONS PURCHASED BY FEDERAL RESERVE BANKS
AND USED AS COLLATERAL TO ISSUE FEDERAL RESERVE NOTES (1981-1983)
(Federal Reserve Bank Principal identified by asterisks)

November** 1, 1982	\$ 30.0 million	November 2, 1982	\$ 25.0 million
November 3, 1982	\$ 66.0 million	November 4, 1982	\$ 38.0 million
November 5, 1982	\$ 91.0 million	November 8, 1982	\$ 42.0 million
November 9, 1982	\$ 75.0 million	November 9, 1982	\$ 15.0 million
November** 10, 1982	\$ 60.0 million	November 10, 1982	\$ 18.0 million
November** 11, 1982	\$ 60.0 million	November 11, 1982	\$ 18.0 million
November** 15, 1982	\$ 47.0 million	November 15, 1982	\$ 25.0 million
November** 16, 1982	\$ 2.0 million	November** 16, 1982	\$ 5.0 million
November** 18, 1982	\$ 51.0 million	November** 19, 1982	\$ 17.0 million
November** 23, 1982	\$ 23.0 million	November** 24, 1982	\$107.0 million
November** 25, 1982	\$107.0 million	November** 26, 1982	\$ 82.0 million
November** 29, 1982	\$ 3.0 million	December** 1, 1982	\$ 89.0 million
December** 2, 1982	\$ 82.0 million	December** 3, 1982	\$ 13.0 million
December** 6, 1982	\$ 75.0 million	December** 7, 1982	\$213.0 million
December** 8, 1982	\$191.0 million	December** 8, 1982	\$ 30.0 million
December** 9, 1982	\$108.0 million	December** 10, 1982	\$ 14.0 million
December** 13, 1982	\$ 77.0 million	December** 14, 1982	\$ 45.0 million
December** 15, 1982	\$ 10.0 million	December** 16, 1982	\$ 66.0 million
December** 17, 1982	\$ 44.0 million	December** 21, 1982	\$ 85.0 million
December** 22, 1982	\$153.0 million	December*** 22, 1982	\$ 21.0 million
December** 23, 1982	\$133.0 million	December** 24, 1982	\$134.0 million
December** 27, 1982	\$ 87.0 million	December** 28, 1982	\$187.0 million
December*** 28, 1982	\$ 36.0 million	December** 29, 1982	\$205.0 million
December*** 29, 1982	\$ 57.0 million	December** 30, 1982	\$143.0 million
December*** 30, 1982	\$ 12.0 million	December** 31, 1982	\$107.0 million
January** 3, 1983	\$ 74.0 million	January** 5, 1983	\$ 4.0 million
January** 6, 1983	\$ 49.0 million	January** 7, 1983	\$ 96.0 million
January** 10, 1983	\$ 57.0 million	January** 11, 1983	\$ 61.0 million
January** 12, 1983	\$ 46.0 million		

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**Kansas City Federal Reserve Bank

***Philadelphia Federal Reserve Bank

"Under the Federal Reserve Act panics are scientifically created; the present (1920) is the first scientifically created one, worked out as we figure a mathematical problem."

CONGRESSMAN CHARLES LINDBURGH

OREGON FEDERAL RESERVE HEARING
NO PROBLEM, OTHER THAN NUCLEAR WAR, OUTWEIGHS THIS PROBLEM,
SAYS WASHINGTON STATE SENATOR JACK METCALF

An act of war was perpetrated against United States citizens and their descendants on 23 December 1913. On this day of infamy a private banking cartel affected passage of the Federal Reserve Act, usurped the government, and assumed control of the American destiny, but, Americans don't have to take it anymore.

The battle to restore and defend money and property of U.S. citizens has already begun. Over twenty-five sovereign States have challenged the constitutionality of the Federal Reserve Act. Several State legislatures have memorialized the President and Congress to repeal it, as they are authorized to do under Article 30 of the Act. Some States propose that their Attorney General file suit to force Federal Reserve Banks to disgorge illicit interest paid by tax-paying victims of the system. Reparation to citizens injured by Federal Reserve policies is under consideration.

Authority, indeed, the requirement for State action to protect the interests of the people, is contained in the Constitution, the 'Law of the Land.'

Concept of 'Principal vs Agent' is central to the struggle. The State is the Principal under the Constitution, a contract between sovereign States. Executive, Legislative, and Judicial departments of the Federal government are, therefore, agencies of the State.

Thirteen original nation-states created the Federal government by the first three articles of the Constitution. Each succeeding State entered the Union of States on an equal footing with every other State. Each State is charged to defend and preserve freedoms of person and property guaranteed to their people by the Constitution.

Superior to its creature, the State is constitutionally bound to correct, by action at its highest sovereign capacity, violations of the Constitution by its Agents, and to provide criminal sanctions for transgressors.

Elected State officials, representing their constituencies and responsible to them, are required to take whatever action is necessary to enforce provisions of the Constitution within the borders of the State.

The people, from whom flow all political powers, are responsible for instructing their representatives to confine the functions of government to limitations defined in Articles of the Constitution of the United States.

Correctly claiming that the Federal Reserve Act violates Article 1, section 8 of the Constitution, which authorizes only Congress to 'borrow money on the credit of the United States - and to coin money and regulate the value thereof,' irate Oregon citizens requested public hearings on the

Fed. Control of the American economy, and dominion over their lives and fortunes should be restored to the people where it rightfully belongs, they charge.

Congress had no sanction from the people to transfer these vast powers to a consortium of international bankers. The people, therefore, call upon their State government to release them from the Federal Reserve System which enriches its class 'A' stockholders and pauperizes the American taxpayer.

Oregon Senate Joint Memorial #12 urging Congress to repeal the Federal Reserve Act, initiated by Jane Button, Treasurer, Columbia County Chapter, Committee to Restore the Constitution, is an example of the burgeoning national campaign.

Spilling into hallways, an overflow crowd observed members of the Oregon Senate Committee on Commerce, Banking and Public Finance, Senator Joyce Cohen, Chairman, give attentive consideration to testimony supporting SJM #12. Twenty individuals requested time to speak on the measure, including Archibald Roberts, Director, Committee to Restore the Constitution, Colorado, and Senator Jack Metcalf, Washington State Legislature.

Following is a transcript from a live tape recording of Senator Metcalf's address, 1 June 1983, State Capitol Building, Salem, Oregon, urging State lawmakers to free their people from the grip of a debit money system.

State Representative Paul Hanneman, who, with Senator Charles Hanlon, sponsored Senate Joint Memorial #12, calling upon Congress to repeal the Federal Reserve Act, introduced the proposal.

REPRESENTATIVE HANNEMAN

Madame Chair and members of the committee, I am Paul Hanneman, House District Three, representing portions of Washington, Yamhill, Polk, Lincoln and Tillamook counties. Senator Hanlon and I did co-sponsor Senate Joint Memorial #12 at the request of a number of people who approached us. I am pleased today that so many people are here, I think essentially in support of the memorial and it did occur to us that the proposal had a great deal more support than I originally thought it did.

I am pleased to be a sponsor on it for your discussion and consideration for passage to the Senate floor. The following witnesses will indicate to you how many states have already passed a similar Memorial with, I think nearly or exactly identical language, to the one that we have here in Oregon.

