

## FSU Contrarian Roundtable Discussion

### On The Fed

April 2, 2004

*with*

[Sol Palha & Janice Dorn](#), [Antal E. Fekete](#), [Alan Lunt](#), [Chuck Cornell](#),  
[Art Soukup](#), [Gale Bullock](#), and [Janice Dorn](#)

*"Contrarian Round Table" contributors discuss THE FED.*

Who REALLY owns the Federal Reserve? How did it originate and how has it evolved? Is it a good thing for the people of the United States or not?

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#### **Sol Palha & Janice Dorn M.D., Ph.D.**

Proprietor & Contributor

[www.tacticalinvestor.com](http://www.tacticalinvestor.com)

I won't waste too much time dealing with who the Fed is or how they were created, but I am going to spend more time dealing with the last part of the Question. Is the Fed good for the people? There is a great site that can answer the first two parts of the question. I am going to put a link to this site. <http://www.federal-reserve.net/whatisthefederalreservebank.htm>

**A banker is a fellow who lends his umbrella when the sun is shining  
and wants it back the minute it begins to rain.**

Mark Twain 1835-1910, American Humorist, Writer

#### **THE FEDERAL RESERVE: LOVE IT, HATE IT, BUT NEVER TAKE YOUR EYES OFF OF IT.**

It is rumored that Alan Greenspan (Chairman of the Federal Reserve) spends two hours every morning soaking in a tub while he pours over economic data. A photograph from the book "Maestro: Greenspan's Fed and the American Boom" by Bob Woodward, shows Mr. Greenspan working in his office where, on a calm day, he checks 50 charts every half hour. The charts relate to the bond market, the Dow, the foreign currency markets, gold and oil prices. Alan Greenspan is 78 years old, and has been Fed Chairman since age 61 when he was appointed by Ronald Reagan. Whether you approve or disapprove of Mr. Greenspan's ideas and policy making decisions, you have to admire his longevity, tenacity and devotion to his work. How many of us would think about reading economic data while soaking in the bathtub? Sports Illustrated Swim Suit edition, or Playboy or even a novel, perhaps? But economic statistics? We don't think so.

Mr. Greenspan is a target. He is targeted by economists, many of whom have, as their *raison d'être*, interminable discussions of inflation vs. deflation vs. stagflation. In a March 29, 2004 article from the Financial Times, renowned economist Marc Faber accuses Mr. Greenspan of creating "a series of bubbles in the U.S. economy, the New Zealand and Australian dollar, emerging market debts, government bonds, commodities, emerging market equities and capital spending in China" and warns of impending deflationary collapse. Others say that we are headed for runaway inflation. Everyone has an opinion and the debate rages on.

**Good bankers, like good tea, can only be appreciated when they are in hot water...**

Jaffar Hussein

Mr. Greenspan is target by market pundits who dissect and parse his every phrase. He is ridiculed and called names such as E-Z Al, Sir Greenspin, Alan Green Kool-Aid, etc. Endless streams of verbiage spew from business television networks on the days before and after that the Fed meeting. Market participants wait with baited breath as that same old picture of Mr. Greenspan in what appears to be the old same suit, carrying the same old briefcase and walking down the same old street is shown over and over. Waiting on the Fed. Fed day. Major drama in the markets.

So much drama, in fact, that the market almost seems to go into a state of suspended animation just before the meeting's minutes are released. The moment the pronouncement on interest rates is made, the markets appear to convulse and flail as if thrown into a state of chaos. This is high drama played out in the financial area. Then, after a while, the reactions settle down, and markets are back to "normal." We move on with the knowledge that this same scene will be enacted during the next Fed meeting. Like a bad hangover, we are subjected to endless discussions of what Mr. Greenspan said, what Mr. Greenspan meant, what Mr. Greenspan might have been implying or what Mr. Greenspan might say the next time. One such example was the ad nauseum interpretation of the meaning of the phrase: "we will be accommodative for a considerable period of time." This particular utterance was dissected, vivisectioned and bantered about for weeks. One cannot help but be reminded of similar discussions, albeit on another topic, which occurred surrounding of the meaning of the word "is" which played out in a previous political drama and filled up countless hours of TV and radio air time.

**If I care to listen to every criticism, let alone act on them, then this shop may as well be closed for all other businesses. I have learned to do my best, and if the end result is good then I do not care for any criticism, but if the end result is not good, then even the praise of ten angels would not make the difference...**

Abraham Lincoln

What is the point of all of this? Other than entertainment value and slotting the time on business TV and radio, this is yet another opportunity for people to either embrace Mr. Greenspan and his ideas or to continue the criticism of Mr. Greenspan and his policies. It never changes. The supporters stay the same and get more vociferous. The critics stay the same and get more vociferous. In the end, everyone pretty much knew what was going to happen, (the markets anticipate everything anyway) so the whole thing was a non-event. Chaos in the markets, commentators spouting predictions, rampant speculation--all for a non-event. This is the way it is, it is what it is and it will be so until it changes (not expected soon).

So be it.

So why do we care at all about the Federal Reserve, Mr. Greenspan and policy? We are not advocates for nor fans of Mr. Greenspan. We are not economists, nor do we cater to any cults of personality. Rather, we are students of market philosophy and psychology and our mission is to empower individual investors to strengthen, enrich and protect their personal and financial foundations.

**Whoever controls the volume of money in any country is absolute master of all industry and commerce...**

President James A. Garfield

Once again from Bob Woodward: "The title of this book, [\*Maestro\*](#), was chosen carefully, and was intended to convey that Greenspan is conducting the orchestra but does not play an instrument.

