

# Economic Cures "They" Don't Want You to Know About

*And How "We the People" Can Fix It*

by

Liam Allone



And I asked myself, “Why is it that so many people just don’t “Get it?” Then I remembered:

There are none so blind as those who will not see. The most deluded people are those who choose to ignore what they already know. **John Heywood (1846)**

Therefore, I say this and testify in the Lord: You should no longer walk as the Gentiles walk, in the futility of their thoughts. They are darkened in their understanding, excluded from the life of God, because of the ignorance that is in them and because of the hardness of their hearts. They became callous and gave themselves over to promiscuity for the practice of every kind of impurity with a desire for more and more. **Ephesians 4:17-19**

And He said unto them, Know ye not this parable? And how then will ye know all parables? The sower soweth the word. And these are they by the way side, where the word is sown; but when they have heard, Satan cometh immediately, and taketh away the word that was sown in their hearts. And these are they likewise which are sown on stony ground; who, when they have heard the word, immediately receive it with gladness; And have no root in themselves, and so endure but for a time: afterward, when affliction or persecution ariseth for the word's sake, immediately they are offended. And these are they which are sown among thorns; such as hear the word, And the cares of this world, and the deceitfulness of riches, and the lusts of other things entering in, choke the word, and it becometh unfruitful. And these are they which are sown on good ground; such as hear the word, and receive *it*, and bring forth fruit, some thirtyfold, some sixty, and some an hundred. **Mark 4:13-20**

So I admonish you, dear reader; open your eyes and see what is right there under your nose!

Liam Allone

March, 2013

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This book is dedicated to my beloved wife Colette. Without your help this book would not have been possible. You were the principle editor, affiliate marketing expert, web site builder and sounding board for everything I missed. This is your book too.

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Daniel, you made this a better book.

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You and other “unsung heroes” all played an important role in helping me get this book “right” and I will be forever grateful.

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## FORWARD

I wish to provide something like the handbook of Mohandas Gandhi who wrote *Hind Swaraj* (Indian Home Rule, 1909) which he used to cast his vision of an India without British occupation. I want to present a vision that every citizen of the world can share and use to spread the truth as to what is behind our present unfolding world economic crisis. Gandhi's book was widely copied and circulated by Indians in its day. It sparked a revolution by instilling a vision that the entire nation came to share. If my book is truly inspired, it will have the same effect and may it be buried in anonymity otherwise! I will rely on the Creator whose greatest advocate said "Seek first the Kingdom and all these things will be added." In my opinion, this book describes both the earthly kingdom as it presently exists and the kingdom on earth I seek to replace it.

I was also concerned with the truth that in general, people value that which they pay for but count as worthless that which comes for free. I consider the message of this book to be of immense value and if you persevere in reading it to the end, I hope you think so too.

Another important goal is that the book should be translated into other languages. If any reader would like to undertake this effort, please contact me so that we can accomplish it together.

The true measure of this book's success will be the breadth of its readership and its contribution to affecting beneficial change. I would like this to be a witness to the "Powers That Be" and to the entire world. To that end, I will host a publicly accessible database when resources facilitate it, that each reader can add his or her name to so that all may see that we stand together.

Anyone is free to quote any part of this book upon the express condition that they give credit to me as the author of this work and include the web site URL [www.economiccures.com](http://www.economiccures.com) so that readers may connect with me and the organization that may emerge from these initiatives.

Finally, let me state that all quotes with emphasis or underlining was done by me; not the original writer. I did so to draw your attention to what I consider the most important elements.

Thank you for taking the time to read this book and for indulging my thoughts.

Liam Allone (June 8, 2012 in KY USA)

*If you don't read the newspaper, you are uninformed. If you do read the newspaper, you are misinformed. **Mark Twain***

*Megalomania - A psychopathological condition characterized by delusional fantasies of wealth, power, or omnipotence. **American Heritage Dictionary***

*"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking was conceived in iniquity and was born in sin. The Bankers own the earth. Take it away from them, but leave them the power to create money and control credit, and with the flick of the pen they will create enough deposits to buy it all back again. However, take this great power away from them, and all the great fortunes like mine disappear, and they ought to disappear, for this would be a happier and better world to live in. But, if you wish to remain the slaves of Bankers and pay the cost of your own slavery, let them continue to create money and control credit." - **Sir Josiah Stamp, a Director of the Bank of England in the 1920s who reportedly said this to a group of students in Texas in 1927***

## INTRODUCTION

From the outset, I would like to say that if this book is inspired - has the power to change our world - it will create a fire in the imaginations of men and women because it is a concrete blueprint for effective economic change that shows how to bring prosperity to everyone. The real problem, in my opinion, as to why our world's economies are such a mess is fundamentally spiritual – not economic. Walter Russell brilliantly captured this thought about truly inspired work in his book *The Secret of Light* when he said:

Inspiration can never be produced. It can [only] be reflected from one inspired mind to another recognizing one. Idea and inspiration may be echoed from spirit to spirit but they can never become product of matter in motion.