For the record, I support Senate Joint Memorial #12. I will take no further time away, from especially those who have come from out of state, and the many people I see in the room who came several hours traveling distance. I appreciate the opportunity to say hello in support of this Memorial.

SENATOR METCALF

Members of the Oregon Senate it is a real pleasure and an honor to be here. I bring you greetings from the Washington State Senate. There was a delegation from the Oregon Legislature that came up to visit us during the session. I might say that we, just last Wednesday, adjourned sine die. Hopefully we will not be back in session in 1983.

Just one personal note, I have four daughters and the youngest, the number four daughter, graduated from Winfield College at McMinville, Oregon. We came down several times, of course, and I'm quite familiar in driving through Oregon. I was reminded as we drove down this morning what a beautiful, fertile land this is. Our ancestors had to come a long way west to get here. We in Washington and Oregon are so lucky to live in this specially favored corner of the nation.

Our country is a favored land. Look at what we have in America. We have a benevolent self-government, natural resources, investment capital, skilled labor, excellent transportation system. Theoretically with all this, there is no limit to the well being of our people. That's theoretically. Let us view the real world in recent years. We have raging double-digit inflation, or we did have, that robs the elderly, and it pauperizes the poor. It steals the sustenance of labor and locks small business into a vise on constant wage-price spiral. To curb inflation, this system prescribes high interest rates that have been up to over twenty percent. That can only be called usurious rates. The high interest rates destroy jobs. It bankrupts small business and farmers. It devastates the housing market. And you all know the effect on

real estate, which is dependent, of course, on housing. The counties in Washington State had, and still have, thirty to forty percent unemployment rates.

What is going wrong between what should be and what really is in America? Something is drastically wrong. Can we isolate the cancer that is gnawing at the vitals of this nation? Can we really find out what it is? And the answer is-yes we can. Small business people know. Labor knows in a deep instinctive way. A growing awareness pervades America. A condition that there is something wrong with our money. There is something drastically and tragically wrong with this money system. That somehow, someone has found a way to take terrible economic advantage of us by manipulation of our money system. Our system forces a trade-off between either raging inflation or high interest rates that bring high unemployment and business stagnation.

I was thirty years a teacher in Washington State and I always looked for-I was a history teacher for the last half of the time-I always looked for words of wisdom from the past and I would just like to bring to you what Benjamin Franklin said that relates directly to what we are talking about today, the Federal Reserve Money System and this Memorial which urges its abolition. Benjamin Franklin said, "The refusal of King George to operate on an honest, colonial money system which freed the ordinary man from the clutches of the manipulators was probably the prime cause of the Revolution." The same cancer that is gnawing at the vitals of America today is probably the prime cause of the Revolutionary War. How did we get where we are today? Well the answer is special interest legislation. A special advantage was granted by government. It happened, it started, in Congress in 1913. Historically a special interest came to Congress in that year and got special interest legislation passed. Now we are all familiar in this setting with special interest. It is the job of the legislature to balance the various needs of the special interest against the very important best interests of the people. And that's our job. I am here to tell you that Congress failed in that job. We are talking about special interests when we are talking about the Federal Reserve. This is something that most people really don't realize. We are talking about a private special interest. The super big eastern money interest. Now, I'm a conservative Republican, and I feel more like a liberal Democrat when I talk about the evils of the

super big eastern money interests. But it is still a fact and I think we should say it.

The Federal Reserve is not a government agency as such. It is a federally chartered, private banking consortium. We have put absolute control of the nation's money system in private hands in America today. "How You Pack It" is an advertisement from the San Francisco Federal Reserve Bank that says, "We are not a part of the government, we are the banks' bank." And if you look at it you'll see that. That's their statement. This private, this Federal Reserve, does not function in the best interests of the people. It was not really designed to. It, like many special interests that come to the legislature, had a special position in mind. Well, they made many promises in 1913. They said among them, the three critical ones. End the boom and bust cycle. The Federal Reserve System would end the boom and bust cycle. It would stabilize the currency and stabilize bank reserves, and would end farm foreclosures. Just look at those three. There was one week not too long ago when there were three thousand farm foreclosures in this nation in one week. They certainly have failed in that count. The scandalous inflation rates and interest rates, to stabilize the currency, we have seen a total failure there.

The boom and bust cycle is worse than ever. We have back to back recessions now, even not counting the terrible recession in 1920 and the Great Depression of the 30's. Judged by the promises made, by any objective standard, or I like to say when weighed in the balance of history, the Federal Reserve System is at best a colossal failure. You might say, "Okay, Metcalf, that's generally, but specifically what's wrong?" There are three things wrong. One is Congressional overspending. I am not going to speak on that today; it's another subject. The second is the Fractional Reserve Banking System which is a part of the Federal Reserve System. And the third thing is the Federal Reserve System itself. And that's what I am going to dwell on today.

There has been a 200 year debate in America and here again the history teacher, I guess shows, as to who should issue this nation's money. What did the founders and the early presidents say on this issue? And I have got some quotes here, and this by the way is also in your packet, this list of quotations. James Madison, our fourth President, the man who was called the Father of the Constitution, he said, "History records that the

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."

Thomas Jefferson didn't like the big banks. I really like his quote. Pretty strong language. He said, "I believe that banking institutions are more dangerous to our liberties than standing armies. The issuing power should be taken from the banks and restored to the government to whom it properly belongs."

If you remember, President Andrew Jackson vetoed the Bank Bill of 1836. They couldn't override the veto and it wiped out the Bank Bill in America. President Jackson said, "If Congress has the right to issue paper money it was given to them to be used by themselves and not to be delegated to individuals or corporations."

Abraham Lincoln said, "The government should create, issue and circulate all the money and currency needed."

In other words, the founders and early presidents said, "Don't let the banks issue the money." Well, why not? What's the difference? Well the difference is specifically, when the banks issue the nation's money, they charge us interest on it. The people and the businesses of America are paying interest on every Federal Reserve dollar in circulation-five hundred billions today-because the government doesn't issue the money. People say, "Wait a minute, what do you mean? The Government doesn't issue the money?" Look at the bills that we use. Take them out and look at them. They don't say United States Notes. They say Federal Reserve Note. Now I have here five different kinds of money, you can't see from a distance, but they look almost exactly the same, at least these three. This one is a Federal Reserve Note. This one is a silver certificate. This one is a United States Note. And I have also a coin. And all these are entirely different kinds of money. I happen to have a Susan B. Anthony Dollar. And the checkbook money that we have. Since checkbook money is denominated in Federal Reserve Notes, it is really the same kind of money as the Federal Reserve Note. But suffice it to say that today there are \$125 billion in circulation in Federal Reserve Notes in America. If that \$125 billion were in United States Notes or silver certificates, as an example, if that change were made, the national debt could be reduced \$125 billion and the interest saved per year would be

about \$10 billion a year, by that simple change. Now \$10 billion doesn't seem to mean too much when you're talking about deficits of \$150 billion. But like the old saying goes, "A billion here, a billion there, pretty soon that adds up to real money." Actually in ten years that amount, just the difference in the currency would save \$100 billion for this government and I think that is significant.