He sets the conditions for the players to play well, if, they choose to do so and if they are capable”.

That is the point we are making here. It doesn't matter at all what the Fed does or does not do. It only matters if you are ready with your instrument in tune and ready to perform. It's up to you to make the decisions about what to do with your money. AND--the Fed can help you make those choices.

The sad reality is that 90% or so of investors lose money in the stock market. So taking it one step further, why don't we examine the issue backwards and ask the question does anyone benefit from the Fed's actions. The answer is a resounding yes. The Gold bugs have profited enormously from Fed action over the past few years. The fact that all of you are looking for higher prices, means you want the Fed to continue with their inflationary actions and keep increasing the money supply. Those of you who jumped on the gold bull bandwagon and "followed the money train" have made in excess of 600% on some of your gold and silver shares. Are you ready to give all those gains back in return for a Gold standard? Remember that your purchasing power has increased several times over. The price of most goods has not gone up as much as your shares. So this inflationary process has been one that has rewarded you tremendously.

How about real estate? Those of you who were smart enough to correlate extremely low interest rates with higher property prices made a fortune if you bought real estate from 1999-2001.

And then, there are those who made bags of money by going short the US dollar and the list goes on and on. So the real question should be is do we really care if the Fed is good for the People of America or are we more concerned with the issue of is the Fed good for me or not. There are many individuals out there, who will state that the Fed has been nothing but good for them as far as their financial health is concerned.

Personally, I think that if we were to get rid of the feds, some other rotten evil force would replace them, as human nature still has not changed. The desire to get everything for nothing is still within most of us and until that desire is eliminated or controlled, getting rid of a group of individuals, will do nothing but temporarily stop the problem.

The desire to get everything for nothing is everywhere. Just look at the frivolous law suits being raised. One of the most incredible ones to date was when this individual won several million dollars against McDonalds because she spilled coffee on herself. What was her excuse? She stated that they did not put a label stating that the coffee was hot; otherwise she would have been more careful.

Personally, I would like nothing better than to see the abolishment of the Fed and a return to some sort of Gold standard, where the amount of money that governments are allowed to print is limited by the amount of gold at hand. I don't think that getting rid of the Fed will cure anything right now. Corruption, greed and the "me only principal" rule everything now. As the world stands if we were to get rid of this bunch of devils, we will simply open a power vacuum, where all the other sharks out there will try to rip everyone to pieces in their quest to get it all. At least for the moment we have one foe as opposed to a bunch of little nefarious evil miscreants.

How often have you heard: "Don't fight the Fed?" What kind of a message is that anyway? If we aren't supposed to fight, what are we supposed to do? The message "Don't Fight the Fed" implies that one should do nothing. Just run away or wait for the Fed to run over them. We propose to change this to "**FLOW WITH THE FED.**" That is a positive message because it requires that we do something. Respond, don't react. Do something. Go with the Fed and make money by following the money. Make money by being positive and going with the trend. The most money in

the markets is made by identifying major trends, be they bullish or bearish and riding them to their natural, highly profitable conclusion.

This is not a moral, ethical or political discussion. This is not about liking someone or something or hoping and wishing for events to occur. Naturally, we care about the future and the fate of the world and world markets and humanity. However, our goal as investors is to make money. For that reason, it is unimportant to us if policies are inflationary or deflationary. We are concerned with taking up our instruments, making certain that they are tuned, and getting ready to play as soon as the Maestro raises his baton. We care that each of you is prepared to do this, ready for any change in pitch or intonation or rhythm. We want you to listen to the music of the markets, watch the Maestro closely and prepare to be carried away by the music. You may find yourself immersed seamlessly in a beautiful and most profitable symphony.

**You are the music while the music lasts...**

T. S. Elliot

This article was jointly written by Sol Palha and Janice Dorn, M.D., Ph.D.

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### **Antal E. Fekete**

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### **Red Herring**

The Federal Reserve System (Fed), the guardian and advocate of the regime of the irredeemable dollar, is very different from the Fed as it was created by Congress in 1913 at a time when no sane man would have questioned the legitimacy or even the indispensability of the gold standard. The Fed was set up to provide an elastic currency for the United States that flowed and ebbed together with commerce, industry, and agriculture which, according to Adam Smith's "Real Bills Doctrine", was fully compatible with a gold standard. The Fed was conceived as a commercial paper system. Assets balancing the note and deposit liabilities of the Federal Reserve banks were supposed to be no less than 35 percent gold, with real bills (also known as self-liquidating bills of exchange) making up the rest. Treasury bonds could only be held in the asset portfolio if a penalty tax was paid, which provided a powerful incentive to replace them with real bills at the first opportunity. The alternative was, *horribile dictu*, the contraction of credit.

It is preposterous to suggest that the Fed, as it exists today, has come about through evolution rather than revolution. In fact, the change has involved nothing less than the overthrowing of the U.S. Constitution making it incumbent upon the federal government to establish the U.S. Mint and to keep it open for the free and unlimited coinage of gold and silver by the people. In this way the Constitution has delegated the power of creating money directly to the people. It is this power that, as a result of the revolution, is now usurped by the Fed. As all usurpers, the Fed is a law unto itself that tolerates no restriction on its power.