But what of the opposite of inspiration – vague, weak, nebulous, negative thinking? Here is what Russell had to say about that in lesson 10 of his home-study course:

Everywhere in Nature the vagueness and weakness of nebulous, negative thinking and unbalanced mates is recorded in every cell of matter which composes every body or any mass. This record of nebulous interchange between opposite conditions of concentration and decentration is as evident in the unstable chemical elements and compounds, as it is in the masses of weak, unstable humans who follow leaders and have no ability to make decisions of their own.

The spiritual disease is nothing less than our weak and negative thinking. The cure is inspired thinking. This is what Pogo comic strip author Walt Kelly was basically referring to when he

said, “We have met the enemy and it is us.” Nothing will change until we, clearly *knowing* what is right and wrong, what will work and what doesn’t, a few at first, and then as a growing directed movement; finally join in balanced rhythmic chorus to say, “Enough! I don’t want THAT anymore. I want THIS and I’m willing to do whatever it takes to get it.” That is the passion, drive and vision we need to have about what a properly functioning economy needs to look like. The days of just trusting our leaders is already over for most people today.

But it is not enough to be like the characters of the 1976 movie *Network* starring William Holden and Faye Dunaway, who all yelled in unison “I’m mad as hell and I’m not going to take it anymore!” That is what the Tea Party and Occupy movements are; great hoards of angry people who, like ships without rudders, are demanding change. But what change? They have no plan or vision as to what we should replace this present economic disaster with. What happens to ships that have no direction? They crash into the rocks and come apart at the seams! It is inevitable that we as a race will eventually find a balance similar to what I describe in this book. The only question is when will this happen; this election year 2012, 2016, twenty years, or even a century from now? I do hope the notion of Economic Democracy described herein inspires you, because it describes the world I most passionately desire to live in. Our present world is a world of winners and losers – haves and have-nots. The world I envision has no losers. If you resonate with this notion, let me share some new ideas so that together we can be part of that seminal group who understand the signs of our times and know what to do about it. The most important idea in this book is the Wealth Pump and what makes it work is a simple but most important concept. It is rhythmic balanced interchange of production and consumption, buyers and sellers, assembling and distributing, and debits and credits. No inflation. No deflation. No bubbles. No losers. No poverty in the land of plenty. People will still have differences but they will not be the result of struggles over unmet necessities of physical life – decent food, clothing and shelter. With the great release of the primary source of stress in our collective lives – the struggle for the means of our bread – real and lasting peace will finally come. We will finally be a responsible society, living as our brother’s keepers and abiding by the law of love. We will finally be a blessed people!

This chapter’s introductory quote by Josiah Stamp is one of the most honest, telling and powerful admissions about the true nature of our present monetary system and banking, that is to be found in the world today. Go read it again. It tells us several truths at once about a financial

system that we all take for granted as presumably working in the best interests of collective society – to our utter ruin. What did he tell us as a bottom line?

1. When bankers loan money, they risk nothing because their money is created out of thin air while they would have us believe that they have given us something of real value that they could potentially lose.
2. This is a fraud and deception that materially hurts society.
3. Bankers own the earth as a result of this fraud and deception by way of foreclosures.
4. If we take this power away from them, they will lose all their power over us.
5. We must take this power away from bankers if we wish our world to become a happier place.
6. We are slaves under this fraudulent system.
7. We are unwittingly paying for our own slavery by paying interest on our own property.
8. This power we gave to bankers is the root cause of our slavery; it is their power to control credit and create money. C. H. Douglas called it “the monopoly of credit.”

That being said, it would be irresponsible of me not to point out that the authenticity of this quote is in doubt. It is attributed to Silas Walter Adams in his 1957 book titled *Legalized Crime of Banking*. I have not been able to find this book to get further illumination on its source but Peter Cook wrote in his book *What Banks Don't Want You to Know* the following:

This statement was reportedly made by Josiah Stamp to a group of about 150 history, economics, and social science professors at the University of Texas in the late 1920s.

I read a very insightful piece by Brad Saltspringer on his blog as he questioned whether he should use this quote or not. I came away feeling exactly as he did and for that reason I have included Stamp's as well as other un-sourced quotes in my book as well. My bottom line is that truth itself is immutable and this quote speaks truth. Whether the person the quote is attributed to said it or not, does it resonate as truth? If it does, it is worth repeating. It is also important to draw the fact that it is not a verified source to you my readers so you can take greater care in assessing its value. Here was Brad's take:

Consider that some of these quotes are 80+ years old, it is difficult to impossible to secure the original article. How do I locate the physical document unless I find it in an antique store or someone found it in their basement and has the motivation to sell it on eBay...and I am looking for it at the right time? All highly unlikely scenarios.