By the way, I made the statement we're paying interest, the people and businesses of America are paying interest to the banks on every Federal Reserve dollar in America. If you have questions I would be real happy to run through a very brief scenario and explain that and make it very clear how that operates. I don't have time for my two hour speech in ten or fifteen minutes. So what I am going to do to summarize is say that there is too much power placed in the hands of any special interests group. Even if this were just totally the United States Government, I would be uncomfortable with that much power placed in those hands. They would tend to look out for their own interests over the people's interest, and that is the proposition that I am submitting to you today. And that is one of the great problems that we have in America. People think that the business cycle, you know the boom and bust cycle, is a natural cycle. People sort of feel that, like the tide, it rises and falls, by natural laws. That isn't true at all. It is proven untrue by empirical evidence today. Very interesting. Congressman Lindburgh was a member of Congress in 1913 at the time of the passage of the Federal Reserve Act. He was a violent opponent of it. He was father of the aviator, and he, Congressman Lindburgh, said of the inflation or the recession-they called it panic then-the recession of 1920, "Under the Federal Reserve Act panics are now scientifically created. The present 1920 one is the first scientifically created one, worked out as we figure a mathematical problem." It's not a natural law at all.

We had a hearing of the National Conference of State Legislatures, I am sure you are aware of it, in Washington, D.C. in December, and I was asked to line up testimony on this issue, the Federal Reserve. Our report, by the way, is in your packet-the report from that National Conference of State Legislatures meeting and I think it makes very interesting reading. Milton Friedman could not be there, he sent testimony. I don't know that this is in your packet, but I would be happy to send you

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his total testimony. But, I want to read you just one quote from the first page. As you know, Milton Friedman has gone back and looked at the empirical evidence, has studied all the statistics, and here is what he says. "From 1929 to 1933 the Fed permitted or forced the quantity of money to decline by one third, thereby converted a serious recession into a major depression. In the process forcing the failure or closing of some five thousand banks, one-third of the number in existence in 1929." In other words the business cycle did not happen by accident, it's caused.

Without going into a lot of detail, I'd like to just comment on an amendment to the Federal Reserve Act-The Monetary Control Act of 1980, passed in 1980. Many people are deeply concerned about the ramifications of that Act. Congressman Ron Paul was very much concerned about it and Congressman Paul did some homework after the passage of The Monetary Control Act of 1980 and he found that one of the things, the powers granted to the Fed that year, was the power to monetize foreign debt. That means to use the assets of America to buy up foreign debts. And, you might say, "Why? What is going on there?" Just a couple of quotes, if you will permit me to read, from Congressman Ron Paul's newsletter. He said,

In 1980, radical changes were made in the Federal Reserve Act, the Monetary Control Act of 1980, allowing a massive increase in the power of the Federal Reserve System. Among those powers is the authority of the Fed to use the debt of foreign nations as collateral for the printing of Federal Reserve notes. That's what is happening in America. This is of the greatest significance in light of the \$850 billion debt owed to the West by Third World and Communist nations. To begin with the foreign bonds of the Fed purchases are bought with paper money backed with our own debt. Then we turn around and use the newly purchased foreign bonds as collateral to print up more Federal Reserve notes. This is responsible for the dramatic increase in the money supply recently. This system of money creation is unbelievable to rational human beings. It will surely lead to a disastrous end to the American dollar.

Congressman Paul published a letter in June of 1982 wherein he delineated \$3.3 billion of foreign

debt that had been monetized up until that time. After he published the letter, six months or so later, I had a telephone conversation with him and I said, "Congressman we really need you to update that letter. Tell us what further foreign monetizations have taken place." He told me something that was unbelievable, he said, "I am a member of the House Banking and Currency Committee and the Fed will not answer my questions." This went on for months and months. He couldn't get the information as to how the Fed was using the American money system and, essentially, saddling the American taxpayers with foreign debts. He has gotten the information now and now it is up to about \$9 billion.

Just one further quote from Congressman Paul's newsletter.

Mexico owes \$81 billion and Argentina \$39 billion. This is only a small fraction of the total debt owed to Western governments and Western banks. Eastern block communist nations and Third World nations owe over \$850 billion and reasonable people do not expect that this sum will ever be repaid. The race now going on is to finance all this debt to governments, principally the United States, and bail out the international banking system.

This, then, seems to be one of the purposes of the Monetary Control Act of 1980, an extension of Federal Reserve power. He says, "The default which many pretend can be avoided is inevitable. The only question that remains is who the victim will be. The question is, shall it be the bankers or the innocent uninformed American citizens?"

This thing has gotten, by now, completely out of hand. We in Washington State, cognizant of this, and being devastated by the problems in the lumber industry, passed in 1982, Senate Concurrent Resolution 127, that called upon our Attorney General to go to Washington D.C. and file an action challenging the constitutionality of the delegation of the power to create and issue money; delegation to the Fed of the power to create and issue money. Now, our attorney of this past legislature is very concerned about this. The Attorney General declined. And in a way, I can understand. "You know," he said, "Jack, look, this is a pretty heavy issue. How does it appear to you for a small state to go back to the United States Supreme Court and challenge the money system

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of the whole western world?" And I agree that that is pretty heavy.

Any other state that has passed legislation such as you're considering today, or a measure like SCR 127, would be very helpful, because I believe the Congress is at the present time unable to act on this issue. Now, it may be necessary for the states to provide the impetus for success in that area.

One question that always comes up. You say, "Well what system would you use to replace it? Given their record would you just place all the power in the hands of the Congress to print money?" Congress doesn't print the money at the present time. The answer is, I wouldn't urge a Constitutional amendment to protect the interests of the citizens. But I would say there are two things absolutely essential, just to answer the question relative to what system should we have. Honest money consists of two things: 1. Money issued by the government upon which is not an evidence of debt and upon which interest is not charged. 2. A stable money supply. Those two things are absolutely essential to an honest money system.

There are many alternative systems that would fit this and they all have advantages and disadvantages. And I'll just run through them very briefly. You could have a gold standard currency. You could have a silver standard currency. You could have a bi-metal system. In this country silver and gold circulated at a 16-1 ratio for many many years. Sixteen ounces of silver was equal, by law, to one ounce of gold. You could have, instead of a standard system, you could have convertibility, convert to metal. There is a state senator in Kansas who advocates a private money system. Some people say we could have a system based entirely upon U.S. notes with a Constitutional amendment to limit the expanding of the money supply. You could base a money system on commodities; grain, oil or whatever. You could base a money system on land value. It could be done. There are advocates of all these systems today.

Actually there are advantages and disadvantages to each of these, but the time is now come to remove this special interest and get a system that best serves the interest of the people. The bottom line is, of course-I am asking, and I hope that many other people are asking-that you pass this Memorial. You can say that it is only a Memorial. It is a Christmas card to Congress. It

doesn't matter much. Well it does matter a great deal, because they are taking notice. This feeling is growing. I hope we can create an atmosphere where the money system will be an issue of national debate and in many congressional elections all around this country, because in the final analysis it will take an action by Congress to solve this problem. So, I would say to you that the State of Oregon and the Oregon Legislature can play a crucial role in this vital issue of today.

I would like to close with a quote from a man I consider the greatest American President, Thomas Jefferson. He had the ability to look at what we are doing today and to look ahead and to say well if you do this today, this will follow, and this will follow and from this, this will follow, and this will be the end result. Listen to what Thomas Jefferson said about a system allowing the banks to issue the nation's money. He said:

If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and the corporations that will grow up around them, will deprive the people of all property until their children wake up homeless on the continent their fathers conquered.

Thank you very much. I would be happy to answer any questions.