The question who really owns the Fed, no less than the question who really owns the gold confiscated from the people in 1933 and now held at Fort Knox, with gold certificates against it held by the Fed, is a red herring. The Fed is nominally owned by its member banks, but its *modus operandi* betrays the truth. After the gold standard was destroyed by the U.S. government, the

Fed has been hijacked by a clique that runs it without any regard to ownership, the Constitution, the law or, for that matter, to the vital interests of the American people.

### **Who Gets the Loot?**

I shall justify this outrageous claim by discussing the real question how the earnings of the Federal Reserve banks are disposed in violation of the law. The Federal Reserve Act, Section 7 (as amended, June 16, 1933) mandates that the net earnings of each Federal Reserve bank be paid into the surplus account of that bank. Note that this provision does not add to the profits of the member banks, which is limited by law to 6 percent per annum of the value of their paid up stock. It merely strengthens the capital structure of the Federal Reserve banks and, therefore, increases their capacity to serve commerce, industry, and agriculture. The law as it stands does not allow the U.S. Treasury to participate in the earnings of the Federal Reserve banks.

Yet in 1947 Fed Chairman Marriner Eccles set a precedent, establishing a practice that has continued year after year down to this day, to hand over 90 percent of net earnings to the U.S. Treasury. Instead of presenting to Congress a proposal for amendment of the Federal Reserve Act, as proper procedure required, Chairman Eccles decided to violate the law and to dissipate the earnings of the Federal Reserve banks.

An ethical issue makes this official violation of the law particularly significant. The bulk of the Federal Reserve banks' assets, contrary to the original intention to run the Fed as a commercial paper system, are Treasury bonds. The bulk of their earnings are interest income derived from Treasury bonds. Most of these interest payments are quietly and illegally refunded to the Treasury. Thus the assets backing Federal Reserve notes are, for the most part, non-interest-bearing Treasury bonds or "strips", the value of which is grossly overstated in the balance sheet. The interposition of the Fed between the U.S. Treasury and the public in the money-creating process is a sham. The "open market operations" of the Fed is a sham. The dollar is being created in violation of the law, by pure fiat, at the whim of appointed officials arrogating unlimited power to themselves; this in a republic where government is supposed to be based on limited and enumerated powers. The roundabout nature of the dollar-creating process serves the purpose of fooling people. The Fed could very well be abolished, and the U.S. Treasury could issue fiat dollars directly, reducing the budget deficit of the federal government in the process. If it doesn't, it is because it wants to pull the wool over the eyes of the public. It wants to maintain the pretense that a central bank independent of the government does the issuing as dictated by market forces. Hereby the true fiat nature of the dollar is revealed. Only simpletons believe that there are solid assets backing the dollar.

### **A Tale of Twelve Shills**

The bond market has been turned into a casino. The gamblers are bond speculators, including all the major banks. The manager of the casino has hired twelve "shills" who play and win big at the gaming tables in order to perk up gambling spirit and to keep it high. At the end of the day the shills must return their winnings to the owner of the casino. These shills are none other than the twelve Federal Reserve banks.

The value of Treasury bonds is maintained through fraud. Today nobody in his right mind would hold his savings in bonds, as was the case before 1913 when the rate of interest and bond prices were stable and, hence, bond speculation was non-existent. Thus the logical basis of the value of bonds has been shattered. In the present environment the value of Treasury bonds is maintained by virtue of letting them serve as chips at the casino. People have to buy them if they want to play. As more and more chips are issued, the shills must become more and more active to prevent gambling spirit from sagging. The fraud of pretending that Treasury bonds have any real value at all, and that the destiny of the underlying debt is to be paid, is exposed. If it wasn't for the

\$100 trillion derivatives markets in bond futures and options, Treasury bonds would become worthless, and so would the dollar. These derivatives markets must spin ever faster in order to keep the value of Treasury bonds from collapsing. The shills can postpone the day of reckoning but cannot avoid it. Messrs. Greenspan and Bernanke could be reckless in using the printing press, as they have publicly said that they would do, but that should only make the dénouement, whenever it came, even more horrible.

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### **Alan Lunt**

Contributor

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## **About the Fed**

Others writing on this topic will have stated the facts as [G. Edward Griffin](#) laid them out in the excellent book "The Creature from Jekyll Island." Suffice to say that Aldrich hoodwinked Congress and set in motion the founding of the Fed. What interests me is how the Fed policies in America affect the globe, and American nationals in the global sense.

I suspect that the Fed was a long term plan created by the money men, for the benefit of the money men, to the detriment of the common man. So I will skip the first part and go on to the piece about how the Fed affects people.

The Federal Reserve of the USA is nothing more than a modern day "Merlin the Magician", a conjurer, an illusionist and a manipulator. What the Fed does is interrupt the natural cycles by tightening then loosening monetary policy. If it did not do one then it could not do the other. Like Merlin, Alan Greenspan and his sidekick Ben use fresh air to make money. That money is valueless, but because it smells like money, acts like money and looks like money, the existing money pool is diluted, it is counterfeit. The illusion is that we are better off financially. Poppycock!!!! We, you and me, are being raped of our savings, but at the same time are holding more assets. What an illusion. The illusion is wealth. The effect is indebtedness.

Was it Aldrich's plan to part us all from our money, if so it seems to be working. The printing press money is debt creation, that is the only way money can come into existence. But the problem is further compounded by the fractional reserve banking system whereby the money issued is loaned out in multiples. What happens when the banks want that money back? You got it, a credit squeeze.