The Internet Archive looks promising as it grows. I searched and found a Banker's Magazine circular that covers January to June, 1922. That's as far as I could look or I know about. Maybe, as all the scribe operators are funded to physically scan in all these old books and make them available on-line, we will eventually find the "blessed" source of the quote...or not.

I am not attempting to minimize your point, but I wanted to let you know the magnitude of difficulty of obtaining the actual, credible, irrefutable source. However, this portion of your comment interested me:

"... said that we cannot afford to keep writing quotes that are un-sourced. We will never be taken seriously if we continue this careless practice."

Taken seriously? Whom are you expecting to take us seriously? The state? The media?

Given topics like how we outsourced currency issuance to private firms many, many years ago, do you think the State/Media/Banking cartel is going to all of a sudden publicly acknowledge that they have been terrorizing, dis/mis-informing, and stealing from us via the taxation/inflation system?

Who else? People you want to convince? You could have the quotes written on two stones by the finger of God, and the masses will just look at you with a glazed donut look, and stampede out the door at the mere mention of the new Wii-fit board or the latest iPod. Hey, you gave me an idea. All those books, psalms, and other stories in the Bible...are they true if we cannot relate them back to the original manuscripts?

We will never be taken seriously. Even if we were armed with all the sourced quotes in the world, we'll be suppressed, marginalized, ridiculed, or ignored by the mainstream media propaganda agents and the State. I even found that people say to me, "Dude, that quote was written over ninety years ago. Our "modern" system doesn't work that way anymore."

You know what? Maybe I shouldn't quote "legitimate" sources anymore. I am not going to quote any "legitimate" authority figure anymore. I am falling into an old debate tactic "inverse ad hominem", meaning "appeal to authority". I kept looking for "revered" people to cite in order to prove my point to people who are hostile to the message.

<http://gilliganscorner.wordpress.com/2008/06/26/should-i-use-quotes-not-easily-sourced/>

This corrupt banking system is a very serious structural flaw with our economy; the flaw has been in place for hundreds of years and many people have been financially, physically and

emotionally enslaved because of it without even recognizing their chords of bondage. In the past 1000 years, we have gone from being medieval land serfs to modern debt serfs. It has been my observation that the majority of the people I meet do not have a clue as to what is at the heart of the dysfunction with our world economy simply because no one has actually seen an economy that really works; nor have they been taught what that might look like. Furthermore, our education system seems to be strangely silent on this important subject. Oh yes, we have seen seasons of prosperity; but regardless of the political structure, nations since the start of the industrial revolution have always had booms and busts. You won't learn of an economic model that works in school or the media because the controllers of those forums have a vested interest in keeping things as they are; but several viable alternative models do exist. We can all point at things we recognize as wrong or discordant with our world; but, in truth, few of us really understand the root cause of our economic problems. National debts rise in good times and in bad, taxes are forever going up while at the same time, government services are decreasing. If not many can see what is fundamentally wrong with our economy, even fewer people have a vision of a workable solution.

For many years I have searched for the source of what is wrong with our economy. As a software engineer, I have often asked myself if my efforts are putting people out of work and known that it is true. With the advent of Software CASE (Computer Aided Software Engineering) I can see that programmers are even putting *themselves* out of work. How can an economy be sustained if there are no workers with jobs and pay-checks to support it? Who will buy all the stuff we make? If you seek for truth, you *will* find answers. Lately I have been asking the question, "How do we fix it?" Again if you seek for answers, you will find them. That is why I wrote this book. I have a plan and vision. I am not the only person aware of the pieces described herein; however, no one has yet put the pieces together in quite the way I have to create a clear and simple solution that the average person could grasp. Though there have been great men, well known to all of us, who have understood many of these pieces and indeed some of them like Abraham Lincoln, Congressman Louis T. McFadden and John Kennedy lost their lives trying to address them; you will not learn these facts in public school history. This desire for specific fundamental change is my motivation for writing this book.

This is not a “doom and gloom” book with the message “we’re all screwed.” I am convinced that it is absolutely inevitable that all this economic turmoil has just one purpose – to give us all a belly-full of what *does not* work so we can all line up behind what *can and will* work.

I have three core messages to convey in this book to you, my dear reader:

1. A clear and simple explanation that will illustrate why the world’s economic framework has always failed us, by identifying the root causes.
2. A clear and simple alternative that everyone can understand which will provide us with the necessary economic framework for positive change.
3. This is a spiritual battle which each of us must fight. The enemy is ourselves and the battleground is within each of us. The only person to blame for why we are in this mess stares back at us in the mirror every morning and that is where the responsibility lies to fix it.