Madame Chair: Are you considering, we read also about the Washington State Pension System, buying part of the Bank of Seattle?

SENATOR METCALF: We have talked about that. We did not authorize it. Frankly, there are some reasons why that should be considered an option. I would frankly much rather have, not have out of state banking able to move into Washington State as we authorized under the law we passed. I voted against it and I would prefer that, but that is pretty hard to say exactly how that will happen.

I would like to just throw in one thing that I forgot. This is a bi-partisan effort. The SCR 127 we passed in Washington State as well as a Memorial, same as the one you are considering today, was sponsored by six Democrat Senators and six Republican Senators and is a bi-partisan effort in our state.

Madame Chair: Are there questions?

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Senator McCoy: You mentioned in your remarks that, something to the effect that the Federal Reserve System was more or less the catalyst for the high usury rates. You mentioned usury several times in your remarks. Do you believe that is the cause?

SENATOR METCALF: Yes it is.

Senator McCoy: Okay, go ahead.

SENATOR METCALF: The Federal Reserve does not now, though they should have the power to set interest rates. But they control interest rates by money supply, by the expansion or contraction of the currency. So they do, definitely control interest rates.

Senator Frye: To what extent does the state have a responsibility of doing something about those interest rates that are passed on?

SENATOR METCALF: We have a usury law in our state and I am not sure if you do in Oregon.

Senator Frye: Well, we were unwise enough, to just say, "Come take it all."

Senator Frye: In reference to the Monetary Control Act of 1980, do you know whether there has been any effort made by President Reagan to have that law repealed?

SENATOR METCALF: I have not been aware of any statements he has made to have that law repealed. I think there should be. I think this is one of the most dangerous things that was ever done by Congress.

Senator Frye: Well then I would assume that you and he probably share basically the same philosophy. That's why I thought you might know if he had made any effort to repeal that law.

SENATOR METCALF: I am not aware of any effort. I certainly think that he should have made that effort.

Senator Frye: Would you happen to know whether he has taken a position on the issue that is now before us?

SENATOR METCALF: He has not to my knowledge. I believe there is no issue in America that the President should be more on top of and following. As a conservative Republican, I support Reagan, and I am not being particularly critical because he has a lot of problems. But there is no problem, other than maybe nuclear war, that outweighs this problem for the American people.

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STATE OF OREGON

MEMORIAL TO REPEAL FEDERAL RESERVE ACT

62nd OREGON LEGISLATIVE ASSEMBLY
1983 REGULAR SESSION

SENATE JOINT MEMORIAL 12

Sponsored by Senator HANLON, Representative HANNEMAN (at the request of Jane L. Button and Kenneth Schmidt)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Memorializes Senate and House of Representatives of United States to repeal Federal Reserve Act.

JOINT MEMORIAL

To the Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Sixty-second Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

WHEREAS Article I, section 8, Constitution of the United States, provides that only the Congress of the United States shall have the power "to borrow Money on the credit of the United States;" and

WHEREAS Article I, section 8, Constitution of the United States, directs that only the Congress of the United States is permitted "to coin Money and regulate the Value thereof;" and

WHEREAS the Federal Reserve Act of 1913 transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article I, section 8, Constitution of the United States;" and

WHEREAS the Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the People of the United States; and

WHEREAS Article I, section 1, Constitution of the United States, provides that "all legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives;" and

WHEREAS the Federal Reserve Act of 1913 was imposed upon the People of the State of Oregon in violation of the provisions of Article I, section 1, Constitution of the United States; and

WHEREAS the Federal Reserve Banking System, has threatened the integrity of our government through the arbitrary and capricious control and management of the nation's money supply; and

REPORT

STATES CHALLENGING CONSTITUTIONALITY OF THE FEDERAL RESERVE ACT OF 1913

Washington State Senate **Jack Metcalf**
March 15, 1983 10th District

STATES THAT HAVE TAKEN ACTION ON THE FEDERAL RESERVE

1982: Alabama and Arizona passed memorials calling for abolishing the Fed.

North Carolina passed a memorial asking for a shift in the Fed's policy on credit.

Washington passed a Senate Concurrent Resolution calling for a suit in U.S. Supreme Court challenging the constitutionality of the delegation of the power to create money to the Fed and calling for an audit.

Indiana and Nebraska introduced resolutions calling for abolishing the Fed.

1983: Nebraska re-introduced memorial. It failed, but they will try again.

Indiana introduced memorials calling for abolishing the Fed and also calling for an audit. They have passed the House. (Adopted 103d session, 1983)

Virginia's resolution calling for an audit passed the Assembly without a single dissenting vote.

WHEREAS the United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; now, therefore,

BE IT RESOLVED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF OREGON:

(1) The Congress of the United States is memorialized to enact legislation immediately as is necessary to repeal the Federal Reserve Act.

(2) Copies of this memorial shall be sent to the President of the United States Senate, the Speaker of the House of Representatives and each member of the Oregon Congressional Delegation.

Idaho passed a memorial calling for abolishing the Fed.

Arkansas has introduced a memorial calling for abolishing the Fed; it is in committee.

Oregon has introduced a memorial calling for abolishing the Fed; it is in committee.

Utah's Senate has a memorial with 22 sponsors (out of a 29 member Senate)

Washington's memorial calling for abolishing the Fed has passed a Senate Committee and will be heard on the floor this week. Quick action is expected in the House.

Work is also under way in Montana, Wyoming, Texas, Pennsylvania, South Dakota, Nevada and California. Also Iowa, Florida, Louisiana and Mississippi.

Two other major efforts are being mounted out of California. One is a suit to be filed in District Court in Washington, D.C. challenging the Fed; another an effort to put an initiative on the Fed on the 1984 ballot.

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(206) 321-5483

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STATE OF INDIANA

MEMORIAL TO REPEAL FEDERAL RESERVE ACT

INDIANA GENERAL ASSEMBLY

Offered by Representatives: LEE CLINGAN,
DEAN R. MOCK, DONALD E. HUME,
RICHARD W. MANGUS

HOUSE RESOLUTION NO. 7

URGING CONGRESS TO REPEAL THE FEDERAL RESERVE ACT

WHEREAS, Article 1, section 8 of the Constitution of the United States, provides that only the Congress of the United States shall have the power "to borrow money on the credit of the United States" and

WHEREAS, The Federal Reserve Act of December 23, 1913 (Act of December 23, 1913; 38 Stat. 251; 12 U.S.C. 221 et seq.) transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article 1, section 8, of the Constitution of the United States; and

WHEREAS, The Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the people of the United States; and

WHEREAS, Article 1, section 1, of the Constitution of the United States, provides that "all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives;" and

WHEREAS, The Federal Reserve Act of December 23, 1913 was imposed upon the people of the State of Indiana in violation of the provisions of Article 1, section 1, of the Constitution of the United States; and

WHEREAS, Members of the Federal Reserve System, a consortium of private bankers, have threatened the very integrity of our national government through their arbitrary and capricious control management of the nation's money supply; and

WHEREAS, The United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

WHEREAS, A consortium of private bankers which is not subject to any official periodic review or oversight by Congress has unconstitutionally controlled the economy of the United States through the Federal Reserve Act since 1913; and

WHEREAS, This nation faces an immediate economic crisis. It is extremely urgent that the Congress of the United States act before it is too late by repealing the Federal Reserve Act and restoring the economy of this nation to a sound basis through withdrawal of all "fiat money" now in circulation—the so-called Federal Reserve Notes—and return to the gold standard; Therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE GENERAL ASSEMBLY OF THE STATE OF INDIANA:

SECTION 1. That the Indiana House of Representatives urges the Congress of the United States to enact immediately such legislation as is necessary to repeal the Federal Reserve Act and restore the gold standard.