The interesting thing is, as I see it, that the money has not all stayed in America. The carry trade and speculation has created a flight of newly printed money to offshore. This is born out by the spectacular performance of the currencies of commodity nations. Far and beyond what is reasonable. In the case of New Zealand lending to primary production has remained fairly static, but lending to the consumer has surged ahead. The basis of wealth is production, and the policies of the Fed is curtailing production in foreign lands. (Except China where the currencies are linked.) The effect is that the business cycle is interrupted offshore. That is the long arm of the Fed working. There is nothing our Government or Central Bank can do to stop it, we are at the mercy of the Fed and the printing press. The Fed has deemed it that all other nations will have a strong dollar policy whether they want it or not. Natural transitions that take years are now taking

months, there is no way any producer can adjust or plan in such an environment. All they can do is batten down the hatches.

The Fed seems to be the banker to the world. To have so much power residing in one place is not a good thing. As George Orwell said, "All power corrupts, absolute power corrupt absolutely". The owners of the Fed are out to get your money. Be prudent, don't willingly give it to them. On a global scale I will use Jim Ptoplava's words, this has the makings of a "Perfect Financial Storm". All created by Greenspan's Federal Reserve.

Protect yourselves now, buy as much gold and silver as you possibly can. All other money is going to be trash when people wake up to what inflation really is.

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### **Chuck Cornell**

Edmonton, Washington USA

The question of the Federal Reserve Bank is an important one. When trying to communicate, it is necessary to agree on the basic facts. If I believe point A is north and you think it is south, there is no point in talking about the best way to get there.

The following facts are easily verifiable in various books and many other sources. If you have never spent any time looking at alternative and other sources of information, you are probably not aware of these facts. Assuming this information is true, what effect it has on the country is for each to decide on their own.

Firstly, the Fed is not federal in any sense of the word. It is a PRIVATE COMPANY. It consists of twelve Central banks owned by international bankers in Europe and New York. They are all connected to the Rothchild banking interests centered in London. However, it actually makes no difference who the owners are. The effect on the world and us is the same.

As far as Reserve is concerned, they can print as much money as they want any time they want. Other than that, I am not sure what reserves they really have. Certainly none that are guaranteed.

The Federal Reserve Bank was formed in 1913 on Jekyll Island, Georgia. In top secret meetings, where some of the participants arrived in disguise, chief architect Paul Warburg, along with other international bankers plotted the creation of a national bank. While Congress was on vacation, using their vast influence, it was passed into law.

I do not think this bank is different from other central national banks in the past, like those opposed by Andrew Jackson and Thomas Jefferson. The purpose of the banks is to create money with no backing, by either printing or computer blips. That money is then loaned out with interest. The banks have no interest in you paying back the loan. The worthless money you borrowed is worthless to them. The idea is to have you contractually obligated to them, hopefully not being able to pay back the loan, under threat of imprisonment, taking from you real value, your tangible assets.

The same thing occurs at all levels. Internationally through the IMF and World Bank, poorer countries are put into debt that they cannot repay. For relief of some of the debt, the bank takes

over the land, resources and labor. Nationally, the Fed has our government indebted to them, and locally banks have the same relationship to individuals.

If the country wants to be in the banking business, creating money and loaning it with interest, why doesn't the government print the money itself. That alone would be a savings of billions of dollars to the citizens.

Obviously, at one point, the debt to the Fed will officially not be repaid. What will happen then? For those taking the equity out of your homes and spending money you do not have, beware. Perhaps, owning gold, silver, other precious metals, and tangible items is one of the better strategies to have.

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## Art Soukup

I did some research on this very subject a long time ago. All of the found answers shocked me. The shock is caused by finding out that the "History" or "Civics" class that you were probably taught in school did not tell the whole story. Therefore, you may wish to slow up on the publication date, to allow for plenty of reading time (a couple of months or so) and then plenty of pondering time (a couple of years or so), because it has very, very, deep implications because there is a lot more to the story. I have put some links at the very end. When you have read them, it would be a good idea to save a copy as "web page complete". Just in case they vanish. It's up to you, of course. Still... it is hard to learn, without the correct data, so here is some input for your article. Thread it together as you see fit.... something like, Wow look what I discovered while surfing the net.

The data is the definitions of three words, "issue", "issued", "rent"; and "something said" in a pdf file that I dug up on the net. It's important to not look at the pdf file. (Just save it for now.)

Until AFTER you have studied the words. So going a little deeper we need an understanding of the words as follows:

### **The IMPORTANCE of the words "issue" and "issued" and "rent."**

A web link to the definitions: <http://dict.die.net/issue/>

When you get there look at the definitions for the word "issue" as a NOUN, as a past participle, and as a verb tense. Guiding insight: I have picked a few of the definitions out to point your mind along a certain thought thread of thinking. Guiding insight: I have changed certain phrases to all UPPER CASE to serve as focus and pivot points of the mind. Inserted insight: I have inserted a few thoughts along the way. definitions numbers " issue n 1: an important question that is in DISPUTE and MUST BE settled;...." "2. The ACT of sending out ... the issue of money from a treasury."

ACT Hmmm.... Congress is always passing an "ACT" via HR (House Res) or HB (House bill). If you watch c-span for a long time, you notice something, ... some strange words sometimes at the end of the reading done by the Clerk of the House on a great many of the acts. It goes something like this. The Clerk of the House reads the act. Clerk speaking: "HR-1234 An ACT to

establish landing ponds for migrating birds along migration paths,...bla,bla,bla,...increases public safety...bla,bla,bla... AND FOR OTHER PURPOSES."