This is a book that will give you tools and thus hope, and it is a rallying cry. The Creator of the Universe is continually creating and each one of us who are made in His image are also a creative force – including those of us who are the very megalomaniac “Powers That Be” who are trying to manipulate the rest of us. I do not mention most of these ““Powers That Be”” by name, though I know who they are. Because we should not seek revenge and violence that will beget only more of the same, we do not need to lay blame or seek to punish them. It is my sincere hope that as fellow human beings, they will come to see the errors of their ways and that from their unique positions of power, they may actually use that position to help us all achieve the alternative framework and go down in history as true heroes. One has already emerged in the person of Foster Gamble whose family is behind Proctor and Gamble and whose web site, [www.thrivemovement.com](http://www.thrivemovement.com) seeks to achieve many of the same goals as I. The simple truth is that a very small minority people have apprehended a mighty base of power which many of the rest of us have voluntarily and unwittingly yielded to them. Foster Gamble says this minority represents only one in a million people in his movie *Thrive!* Now that we gave our power to them, they won’t likely surrender it willingly but if we are wise, we can take it back anyway. A small man named Mohandas Gandhi (whose fellow citizens came to reverently call him “Mahatma”) drove Great Britain, the most powerful nation on earth, out of his country and wrestled government power away from them by doing nothing more than capturing the hearts and minds of his fellow countrymen with the vision he articulated in a simple booklet he wrote

and others circulated with primitive mimeograph machines – a century ago. I created such a “booklet” in the form of a video to share my vision and it is here:

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

Since the Creator gave us all free will, the will of the majority will inevitably overcome that of the minority and the minority can prevail only if we allow it. All that is needed to achieve prosperity for all in the land of plenty is for the majority of mankind to become aware of what is going on, learn the solution and set their collective thoughts to achieving it. In this time of incredible economic upheaval, most of us are well aware that there is a problem, but most of us simply do not understand the root cause. However, after a couple of dozen trillion dollars have recently been thrown at the problem in the USA and it has still not abated, many of us are probing deeper. After all, we did not work our entire lives to build up a nest egg, only to have it smashed on a rock by an invisible hand. We intuitively know there is no good reason we should have such poverty in the land of plenty. The point is simply this; if we can understand what is fundamentally wrong and can rally around a concrete and workable solution, it will not be long before we crawl out of this pit of misery that is apparently unfolding. Getting *there* from *here* is a process I call our economic awakening. We need to *wake up, stand up, speak up and step up!*

The only way this problem will be overcome is if a critical mass of us can awaken from the mass-media delusion we’ve all bought into like lemmings and take back the control we have unwittingly given up.

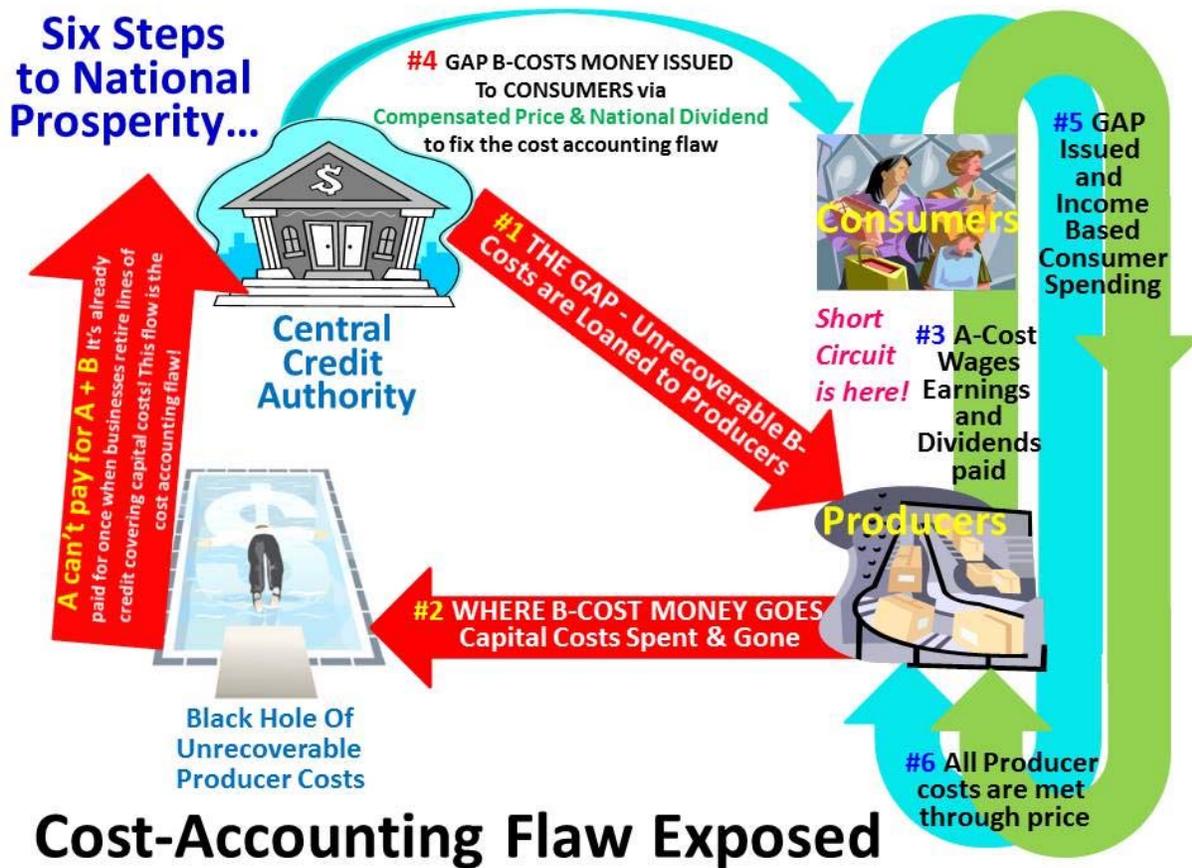
If I was asked to articulate the substance of this book and my message in a few pages, what would my message be? It would be as follows:



Figure 1 - Brainwashing in the 21st Century, Illustrated

Ask yourself why we should have such poverty in the land of plenty when technology has brought such incredible production leverage in agriculture and industry that if we ran our economy efficiently, we would need less than 10-20% of our workforce to produce all of our nation's goods and services. There are fundamentally two problems with our economy that are the root causes.

The first – and by far the biggest - problem is a fundamental gap or shortage of purchasing power – THE GAP. The wealth of the nation is not money. Money is just a piece of paper or a record in a computer file. Our real wealth is the goods and services we produce year in and year out. As that wealth is produced, wages and dividends are created to reward our productivity. The goods produced and services offered need to have a price set that will allow Producers to pay all their costs and earn a profit. That price is comprised of two important components. The first price component is the money paid as wages, earnings, profit and dividends. This component is uniquely distinguished by the attribute of providing new purchasing power that will allow us to buy what we are collectively producing. The second price component is comprised of all other costs like raw materials, capital equipment, buildings, computers, energy, interest, depreciation and everything else that go into producing. This second component is distinguished by the fact that under our present economic system no purchasing power is provided to consumers to cover it and our accounting systems provide no means of dealing with it. If we call the wages the A component and the other hard costs the B component, thus  $PRICE = A + B$ . Can anyone think of a single product or service comprised either entirely of wages (i.e. A) or entirely of costs *other* than wages (i.e. B)? How is it possible to pay the  $A + B$  price with only A wages? Clearly this is mathematically impossible. We call this shortage of money THE GAP and it is the critical hidden flaw of our economic system. The following diagram illustrates both the gap and its solution:



## Cost-Accounting Flaw Exposed

Figure 2 – The Price Gap Illustrated

Do you notice how there is no blue line between Producers and Consumers? That is how our present economy works:  $A = A + B$ . How could we have missed such an obvious problem for so long? Ah, there's the rub. It has been known for at least a century but has been suppressed. Can you guess by whom?

The second problem is unjust usury on the issue of newly created money as debt. Almost *all* money that comes into existence is issued as a debt to someone and it must eventually be repaid. This debt takes the various forms of money that banks loan to governments, consumers and corporations to fund new issues of stock, mortgages, car loans, lines of credit, credit card spending, international letters of credit to support imports and exports, government bonds, treasury bills and the list goes on. That in itself is not a problem. The real problem is that interest must be paid on this debt but the money for that interest is *never* issued. Thus the pool of money loans is like musical chairs where somebody will eventually come up short. You can't issue a dollar and demand repayment of two without creating and issuing the second dollar also. This is the primary cause of bankruptcy. That being said, in the case of public debt, there should not be interest on public bonds because they are backed up by the collateral of society – its full faith and credit. That collateral is the property of society – not banks – and therefore no interest

should be charged. In fact, public money should not be issued as debt at all, but simply issued as new purchasing power for the benefit of society who collectively owns it. As Thomas Edison once said, “If the nation can issue a bond, it can issue a dollar.” If we issued the money instead of the debt, there would be no national debt and taxes would be much lower. I am not against charging interest on debt. I am against issuing new money which is rightfully the property of the public commons, as debt. That is usury.

It will help to recognize that there is a REAL root cause of our unrelenting economic problems (the gap) and the APPARENT cause of usury on the issue of newly created money as debt which manifests as the greed mechanisms that have become an end unto themselves – control of the 99.9% by the .1%. There is a paper that was done by economist Steve Keen where he proved that there is sufficient money in the economy to cover the cost of interest. What he also proved is that the money to pay the interest comes through inflation and that as a result of the fractional reserve mechanism, over a third of the purchasing power of the money originally issued ends up in the reserve accounts of banks. Witness a \$USD that is worth less than 1/200<sup>th</sup> of its 1914 value and a mere handful of banks that control the entire economy. It all comes down to the law of the jungle. If there is a shortage, the strong will prey on the weaker. Get rid of the shortage and you get rid of the preying. The only REAL shortage in our world today is money. Anyone who gives thought to shortages will arrive at this obvious conclusion. It is so obvious to me but most people just can't see this.