SECTION 2. That the President of the United States immediately sign the necessary enabling legislation once it reaches his desk.

SECTION 3. That the Principal Clerk of the House of Representatives transmit copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each member of the United States Senate, and to each member of the House of Representatives.

J. ROBERTS DAILEY SHARON THUMA
Speaker of the House Principal Clerk
(seal)

Adopted by the Indiana General Assembly, 103rd Session, 1983

STATE OF ALABAMA

Reps. Willis, Boles

H.J.R. 90

MEMORIALIZING CONGRESS TO REPEAL THE FEDERAL RESERVE ACT ENROLLED, HOUSE JOINT RESOLUTION

WHEREAS, The state of Alabama has a duty to support and defend the Constitution of the United States against all enemies, foreign and domestic; and

WHEREAS, The Constitution vests in the Congress of the United States supreme power "to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures;" and

WHEREAS, The Congress passed the Federal Reserve Act in 1913 "... to furnish an elastic currency," and thereby abdicated its duty to the American people to fix a constant lawful value for United States money and thus insure prosperity for honest, law-abiding, productive citizens; and

WHEREAS, The national debt in 1913 was less than TWO BILLION DOLLARS for the entire Nation, while the national debt in 1981 approximates ONE TRILLION DOLLARS; and

WHEREAS, The people of Alabama are suffering the disastrous effects of bankruptcy, unemployment, and privation, when they are ready, willing and able to work for an honest living, but many find themselves unable to do so, for lack of available jobs or capital; and

WHEREAS, The direct effect of the dictatorial control of interest rates exercised by the Board of Governors of the Federal Reserve System has been steeply accelerating and inflationary interest charges, with the consequent and predictable destruction of business, agriculture and industry in Alabama and the Nation; and

WHEREAS, The Federal Reserve Act, Section 19, specifically precludes the State of Alabama from effectively legislating or enacting any lawful ceiling on the extortionate interest rates or usury demanded of our people by the Federal Reserve bankers, thereby immunizing the banks and bankers from any threat of civil or criminal penalty on account of their extortionate monetary demands; and

WHEREAS, The direct effect of the Federal Reserve Act, as amended, is to lay an interest charge upon every single dollar of paper currency which circulates in our State and Nation as a Federal Reserve Note, and it thereby lays an invisible burden on uncontrolled and uncontrollable debt and taxes upon the backs of our people; and

WHEREAS, The United States Government owns no stock in the Federal Reserve System, and the Federal Reserve is not a government agency, and is, in fact, an oppressive and extortionate, privately owned economic monopoly, entirely independent of any real government control, except by means of direct legislative action and intervention by the Congress, which established the Federal Reserve in the first place; and

WHEREAS, Section 30 of the Federal Reserve Act provides the "The right to amend, alter or repeal this Act is expressly reserved," and

WHEREAS, The Honorable Henry Gonzales, United States Congressman from the State of Texas has introduced a Bill, H.R. 4358, in the United States Congress, expressly providing for the immediate repeal of the Federal Reserve Act; now therefore,

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALABAMA, BOTH HOUSES THEREOF CONCURRING, That this body hereby memorializes the Congress of the United States, and especially Alabama's Congressional Delegation, both Senate and House of Representatives, for the immediate passage of this important legislation, H.R. 4358, to the end that peace and prosperity, and the blessings of a Sovereign God may be the lot of our people.

RESOLVED FURTHER, That a copy of the resolution be sent to each member of the Alabama Congressional Delegation and to each presiding officer of the United States Congress.

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within House Joint Resolution originated in and was adopted by the House February 9, 1982.

John W. Pemberton
Clerk

Senate Feb. 25, 1982 Adopted

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STATE OF TEXAS

HOUSE OF REPRESENTATIVES

RESOLUTION TO REPEAL THE FEDERAL RESERVE ACT AND RESTORE THE GOLD STANDARD.

By _____ H.C.R. No. _____
(Submitted for consideration)

HOUSE CONCURRENT RESOLUTION

WHEREAS, Article I, section 8, of the United States Constitution reserves to the United States Congress the power "To borrow Money on the credit of the United States;" and

WHEREAS, The Federal Reserve Act of 1913 transferred this power to an independent consortium of private, regional bankers, this transferral being free of any form of legislative review or oversight, constituting a clear violation of Article I provisions; and

WHEREAS, Article I, section 8, of the United States Constitution reserves to the United States Congress the power "To coin Money, regulate the Value thereof, and of foreign Coin;" and

WHEREAS, The United States has abandoned the gold standard, has ceased redeeming currency in coin, and has floated the value of the dollar; and the Federal Reserve System now issues fiat money in the form of unbacked Federal Reserve notes, this issuance and related monetary control constituting a second major violation of Article I provisions; and

WHEREAS, Article I, section 1, of the United States Constitution provides that "All legislative Powers herein granted shall be vested in a Congress of the United States;" and

WHEREAS, The Congress is without authority to unconditionally delegate its powers, yet has done so by relinquishing them to the Federal Reserve System, this relinquishment constituting a third major violation of Article I provisions; and

WHEREAS, Members of the Federal Reserve System have threatened the very integrity of our national government through their arbitrary and capricious management of the nation's money supply; and

WHEREAS, The United States faces an economic debacle of massive proportions, due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

WHEREAS, This crisis makes it imperative that the United States Congress act immediately to repeal the Federal Reserve Act that has been imposed unconstitutionally on the people of this state and nation and to restore a sound economy via a withdrawal of all Federal Reserve notes and a return to the gold standard; now, therefore, be it

RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF TEXAS, THE SENATE CONCURRING, That the 68th Legislature hereby request the United States Congress to repeal the Federal Reserve Act and to restore the gold standard; and, be it further

RESOLVED, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, to the Speaker of the House of Representatives and President of the Senate of the United States Congress, and to all members of the Texas delegation to the Congress, with the request that it be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

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ACTION IN CONGRESS

97th CONGRESS 1st SESSION
H.R. 4358

To repeal the Federal Reserve Act and transfer the functions formerly carried out under the Act to the Department of the Treasury.

IN THE HOUSE OF REPRESENTATIVES

July 31, 1981

Mr. Gonzalez introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To repeal the Federal Reserve Act and transfer the functions formerly carried out under the Act to the Department of the Treasury.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act shall be known as the "Monetary Policy Reorganization Act."

REPEAL OF FEDERAL RESERVE ACT

SEC. 2 The Federal Reserve Act is hereby repealed.

TRANSFER OF FUNCTIONS

SEC. 3. Such functions as were carried out under the Federal Reserve Act on the date of the enactment of this Act are hereby transferred to the Department of the Treasury.

DEPUTY SECRETARY FOR MONETARY AFFAIRS

SEC. 4. There shall be in the Department of the Treasury a Deputy Secretary for Monetary Affairs, who shall be responsible for administering the functions transferred to the Department under section 3 of this Act. The Deputy Secretary for Monetary Affairs shall be appointed by the President, by and with the advice and consent of the Senate.