You can never seem to dig out just what the "OTHER PURPOSES" are. I have tried. Maybe I am looking in the wrong place. Then Congress votes and we go into the hole deeper.

Clearly, there is something going on here; things that are announced and things that are secret (the OTHER PURPOSES STUFF).

"Issue \ls"sue\, v. t.

"1. To send out; to put into circulation; as, to ISSUE NOTES FROM A BANK."

"9. A point in DEBATE or controversy on which the parties take affirmative and negative positions; a presentation of alternatives between which to choose or decide." DEBATE.... Hmmmmm. Like "The Declaration on Independence."

"11: the ACT of issuing printed materials [syn: publication] ACT...Hmmmm. like when they issue Federal reserve notes, a form of publication. "v 1: prepare and issue for public distribution or sale; "publish a magazine or newspaper" [syn: publish, bring out, put out, release]"

"8: the income arising from land or OTHER PROPERTY; "the average return was about 5%" [syn: RETURN, proceeds, TAKE, TAKINGS, yield, PAYOFF]" TAKINGS....Hmmmm...Like when they take your income through taxation.

#### **The IMPORTANCE of the word "RENT":**

<http://dict.die.net/rent/>

"2: GRANT use of OCCUPATION of under a term of CONTRACT; "I am leasing my country estate to some foreigners" [syn: lease, let] GRANT Hmm... sounds like some kind of treaty to me. OCCUPATION under CONTACT Hmm... Like "The Declaration of Independence," FOLLOWED by some treaties, then the Constitution of the United States.

"Rent charge (Law), a rent reserved on a conveyance of land in free simple, or granted out of lands by deed; --- so called because, by a COVENANT or CLAUSE in the deed of conveyance, the land is CHARGED with a DISTRESS for the payment of it. -- Bouvier." Hmm... Wonder if a covenant is a treaty???" "Rent (Isa. 3:24), probably a rope, as rendered in the LXX. and Vulgate and Revised Version, or as some prefer interpreting the phrase, "girdle and robe are torn [i.e., are 'a rent'] by the hand of violence."

Look at that, Right from ISAIAH number 3 statement number 24. Actual verse is:

"And it shall come to pass, that instead of a sweet smell there shall be a STINK; and instead of an ornamental girdle, a worker's apron; and instead of curled hair, baldness; and instead of purple robes, a girding of sack-cloth; for their beauty shall be destroyed." Hmmmm. Purple robes, long white curly hair wigs, barrister court...

So when "Something" is issued, the issuer still deems ownership, and can RENT its use through an internal re-venue service;" I am leasing my country estate to some foreigners"; because "it is just a hobby."

#### **The IMPORTANCE of the attached pdf file.**

In the attached pdf file (filename opnot0004.pdf) you will find "some strange words" on page 6 of 48 pages. The words start with: "(vi) .....debt ISSUED BY ....." Amazing!!!! You now KNOW who owns the debt as in "This note is legal tender, for all debts public and private"

Your title has four questions. It probably should have five questions; with question number five being: "Is it a good thing for the people of The United States of America, or not?"

So for a small thumbnail picture, permit me to re-paint your article title with the fifth question added to the title.

### **"Who REALLY owns the Federal Reserve?"**

[Answer] Via the Bank of England, the Queen of England, via the house of Windsor.

### **"How did it originate?"**

[Answer] Continuation of the money changers in the temple that J.C. got angry about, which set the origin of the first common wealth. And how has it evolved? [Answer] skipping over tons and tons of back data, the current events are: <http://www.rense.com/general50/king.htm>

### **"Is it a good thing for the people of the United States or not?"**

[Answer] Yes, but only for a while longer.

### **"Is it a good thing for the people of The United States of America, or not?"**

[Answer] No, but only for a while longer. "The United States" and "The United States of America" are two groups of people.

Here are the links that you should save a copy of, maybe print out and discuss.

THIS IS A MASSIVE COMPLEX SUBJECT THAT CAN NOT BE COVERED IN A E-MAIL.

Except for the home page top link, each link has a cut and paste from the article that the link points to.

<http://www.yale.edu/lawweb/avalon/avalon.htm> <---HOME TOP LINK

Hamilton Opinion as to the Constitutionality of the Bank of the United States, 1791 <<<<  
"Every contract which has been made for moneys borrowed in Holland, induces stipulations that the sum due shall bedded from taxes, and from sequestration in time of war, and mortgages all the land and property of the United States for reimbursement." [See]

The first six letters of the word "stipulations" contains an anagram. It is "TULIPS" as in Dutch tulip bulbs. That's why the phrase "...the sum due shall BEDDED from taxes". If you have any tulips growing on any of the property that you "THINK YOU OWN"... well... get a shovel, dig them up and destroy them. Then "the STIPULATION" does not attach. Mortgage in French language is "Mort" "Gage" ,a.k.a. "Death" "Pledge".

### **Preliminary Articles of Peace: November 30, 1782**

".....but so soon as the same or either of them shall be settled, it shall not be lawful for the said Fishermen to dry or cure Fishat such Settlement, without a previous Agreement for that purpose

with the Inhabitants, Proprietors or Possessors of the Ground." "The Navigation of the River Mississippi from its Source to the Ocean, shall for every remain free and open to the Subjects of Great Britain and the Citizens of the United States."