The root causes of our economic woes are thus concisely identified as follows. *There is not enough money in the economy to fill the gap.* This shortage of money is comprised entirely of:

1. The B component gap and
2. Unjust usury which is characterized as interest on money issued as debt via a fractional reserve money system when it is really the public commons property; the end result is debt slavery of the masses of humanity.

It is critical to understand that the first problem – the gap - is the real problem with our economy but it is the second problem – debt slavery - that everyone can see. This allows the “Powers That Be” to keep us all in darkness because very few have successfully connected the dots. If you can grasp this one simple fact, you will forever be immune to economic deceptions or falling for schemes that lead right back into debt slavery. These megalomaniacs understand this so they will move mountains to steer anyone and everyone away from recognizing the gap. They will label you a quack, throw gaffe-blab (i.e. BS) at you to confuse you, label you an anti-Semite, find some dirt in your past to discredit you with – anything to steer public consciousness away from the truth. Why?

Those who benefit from this unjust economic system don't want us to understand this basic truth because they feed off the rest of us like parasites, contributing nothing useful and dragging the health of the rest of us into the gutter while they get ever richer. But wait! Is it they who are at fault so that now we need to punish them or is it us who are at fault for allowing them to do this to us? Is perhaps the real problem that we have been intellectually lazy and wanted to be taken care of so that we handed our power over to them to order the world's monetary systems and allowed them to establish world-wide hegemony in so doing? Could it be that we have failed to hold onto the republican form of government the founding fathers gave us? The Apostle Paul said, "Were you a slave when called? Never mind. But if you can gain your freedom, avail yourself of the opportunity." We have obviously been content to be slaves up to now. The solution to the problems of our economic system is actually simple. Freedom from this economic slavery is not hard to win if enough people can wake up and take appropriate action. We just need to set a vision in our mind of what is not working, set another vision of what to replace it with, and then hold our attention on that new vision. As surely as the thought "the wood floats" leads to "we have ships" our new vision will lead to a new and better Economic Democracy with plenty for all in the land of plenty. This picture that Dick Eastman, an independent candidate who ran for President in 2012, put together in one of his newsletters that says it all:



Figure 3 - The image of issuing new money as debt and its net effect

Let me illustrate this problem of usury in another way – by way of a parable. Picture a gullible man who has a huge and valuable farm. He puts the farm in the hands of a property management company and tasks it with maximizing the value of the land. The property management company rents this man’s land to his own retarded son for a considerable profit but it cheats this rightful owner by giving him almost none of the proceeds. It tells the tenant – the rightful owner’s son - that the property belongs to the property management company and it then keeps most of the rent for itself, throwing a mere bone to the rightful owner. In some strange and perverse way, the rightful owner actually believes that the property management company is the rightful owner and that he should be grateful for the bone the property manager throws him; and so he allows his son to be pillaged. In our society, the rightful owner is *We the People*. The land is our full faith and credit. The property management company is the Federal Reserve and its member banks. The son is a constituent of *We the People*. The bone is social security. The rent is the usury interest on the issue of new money; generally known as the national debt. What possible legitimate claim could the property management company have to the man’s property? What possible legitimate claim could international bankers have to the inherent productivity of *We the People* and our government’s sovereign right to issue its currency – unless we are their slaves! The master gets the first fruits and the slave gets what the master wills to give. Can you say “Gross Pay” and “Net Pay?”

Now let me illustrate the much larger problem of the gap by another parable. Picture a train with 100 seats. That is our economy’s goods and services. Now picture 100 people on the platform who wish to board the train. That is the nation’s consumers. Now suppose we issue only 50 tickets. That is the money. Is there any *good* reason why we should not simply issue another 50 tickets so the capacity of the train does not go to waste and so that the passengers are not stranded on the platform? What legitimate right do ticket printers have to constrain the pool of tickets to the detriment of the railroad and passengers? What legitimate right do international bankers have to deliberately limit the capital needed by businesses and governments to produce the goods and services society needs and to limit the effective demand money (i.e. tickets) that society’s consumers need to buy those products?