DISPOSAL OF ASSETS

SEC. 5. Within one hundred and eighty days after the date of the enactment of this Act, the Deputy Secretary for Monetary Affairs shall

dispose of all the assets formerly under the custody and control of the Federal Reserve System, except such assets as are necessary to continue essential functions relating to check clearing or other services provided directly to financial institutions in the United States, or such other assets as the Deputy Secretary for Monetary Affairs shall by rule determine to be essential to the carrying out of effective monetary policy for the United States. The proceeds from the sale of such assets shall be paid into the Treasury as miscellaneous receipts.

ADVISORY COUNCIL

SEC. 6. There is hereby created a Monetary Policy Advisory Council, which shall consist of six members appointed by the President, by and with the advice and consent of the Senate. The Council shall provide advice to the Deputy Secretary for Monetary Affairs relating to all aspects of monetary policy, including those functions carried out by the Federal Open Market Committee prior to the date of the enactment of this Act.

98th CONGRESS 1st SESSION
H.R. 875

To repeal the Federal Reserve Act.

IN THE HOUSE OF REPRESENTATIVES

January 25, 1983

Mr. Paul introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To repeal the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, one year after the date of the enactment of this Act, the Federal Reserve Act (12 U.S.C. 221 et seq.) is hereby repealed. The Board of Governors of the Federal Reserve System shall take such actions as are necessary to dispose of all assets of the Federal Reserve System, and to achieve an orderly termination of the affairs of the Federal Reserve System, prior to the effective date for the repeal of the Federal Reserve Act.

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"Some people think that the Federal Reserve Banks are United States Government institutions. They are not Government institutions. They are private monopolies which prey upon the people of these United States for the benefit of themselves and their foreign customers."

CONGRESSMAN LOUIS T. McFADDEN

NCSL BEGINS INVESTIGATION OF FED NATIONAL CONFERENCE OF STATE LEGISLATURES QUESTION U.S. ECONOMIC POLICY

In a major policy move at the August, 1983 Quarterly meeting of the National Conference of State Legislatures (NCSL) the Government Operations Committee voted to study the national monetary system.

Washington State Senator Jack Metcalf, NCSL Government Operations Committee, authored and submitted the resolution, which passed by an overwhelming majority.*

Metcalf commented, "By adopting this resolution, we (legislators) are saying that the Federal Reserve is a colossal failure. Uncontrolled inflation and usurious interest rates are a result of the monetary policies of the Fed. The government pays interest on all Federal Reserve dollars in circulation - practically every piece of paper money now in use. With the federal deficit well over a trillion dollars - and mounting daily - we will continue to pay interest on this debt forever, unless action is taken now."

*Senator Jack Metcalf, Washington State Legislature, Institutions Building, Olympia, Washington 98504 (206) 753-7618

Metcalf was directed by the committee to provide information leading to a one-year study on state actions that will help protect citizens from the effects of the current policies of the Federal Reserve System. The final report of the year long study will have considerable influence on the various state legislatures and will undoubtedly result in further pressure on Congress to act. It may also result in more direct actions by the states to protect themselves and their citizens.

"Many state legislatures, including Washington's, have passed resolutions demanding Congress do something about the Fed. Individually, each state has limited impact on Congress. United, we have a vast opportunity to impact Congressional actions," Metcalf said.

"Many of our Congressional representatives consider the national debt and the huge powers of the Federal Reserve System as issues they can put on the back burner. But, state elected officials have more opportunity to talk with people. We know that citizens are demanding action now to avoid impending economic disaster," Metcalf concluded.

Text of the resolution is as follows:

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WHEREAS, a Government Operations Committee hearing at the December, 1982 meeting in Washington, D.C. produced evidence that our nation's money system is not properly serving the people of this nation, and

WHEREAS, the impact on our states of inflation, recession, high interest and high unemployment has made proper planning impossible and has severely damaged fiscal responsibility in many states, and

WHEREAS, the Congress has been unwilling or unable to deal with any meaningful monetary reform.

NOW, THEREFORE, BE IT RESOLVED that the Government Operations Committee, either directly or through a sub-committee, study the national monetary system to determine and recommend actions that may be taken by states to protect state governments and our citizens from the ravages of the present malfunctioning money system.

When promoting passage of the Federal Reserve Act of 1913, its sponsors and those working to see it passed made ten promises. They were:

1. To operate entirely under the direction and control of the President and his appointees to the Board of Governors.
2. Pay interest to the government for the privilege of printing Federal Reserve notes as the nation's currency.
3. Perform many banking services for the government free of charge.
4. They would manage the nation's money supply in such a manner that it would stabilize the dollar which, in turn, would keep prices relatively stable.
5. The Act would take the U.S. out from under control of Wall Street.
6. The Federal Reserve would prevent future depressions and eliminate the "boom and bust" cycles.
7. The Fed would be friend and helper to the farmer and to the monetary needs of small businesses.

C-55

8. The new system would remain forever decentralized so each Federal Reserve Bank would have as much influence in monetary policies as the one in New York.
9. The Fed would protect American interests against foreign monetary assaults.
10. The Federal Reserve System would supervise and inspect local banks, provide funds where they were pressed by unexpected demands.

History has shown the Fed has been unable to keep any of these promises. History also records that many of the major promoters of the Act later said it was their greatest mistake. Many tried, without success, to repeal the Act.

Senator Metcalf urged fellow state legislators to join in a suit before the United States Supreme Court challenging the constitutionality of the Federal Reserve System (Letter, 24 January 1983):

State legislators are today on the cutting edge of the economic battle. Caught between plummeting state revenues and sharply reduced federal dollars, nearly every state faces a budget crisis.

The major culprits in the economic battle have been years of lavish Congressional overspending and Federal Reserve policies that have both added to the monstrous national debt and also delayed - possibly too long - effective economic recovery. State Legislators have felt defeated; unable to reach or cope with the problem.

But, there is something we can - and must - do. Though we do not have the votes in Congress or on the Federal Reserve Board, sufficient pressure brought from enough state legislatures has historically produced results.

In 1982, the Washington State Legislature decided to act and passed Senate Concurrent Resolution 127 which called for a constitutionally challenge of the Federal Reserve Act of 1913 and its subsequent amendments.

Armed with SCR 127, Washington State delegates to the July, 1982 National Conference of State Legislatures Meeting requested and were granted a hearing before the Government Operations Committee of NCSL. At the Winter Meeting in Washington, D.C. last December, nine experts presented testimony on the Fed and the nation's money system in general. The major

conclusions drawn from the hearing are of enormous significance to both the state legislatures and the federal government. In brief:

1. Judged by the promises at the time the act was passed (including a stable currency and elimination of boom and bust cycles in the economy), the Fed has to be rated, at best, a colossal failure.
2. The Federal Reserve action of curtailing the nation's money supply by a third in 1929 converted a serious recession into a disastrous depression, destroying 1/3 of the nation's banks in the process; a similar Fed policy in effect in 1981/82 was changed only last October.
3. Judged on the basis of the Constitution and by the intent of its authors, the Federal Reserve Act and amendments are clearly unconstitutional.
4. The present system requiring the people and businesses of America to pay interest to the banks on every Federal Reserve dollar in circulation (total annual interest approximately \$50 billion) is a devastating and needless burden, adding to bankruptcies in a recession and severely hampering recovery. An Honest Money System (debt-free money) is absolutely essential to the economic well-being of the people all across America.
5. An unstable national money supply is a debilitating handicap at best and at worst not only causes, but worsens, the "boom or bust" business cycle so destructive of the people's best interests.