**Most important article:**

"ARTICLE 9th

In case it should so happen that any Place or Territory belonging to Great Britain, or to the United States, should be conquered by the Arms of either, from the other, before the Arrival of these Articles in America, It is agreed that the same shall be restored, without Difficulty, and without requiring any Compensation." [\[See\]](#)

The "In case it should so happen" allowed the delay of part two of the treaty (The Paris Peace Treaty of 1783) till the 20th century. It stayed on the kings mail boat for over 125 years!!!!

The ship never docked anywhere. Re-supply, re-crewing, re-pair all done on the high seas.

"The Paris Peace Treaty of 1783" top page. Many related articles [here](#).

**Actual Treaty:**

". But which treaty was not to be concluded until terms of peace should be agreed upon between Great Britain and France..." NOTE: I'm still digging for the this "terms of peace" treaty. It is a missing third leg of the puzzle. So far I have not been able to find it. "It is agreed that creditors on either side shall meet with no lawful impediment to the recovery of the full value in sterling money of all bona fide debts heretofore contracted." "The navigation of the river Mississippi, from its source to the ocean, shall forever remain free and open to the subjects of Great Britain and the citizens of the United States." [\[See\]](#)

Well, that's about it for now Sol. There is much more involved in your article title, but I'm getting tired of writing. The Avalon takes a long time to read. A very important book to read that can shed more light on the whole Fed issue is "[The coming battle](#)."

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**Pox Americana**

"Who REALLY owns the Federal Reserve? How did it originate and how has it evolved? Is it a good thing for the people of the United States, or not?"



**Pox Americana – [Mr. Wilson, you are a Traitor!](#)**

President Woodrow Wilson was a Traitor to the U. S. Constitution. Mr. House from Texas saw to that. The Fed is owned by key American Family Interests, and there are linkages to the [House of Rothschild](#) in the United Kingdom, and the Bank of Rome in the House of Europe. There is nothing Federal about it, and it is not a reserve, nor a depository of any kind. The name of this American central fractional reserve bank is a Fraud. It can rig the heavy metals markets on the COMEX and in NYC through JPChase Manhattan, Goldman Sachs, and the other Neanderthals, if you know how to follow the money at [www.gata.org](#) and [www.lemetropolecafe.com](#). Chairman Mao, aa the [Grand Vizier](#), and his pack of thieves are the greatest monetary Charlatans since John Law. Nope, this is not an original idea -- I stole it from Reg Howe, Howe versus BIS [www.goldensexant.com](#). I have no respect for the Green Man, as Sage Richard Russell calls him at [www.dowtheoryletters.com](#), and the Green Man's continued destruction of the Founding Fathers' Republic. I hate the word Democracy, for all democracies since the Ancient Greeks, have failed. Benjamin Franklin indicated at the time of the Constitution, that we created a Republic... as long as we could keep it. Our Founding Fathers created a Constitutional Republic. These were some of the most brilliant minds of the 18<sup>th</sup> Century... assembled in 13 Original Colonies under the Bank of England, the first central bank on the planet... with linkages to the Bank of Rome. I like to call Chairman Mao, the Grand Vizier, because I understand his game of the [prime directive](#) of total banking consolidation in the united states in america... but then, Folks, I read [Larry Becraft](#) down in Huntsville, Alabama.

Being a Southerner from the Mississippi Delta, I have an affinity for President Andrew Jackson and his delicious fight to kill Nickolaus Biddle and the Second Bank of the United States in his second bid for the Presidency of the united states in America. I don't have much use for Alexander Hamilton and his creation of the First Bank of the United States, the first central bank. The american educational system dumbs us all down, saying how Kool Woodrow Wilson was helping establish the League of Nations and fighting the war to end all wars. You, Morons! Mr. Wilson was a Traitor to the U. S. Constitution and the legacy of the Founding Fathers of This Republic. All democracies eventually fail. All legal tender fiat paper funnie monie currencies, eventually fail. History wins! You lose!

Nope! I don't have much respect for the American dumbing down on mr. lincoln, either. It was the War of American Secession, and it was street legal under the U. S. Constitution. It was, in fact, Mr. Lincoln's war. It was an economic war of the Northern Manufacturing/Industrial States against the Agrarian Economy of the South. Nope, it wudn't about slavery until it became expedient in 1863 with the Emancipation Proclamation as a political maneuver -- (Nope, I don't like the slavery thing either -- morally wrong, in my view, and against the Bible, Jesus, and the Almighty!). mr. lincoln, when quoted a usurious interest rate by the House of Rothschild in Great Britain, and the Bank of Rome, decided to finance the War of Northern Aggression, by printing his own federal reserve funnie monie.... It was called the Greenback. Nope, you ain't gonna find this stuff in the American educational system or in any college or university, especially Harvard or Yale. Mr. Lincoln did some other really nasty stuff like suspend habeas corpus, shut down some anti-war newspapers in the free states which were unionists, and locked folks up much like that AG from Missouri, Ashcroft. Bless his Religion and we all fall down and pray to his patriot acts, complete with the New Internment camps for terrorists, or the new alternative for debtors prison, thank you Law Professor [Jonathan Turley](#) at George Washington University – [Liberty Ebbs](#) by Degrees [for Camps for Citizens](#) – essays by a Patriot!

What does all this have to do with Pox Americana, you ask? I am laughing to myself. Since I am a also a pianist, and a composer, let's compose a tango, and do a Picardy Third, Folks!... taking you where the composer will lead, not where you think I composed the music!