Let us summarize the situation. We have a gap that has been filled by governments borrowing from financial elites. These elites create money out of thin air and collateralize it on the full *faith* and *credit* of the working people of the nations. The *real credit* is the nation’s productivity and the *faith* is the belief that the nation will continue to be productive. *We* are the nation! This is **our** property – not that of international financiers and banks! By the way, that’s who “*they*” are. It’s not bad enough that they have claimed our wealth as their own. Then they have the nerve to charge interest on our property so that there is not even enough money in the economy to pay the loans off. The net result is that the collateral for the inevitable defaulted loans that result from the artificially created

shortage of money is commandeered by them and in this way the wealth of the nation is being systematically transferred into their hands. As if that was not bad enough, the gap in purchasing power is being financed by us at interest through government deficit spending. We are paying for our own slavery! What is really preposterous though is that we have been stupid enough to let them! We're so busy greedily chasing the golden calf and fighting with each other for table scraps that we have failed to see our real treasure – the bounty of our nation and for each of us the sovereign right to apprehend a full share of it.

The game of the financial elites is to deliberately engineer *booms and busts* but in a way that we don't see what is *really* happening – a sleight of hand. It works like this. After there has been a long period of recession, a shortage of goods inevitably occurs as prices fall and people slow down consuming. As the debts pile up, bankruptcies transfer corporate and personal property pledged as collateral into the hands of “Powers That Be”. When things seem like they could get no worse and many of us are suffering – when the economy is *bust* - the “Powers That Be” mysteriously start lending money to corporations in the form of stock “new issues.” Jobs increase, consumer spending increases and suddenly there is demand for goods again. The trouble is that there are not many goods available after such a long period of economic stagnation and with many Producers now broke or pared down to the bone with minimal inventories. The result is that prices rise as consumers chase what scarce goods are available – demand-driven inflation. All this demand causes producers to ramp up to meet demand and the *boom* is now on again. But because of inflation, all the prices have risen and the amount of debt being loaned to producers and consumers to finance this boom is even bigger than the last cycle. This is the perfect time for bankers to sell the assets they seized and sat on. Eventually, the mounting debt is broadly advertised as unsustainable, the economy is deemed overheated, a new form of inflation called cost-push adds more fuel to the fire and the next bust commences – kind of like what is happening right now.

If you ever wondered why a 2010 US dollar buys less than 1% of what it did in 1914 when the Federal Reserve was founded, now you understand why. B costs and usury on the issue of newly created money as debt that financed them have been heaping up for so long that it is now a mountain of debt. You also understand that the national debt is a fraud, and that this flawed economic policy which has driven the nation for over 200 years has simply got to change. If you wait for the politicians and captains of industry who are benefiting as parasites from the present order of things to change the system, hell will freeze over first. Each and every person who learns this truth must become an active agent for change. If we want to lay blame for the present order of things, we have nobody to blame but ourselves. We allowed this to happen in plain sight, despite the solemn warnings of many of our great leaders – men like Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Louis T. McFadden, John F. Kennedy and many others. President Abraham Lincoln said, “America will never be destroyed

from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves."

If we think of the way the world's economies work as being like the game of Monopoly where the banker always wins and the rest of us always lose, the only logical conclusion is to simply change the game. The game I want us all to play instead is called the [\*Wealth Pumps\*](#). In this game, there are no booms or busts, price gaps or taxation. If this sounds impossible to you, there is something you don't know about how money works that you need to find out. You need to find out how this new [\*Wealth Pumps\*](#) game works!

No plan makes any sense without clearly articulating it with a problem/solution rationale. Most of us are sick and tired of hearing what is wrong. We need viable alternatives and solutions. This book will first cast a vision of what the basic economic problem/solution looks like, and then follow up with the history and rationale as to why each element should be implemented.

While on the subject of problem/solution we must be mindful that the "Powers That Be" use the technique of problem/reaction/solution to herd us into accepting their hair-brained schemes. The last major such scheme happened when the bankers deliberately engineered the banking crisis of 2008-2009 to formulate another pillaging of We the People. They left the economy in distress until we demanded a solution. They then offered and implemented their solution of the TARP bailouts while we were all reeling in fear from the impact of the market meltdown that the media they own told us was imminent if we didn't fall for their "banana in the tailpipe" trick... AGAIN! A Republican President gave us TARP and a Democratic President gave us TARP II. Now you understand what I mean when I say we are a single party system comprised of Republicrats – AKA Demopublicans. After reading this book, you will have a clear vision of what a sound and sensible alternative solution looks like.

Some of the subjects I cover may not seem related, but by the end of this book you will have clarity. Stay with me, and you will surely come to the same conclusions as me. The professional salesman knows that there are three techniques for overcoming an objection: distraction, statement of benefits to mitigate the concern and turning the object of contention into a benefit. This is how propagandists pull us off our issues of concern. The well-informed person can't be pulled off point like this because his issues are well set in his mind. He KNOWS what he wants. This is why it is important that each of us first come to a comprehensive understanding of the

root causes of our economic malaise. We need to *know* what we want and then demand nothing less.