UNITED STATES ECONOMIC POLICIES AND THE FEDERAL RESERVE SYSTEM*

The economic disaster that may be just around the corner for the U.S. and for the world is now openly discussed and written about. Economists who warn of collapse are no longer considered "doomsayers." While many factors brought us to this point, there are three major contributors: U.S. banking practices with regard to economically

**Remarks prepared by Senator Metcalf for presentation at the Washington, D.C. hearing on federal monetary practices, National Conference of State Legislatures, 10 December 1982.*

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A sixth point, covered in written testimony, was that the people of America now suffer from a needless recession (depression?) brought on by high interest rates artificially created by Federal Reserve actions.

The implications for state legislators are immense. We must determine what we can do to protect our states and our people from the ravages of a fatally flawed national money system. Another hearing is planned at next summer's NCSL meeting, but we cannot afford to wait. Action must begin now.

The immediate and most helpful action any state legislature can take now is to join Washington State in passing a measure similar to SCR 127. With even 2 or 3 more states joining us, a suit may be brought in the original jurisdiction of the U.S. Supreme Court challenging the constitutionality of the present system.

I urge you to introduce and pass such a measure in your current legislative session. My office is prepared to give as much help as possible. We have materials available, can supply sources of further information and I may be able to come to testify or provide other experts to do so. I would appreciate hearing of any action taken in your state and being kept informed of any progress.

There is no doubt that the most important political issue in the last two decades of the 20th Century will be the Federal Reserve System vs. an honest money system for America. Our actions at this very critical time may well determine the economic position of this nation and its people for centuries to come.

distressed countries, decades of U.S. government overspending and the failure of the Federal Reserve System to achieve the goals for which it was created.

The evidence is grim. In August, 1982, auto sales were 35% below the already low sales of a year ago. Housing starts are at the lowest levels in 35 years. Farmers are losing money, even with record crops. In July, 1982, our factories and mines were operating at 69.5% of capacity. Pulp sales are radically depressed. Weyerhaeuser Timber company has no capital investments planned

beyond this quarter. Banks all over the country are merging in an attempt to strengthen failing financial positions; 27 banks had failed up to early September. According to Dunn & Bradstreet, 572 companies bankrupted during the week of August 9th, the highest failure rate since 1932, the deepest year of the Great Depression. Yet, until August, the Federal Reserve System kept interest rates at record highs!

Though President Reagan took dead aim at two of the biggest roadblocks halting economic recovery - runaway federal spending and federal income tax rates - the powerful restorative effects of these historic policy shifts have been delayed for one reason; the Federal Reserve's refusal to loosen its stranglehold on the nation's money supply.

The Federal Reserve System ("Fed") possesses what amounts to life-or-death power over presidential and congressional economic programs. If you asked most Americans what the Fed is and what it does, they'd probably reply that the Fed is just another branch of government. It's not! As the Federal Reserve Bank of San Francisco points out in its own job advertisement in the magazine *Computer World*. "Some people still think we're a branch of government. We're not. We're the bank's bank."

The Fed is a federally chartered, private banking consortium. It is empowered to act with absolutely no control by any elected person or body. Though the President appoints the Board members and they are confirmed by the Senate, they represent the banking community and, once in office, are completely beyond the reach of the public whose lives and businesses are deeply affected by their decisions. Neither their meetings nor the minutes of their meetings are open to the public. There has never been an independent audit of the Fed, thus, no one knows who owns how much stock in it, other than the required stock purchased by member banks under a formula set by the Federal Reserve Act of 1913. The U.S. government owns absolutely no stock in the Fed.

What further proof do we need that the Fed is not an agency of the government than to understand that when the government needs more money, the Fed does not merely create and print it as it would do were it a government agency. No, the Fed creates it as a loan and charges the government interest on it.

It is this private banking system - not the President or the Congress - that controls the nation's money supply and is the major factor controlling interest rates and the economic climate in the United States.

The Federal Reserve System is headed by a seven member Board of Governors, each member appointed by the President and confirmed by the Senate for a 14 year term. The Board is vested with oversight of the nation's money supply and banking system. The Board of Governors, the president of the Federal Reserve Bank in New York and four other Reserve Bank presidents chosen in rotation make up the Federal Open Market Committee (FOMC), who decide whether or not to buy and sell government securities on the open market. It is important to recognize the freedom with which the Board and the FOMC can operate. Once the Senate approves the members of the Board, they are free to do whatever they feel is necessary with no constitutional checks and balances, regardless of the wishes of the President, Congress or the public.

Beneath these two entities, the system consists of 12 Federal Reserve Banks, located in 12 districts. In addition, there are 25 branch banks and numerous member banks. All Federal banks are required to be members. Commercial banks may choose, and 4 of every 10 commercial banks are members of the System; but these banks control 70% of the nation's bank deposits. To belong to the system, member banks agree to deposit a reserve with the Fed.

This network allows the Fed to keep a close watch on the operations of our nation's banking system. But, their most powerful tool is the power, delegated to them by the Federal Reserve Act of 1913, to expand and contract the nation's money supply.

How can the Federal Reserve System create money? By simply touching a computer; literally creating money out of thin air. It is a complex process, but following are two accurate, but simplified, explanations.

At current budget levels, the government spends in excess of receipts by more than \$1 billion each week. This deficit is raised through a process called "monetizing the debt." The government prints a billion dollars worth of interest-bearing U.S. Government bonds and takes them to the

Federal Reserve. The Fed accepts the bonds and enters \$1 billion of credit on their computer, allowing the government to write \$1 billion in checks.

Three points are crucial: (1) Where was the \$1 billion just before the Fed touched the computer? It didn't exist! By monetizing the debit, the Fed created money to buy the bonds. (2) What did the Fed give for the bonds? Nothing! They received \$1 billion in interest bearing bonds without exchanging anything for them. (3) The Fed considers this a loan and will charge interest to the Federal government forever! Therefore, the banking system of this country is paid interest on every paper dollar in circulation.

This same thing occurs when the Fed decides to increase the money supply by selling government securities. This is the province of the Federal Open Market Committee. Once the FOMC decides the money supply should expand, they instruct the open-market desk at the Federal Reserve Bank of New York to buy a certain amount of treasury bills from a securities dealer, paying with a check. The "money" to honor this check is automatically created out of thin air, as earlier mentioned. For this example, securities purchased will be worth \$100 million. The dealer deposits the Fed's check in his bank, which we'll call Bank A, increasing his account and the nation's money supply by \$100 million. Bank A, a member of the Federal Reserve System, must set aside part of the money into a reserve, possibly 15%. Once Bank A puts \$15 million in reserve, they are free to do whatever they want with the remaining \$85 million.

The chain reaction continues when Bank A lends \$85 million to XYZ Company. When XYZ's bank account increases by \$85 million, the nation's money supply also increases by \$85 million. B.I.G. Steel deposits the check into Bank B. Once Bank B puts their 15% into reserve, they have \$72 million more to put back into circulation.