Let's compose a tango! Let's begin by the [Histories of the Markets](#), shall we? All legal tender fiat paper funnie monie currencies, aka Ponzi Shell Games, eventually collapse. Fact. All democracies, which is synonymous with mobocracy, eventually fail. Fact. The United States in America are currently somewhere between a socialist state and a totalitarian state, economically speaking. I have a dictionary-linked essay on this subject called [Government and Politics 101](#) for you dummies out there.

Today in 'Merca (thank you, LBJ for correcting all of us) – we call it social capital – at the hands of the politicians and elitists inside the Beltway in DC. We have the makings of the modern socialist welfare state where the Neo-Cons can pull the fraud of pre-emptive war on Iraq, and hide the shams and cover-ups to Ma and Pa Kettle on Main Street America regarding the [truthout on 9/11](#). These are crimes against the U.S. Constitution and The Republic. These crimes wouldn't be possible without the Mandrake Mechanism and the symbiotic relationship of the Big Central government and that which is nothing Federal, nor a Reserve of any kind -- nothing but a private central bank, run for the bank and their interests. This private central bank is everything contrary to the intent of the Founding Fathers, the Constitution, and the Bill of Rights. This Pox American is stealing your wealth and prosperity, and that of your children under the Mandrake Mechanism of printing monie out of thin air – using dept to Ponzi the Scheme. Thank you my good friend [G. Edward Griffin](#), author of [The Creature from Jekyll Island – a second look at the federal reserve](#).

Fact – Since the inception of the Federal Reserve Act in December 1913 with Wilson asleep at the switch, the Jackass FED, including the current smoke and mirrors privateers Bernanke who has a helicopter's license to throw money out of a jet helicopter with a FRN printing press on-board, McTeer who urges us to all hold hands and buy a new SUV, and the multifarious obfuscations from the Grand Vizier on the economy, has destroyed about 95% of the purchasing power of the Constitutional U.S. Dollar, as a weight of measure at 371.25 grains of fine silver. Add to that, Socialist Franklin Delano Roosevelt's Great Scam and Rape of the wealth of America by recalling the gold money, and then, redefining the value at gold from \$24+- per ounce to \$35+- per ounce, after the banking holiday just after his first term election – and you realize just how ignorant folks really are on Main Street America. Behind the scenes, the Federal Reserve, the House of Rothschild, the Bank of Rome... And the big American families were smiling.... Shipping their gold to the House of Rothschild. Grin! See how this works? See how to follow the monie? Yeah Fast Mel Martinez at HUD... We are watching your behind, too! [Where is that \\$59 Billion](#) you lost at HUD? How's that Senate Election going in Florida where you can rig an election on a dangling chard, Pal? Mel, ya know, if the Grand Vizier hadn't pumped and dumped so much, you probably would have less to account for!

If you, Dear Reader, are lost, you might as well turn on the TV and watch a FED induced silly sitcom to dumb you down through the web of media control. If you think you are a smart because you graduated from Harvard Magna Cum Laude, or have a Ph.D. in economics or business on Wall Street, and you don't [know this stuff](#), you have [been dumbed down also](#), by the FED. The fact is I read Dr. Larry Parks, [Dr. Edwin Vieira](#), G. Edward Griffin, James Ewart, and Larry Becraft. I read some really esoteric stuff [by Lawrence Reed](#), Thomas DiLorenzo, Frank Shostak, Ludwig von Mises, Murray Rothbard, Beverly K. Eakman, Catherine Austin Fitts, Lt. Colonel Karen Kwiatkowski, William Rivers Pitt, Jonathan Turley, Lew Rockwell, Charlie Reese, Christopher Mayer, Thomas Fryer, and a global cast of characters....

Ed Vieira wrote a great piece called The [Federal Reserve](#): A Fatal Parasite on the American Body Politic....

Here is my summary:



***La Bastille = The Federal Reserve***

The Federal Reserve will continue until the Constitution is shredded by the AG's hands, along with it, the Bill of Rights, in the game of the prime directive of total banking consolidation in the united states in America. As my other research and essays indicate -- through a methodical and controlled burn in real estate using the GSE money pump mechanism of the GSEs, in the wonderful game of smoke and mirrors called two-tiered structured finance..... while the FED hides behind the curtain like the [Great Oz](#) pulling the levers. Welcome to Debtors' Prison Stalag 13!

That was a Picardy Third!

I would like to see [Ole Hickory](#) challenge Mr. Wilson to a duel on the Money Issue... I know where I am placing my bets! Black Jack, Baby!

Here are some great companion essays from some great minds:

[The Power to Destroy -- William H. Peterson](#)

[Law of the Sea Treaty and... -- Devvy Kidd](#)

[Inflation or Deflation? How about just 'Flation'? -- Alex Wallenwein](#)

[How Healthy are the Banks -- Frank Shostak](#)



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- For the [Prime Directive](#) of Banking Consolidation in the USA, See page 51 of [Memorandum of Law: The Money Issue](#)
- [Additional Support](#) linked here on my website on the Definition of Market Value -- Fatally Flawed?
- The World of the [Mafioso Fed](#) -- Enervate, Pal!

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## **MONETARY REFORM**

For thousands of years, the establishment has claimed that chronic rises in the cost of living have been a mystery; or resorted to faulty logic such that soaring CPI is due to rising energy prices.

Over recorded history, there are many examples of appropriate explanation of the "mystery" of "inflation". The earliest known was by Aristophanes in his play, "The Frogs", who explained the phenomenon as due to over-issuance of bad money. This was rediscovered by Oresme in the 1300s and Copernicus in the early 1500s.

The public has shown a surprising tolerance to the rip-off of chronic inflation, but it has also shown the ability to eventually figure it out and react to the scam.

In medieval Russia, "false moneyers" were eventually attacked and had molten metal poured down their throats. Dante even reserved a special place in Hell for false moneyers. The Father of Modern Central Banking, John Law, was lucky to escape the mob when the 1720 bubble burst.

In a slightly different format, the following essay was published in the Financial Post on December 29, 1999 and, for new readers, it includes a vivid description of a monetary reform conducted during one fateful Christmas.

## **PRINCELY FINANCE**

One would have hoped that financial rip-offs committed by medieval princes would have been permanently shelved when liberal enlightenment ended the divine right of kings.

Nineteenth Century liberals, so rational and principled in their views, could not have imagined the greedy craft developed by many modern governments in confiscating private wealth earned by productively working citizens. Are we seeing medieval financial tyranny replicated by today's proponents of the divine right of bureaucrats? A look at history provides perspective.

Although outrageous when imposed, the passage of time makes early examples of princely finance somewhat amusing: the colourful Richard I (1189-1199) sold property to finance his joining the crusade of Peter the Hermit. Upon returning, he took it back on the pretense that originally he had no right to sell it.

The infamous King John (prompted the Magna Carta in 1215) introduced the clever plan of imprisoning and ransoming the mistresses of priests; confident that the funds he could not obtain from their greed he would from their lust.

Edward I (1272-1307) confiscated money and silver or gold plate from monasteries and churches, faked a voyage to the Holy Land and, in keeping the money, refused to go.

Edward IV (1461-1483) was described as the handsomest tax-gatherer in the country; and when he kissed a widow because she gave him more than he expected, it is said she doubled the amount in hopes of another kiss.

The fiscally sound Henry VII (1485-1509) approached wealthy families with two arguments. If the household was not extravagant in expenditure, then he attacked what they had saved by thrift; while if they lived extravagantly they were considered opulent and could afford any exaction. Named after his minister of finance, the ploy was called "Morton's Fork".

A broader form of wealth confiscation capable of tapping even the poor was accomplished by currency debasement and extreme examples in ripping off everyone provoked severe social disorder. No matter what method employed, financial outrage prompted the evolution of parliament as a necessary means of constraining fiscal ambitions of the governing classes.

The struggle between individual freedom and authoritarian state proceeded until the late 1600s when growing commercial wealth and political power in London began to become influential with its financial common sense. The specific event that formalized the victory over the ancient status quo was the "Glorious Revolution" of 1688, which maneuvered the pro-business and Protestant William of Orange into the British Crown and displaced James II as the last absolutist king. How refreshing this was is indicated by the oppressive politics of his and his predecessor, Charles II. Starting with the restoration of the monarchy with Charles in 1660, both kings were bribed by France to change the culture of England - consistently in an authoritarian direction. Scornful remarks by miffed establishment were similar to those directed to the pro-business "religious right" today.

No matter how imaginative or despotic princely financing was, it can't compare with the long-running compulsion to spend other people's money by bureaucrats in Washington, unrestrained by the checks and balances of congress, constitution, or mainstream media.

But before expanding this point, consideration should be given to the other event that formally ended the old world, which was the beginning of modern finance with the incorporation of the Bank of England in 1694. As history shows, central banking is fine when disciplined by a convertible currency and, when not, it becomes a tool of state ambition to confiscate wealth through currency depreciation. That the dollar has lost 90% of its value in only 50 years exceeds most princely devaluations and, like those, has been no accident. Regrettably, modern financial agencies such as the Federal Reserve and Treasury have become almost medieval in function.

As outlined in **The Federal Reserve System, Purposes and Functions**, the Fed Board of Governors touted the usual claims that high growth in consumption and high unemployment could be accomplished with "stable values". Obviously, price stability was impossible due to the insatiable demands of the state which, even with a 90% depreciation in the dollar, has yet to be satisfied. Corruption is chronic.

Today, princely cunning really comes together with Washington's finesse in running the currency down and moving everyone up the confiscation ladder of "progressive" taxation. Sadly, until recently no matter which party sat on the other side of the House there was no serious opposition to today's intemperate collusion of state and religion (interventionist government). Without desperately needed constraint, the combination of currency depreciation and bracket creep with eventually force those below the "poverty line" into unconscionable tax rates.

Fortunately, history provides some antidotes to governmental abuse of the productive sector. Short of rebellion, the most effective of course has been a parliament accountable to the taxpayer. As for those who have wrecked the currency (also a parliamentary responsibility), Dante, in his *Inferno*, reserves a special place in hell for "false moneyers".

The Anglo-Saxon Chronicles record something equivalent, albeit more temporal:

**"1125 A.D. In this year before Christmas King Henry sent from Normandy to England and gave instructions that all moneyers ... be deprived of their members ... Bishop Roger of Salisbury commanded them all to assemble at Winchester by Christmas. When they came hither they were then taken one by one, and each deprived of the right hand and the testicles below. All this was done in twelve days between Christmas and Epiphany, and**

**was entirely justified because they had ruined the whole country by the magnitude of their fraud which they paid for in full." - The Laud Chronicle (E)**

Taxpayers deserve reliable protection and with sufficient outrage will likely move rationally to at least limit financial adventurers in government.

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Special credits are to be given to Bob Hoyle for the above article.

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### **Contrarian Round Table Series**

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