The process continues and the money supply keeps expanding. By the time the sum of reserves set aside by all the banks involved in this particular chain of transactions reaches \$100 million, the net effect on the money supply is staggering. The original \$100 million placed into circulation by the Fed has actually expanded the money supply by over \$600 million. Just like in the previous example, the money exists only on computerized credit and debit sheets.

One technique is to buy back government securities on the open market. The Fed can also change the reserve ratio and the discount rate to influence the activity of member banks. There is vast potential for abuse by insiders who, thus, have advance information regarding major shifts in the economic climate. This obviously could be manipulated into huge profits.

It is the use of these restrictive tools that is exacerbating our present economic crisis. When the Fed contracts the money supply, the government must monetize the debt by borrowing money from the banking system at prevailing rates. This drastically reduces the amount of credit available to businesses and private borrowers. Also, by raising Reserve requirements (or increasing the discount rate) the Fed can decrease the amount of money member banks have to loan. Whether the cause is the Federal Government driving private borrowers out of the credit market, or the Fed restricting lenders, the net result is the same: less money in circulation means higher interest rates and fewer loans, which means decreased business activity and delayed economic recovery.

The Federal Reserve controls the nation's money supply as well as the rate at which it circulates through the economy. Most people do not understand the Fed's power, believing interest rates are the key factor controlling the money supply. However, interest rates are the symptoms, not the source, of our economic malaise. Banks take many factors into account when they set interest rates - a borrower's credit rating, the risk to the bank, and the current rate of inflation. The real key is the size of the money supply, and the rate at which it circulates. With tight money and the Federal Government borrowing on the open market, banks aren't eager to make loans. When member banks are forced to pay a higher discount rate to borrow from the Fed, the added cost is passed on to the borrower as higher interest rates.

The high interest rates that have fueled a worldwide recession and blocked attempts to stimulate economic recovery in the U.S. are the direct result of the Federal Reserve System's decision to enact policies limiting the amount of money in circulation and the rate at which it can be circulated.

The Federal Reserve System possesses awesome influence over U.S. and world economy. Do we

really benefit from the Fed's use of these potent monetary tools?

The evidence suggests not. When the Federal Reserve System was created in 1913, its proponents argued that a powerful central banking system was necessary if our nation hoped to avoid the boom-and-bust swings in the business cycle that had plagued mankind through history. The Federal Reserve Act was sold to Congress as a way that would guarantee stable economic growth by maintaining a stable money supply.

This hoped-for stability has not occurred. In 1929, 1936-37, 1953, 1955-57, 1960, 1966 and much of the 1970's, the U.S. economy went through notable periods of recession or depression. In each instance, the Federal Reserve had increased, then rapidly decreased the money supply, contributing significantly to the downturn in economic activity.

Recent history suggests things haven't gotten any better. The U.S. is in the middle of the first back-to-back pair of recessionary years in its history. The second shortest period of economic expansion in 100 years (July, 1980 to July, 1981) followed the shortest period of recession in history (January, 1980 to July 1980). The reason for these volatile ups and downs, according to Milton Friedman (*Newsweek*, February 15, 1982) is squarely with the Fed. Friedman argues that a series of wild swings in the size of the money supply over the past 2½ years led to the widest fluctuations in short-term interest rates during the more than a century in which detailed records of American economic activity have been kept. According to Friedman, these erratic changes in the money supply have "put the economy through a dismaying roller coaster." His solution: "steady monetary growth in order for the Fed to regain the confidence of the financial community and for President Reagan's economic program to succeed in both ending inflation and providing a stable basis for health noninflationary economic growth."

By its own definition, the Federal Reserve System is a colossal failure. Ostensibly created to guarantee economic stability, it is in truth a significant source of economic instability. Rather than providing consistent monetary growth, its policies have produced what Friedman calls the "yo-yo" economy.

The concept of a private banking consortium controlling the issuance of our nation's money was not what the Founding Fathers had in mind. The Constitution is very explicit on this point - Congress, and only Congress, has the power to issue money.

The framers of our Constitution had learned from bitter experience what the unrestrained issuance of currency could do to an economy. Shortly after the Declaration of Independence was written, Congress and the 13 original colonies began issuing paper money. The money was not backed by precious metals and no limits were placed on the quantities issued. The resulting inflation nearly destroyed the fledgling Republic before it got started. Therefore, the Constitution, in Article I, Section 8, states "The Congress shall have power . . . to coin money, regulate the value thereof, and of foreign coin."

Men like John Adams, Benjamin Franklin, James Madison, James Monroe and Thomas Jefferson were highly distrustful of the motives of private banking institutions. History had given them good reason to be suspicious. As Jefferson once said, "I believe that banking institutions are more dangerous to our liberties than standing armies . . . The issuing power should be taken from the banks and restored to the government, to whom it properly belongs." James Madison was slightly more colorful, but no less certain, when he said, "History records that the 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."

The Founding Fathers understood the importance of a sound money supply. They were cognizant of the difference between "debt" money (money issued simply to finance government debt) as opposed to honest legal tender issued by the government. They knew Constitutional control of the money supply was the only way to protect the people.

There has been a two hundred year struggle in America over "who should issue the nation's money?" The Founding Fathers and early presidents spoke out on this issue. They said, "Don't let the banks issue the money." Either the government issues the money or the banks issue the money. The problem is that when the banks

issue the money they charge us interest on it. Thus, under the Federal Reserve money system, the people and businesses of America pay interest to the banks for the privilege of using our nation's money.

We pay interest, needlessly, on every Federal Reserve dollar in circulation! With approximately \$500 billion in circulation, the interest due is about \$50 billion!

It is time for us to clearly address the problems presented to the American economy by the Federal Reserve System. It is time for us to address the constitutionality of the Federal Reserve Act of 1913, granting those representing the monied interests control over our nation's money supply. It is time for us to truly understand the monetary policies of our country.

SOLUTION TO ECONOMIC CRISIS IS LOCAL ORGANIZATION AND CORRECTIVE STATE LEGISLATION

In the present climate of economic emergency it appears that the greatest stumbling block to acceptance of necessary data for financial survival, and the conclusions which must be reached by the individual, is the feeling of "unreality" which the truth holds for the very people who seek it.

The impending economic / political disaster is permitted its fantastic rate of growth through no other factor as much as incredulity masked as apathy. The resulting inaction of the people is a powerful propellant to nihilistic doctrine.

Knowledgeable response to crisis is, of course, more difficult than protest. But, protest alone will not defend your family, your money and your

We have a clear choice. Fifty years of deficit spending and debt money has left our nation dangerously near the precipice of economic disaster. We can choose to continue on this ruinous course or we can take steps to guarantee a sound, stable money supply for ourselves and future generations.

Honest money could very well be the most explosive political issue over the remainder of the century. Some in Congress have recognized this and opened the debate - but Congress will not act. As has happened before in our nation's history, it is now the duty of State Legislators all over this nation to accept the challenge, study this problem and demand solutions that protect our states and our citizens.

property. A vital first requirement for financial survival in a hostile political environment is identification of the men, and the system, who direct the course of America to oblivion and her people to a soviet twilight zone.

Now you have the key to unlock the mystery of "the secret government of monetary power," and learn how to defend your money and property against their confiscatory stratagems.

It is wasteful to wrestle with the convoluted, impersonal problems of the world. More real progress will be made in defense of freedom by concentrating your time and energy on economic issues affecting your resources and your family.