I take this message about our two problems of corrupt international banking system and flawed economic policies that don't fill the price gap, one step further by offering a blueprint for change. A major con job has been done on the majority of the world's inhabitants. I would say **our world-wide banking system is the most stupendous and longest running fraud in the history of the world** – and I *am* correct.



Figure 5 - G. Edward Griffin



Figure 4 - Major C. H. Douglas - Father of Social Credit



Figure 6 - Professor Emeritus Frederic Soddy

I cannot take claim for many of the ideas I am presenting here. I am a voracious reader and like to think of myself as a “free thinker.” The credit for many of the original ideas will go to those referenced in the bibliography and footnotes. There are three sources I would like to single out for acknowledgement as being particularly influential. G. Edward Griffin's book, *The Creature from Jekyll Island*, first alerted me in 1997 to what is fundamentally wrong with our economic system in my country of birth, Canada, and my current country of residence, The United States. Of course, much of what Griffin wrote was originally uncovered by Eustace Mullins and reported in his book, *The Secrets of the Federal Reserve*.

It was not until April of 2009, however, that I finally found a solution to our incredible economic mess through the writings of Major C. H. Douglas, who wrote hundreds of books and papers between 1919 and 1950. I was also surprised to learn that he came closest to succeeding in bringing his vision of government to fruition in my very own native Canada; in Alberta with a political party that was named after his first book – *Social Credit* (available as a free download on our website). He is the first person to identify the gap and he also proposed an economic policy that equitably distributes the fruits of production to all of us in a way that eliminates welfare and gives dignity to everyone while still rewarding exceptional achievement.

There is another man named Professor Frederick Soddy, a Nobel Prize Lauriat who was Douglas' contemporary and was quite famous in

his own right. He identified the same economic flaw of a general shortage of money as Douglas. He more clearly explained the fraud of banking than Douglas did. He was the 1921 winner of the Nobel Prize in chemistry for discovering and coining “isotopes” and Uranium 235 and 238 in particular. For this reason he is known as “the father of nuclear fission.” His basic premise in framing his economic solution was that Adam Smith’s *The Wealth of Nations*<sup>ii</sup> (available as a free download on our website) was founded on the false premise of scarcity that gave us unsound economic science at the very same time that James Watt’s steam engine unleashed an unprecedented and abundant wealth of energy and launched the industrial revolution. He stated:

“My main conclusion... was that it was entirely due to the fictitious money system which arose contemporaneously with the birth of the scientific civilization and that now was being purposefully and consciously used to frustrate it and to preserve the earlier civilizations founded on slavery.”

The heart of Soddy’s proposal centered on the notion that the only real wealth is of a physical nature and it must be physically produced. Money, bonds, etc. are fictitious creations out of the minds of men and not really wealth. He also said:

“It is clear that the issue and withdrawal of money [i.e. from general circulation] must be restored to the nation for the general good and should entirely cease from providing a source of livelihood to private corporations. Money should not bear interest because of its existence, but only when genuinely lent by an owner who gives it up to the borrower.”

I found Soddy’s proposed solutions to be less specific, articulate or as well thought out as those of Douglas but I heartily endorse investigating his message. Soddy called his economic proposal “National Economy,” and a web search for this phrase will find his material. His first book titled *Wealth, Virtual Wealth, and Debt*<sup>iii</sup> can be downloaded from our web site.

So what will be unique about my message? First and foremost, it is a message of hope and a vision of a world we would all like to live in – a world of peace, equity and unbounded opportunity in which we can all strive for our highest aspirations with only the reasonable constraints of liberty (i.e. the freedom to do whatever we want as long as it does not infringe upon the rights of others) to fetter our efforts. It is a synthesis of three core areas that are at the very heart of the human condition - our form of government, our economic policies that frame the well-being of the citizens under that government, and the freedom of expression within that system. If all of these are in harmony and functioning properly, we can truly have peace on

earth. We have never in recorded history seen all three areas functioning properly; but what the mind can conceive, we can achieve.

If enough people catch this vision, we can peacefully force a change – exactly as Gandhi did in India when he single-handedly led a people that forced the British troops to leave his country as military occupants and grant Indians home rule. He did it without money, an organization, media support or force. He did it through the incredibly powerful tool of his personal example of non-violent non-cooperation, by convincing his fellow citizens to spread this message (i.e. millions of copies of his little booklet were mimeographed and circulated), and by encouraging his countrymen to simply refuse to participate in the national economy until the British left. If I had to boil it all down to three things we need to do as a society to reclaim our heritage of freedom, they would be in order of execution - though each of equal importance:

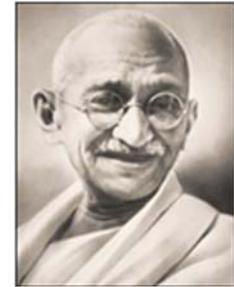


Figure 7 - Mahatma Gandhi

1. Replace the broken system of International Banking and flawed economic policy with equitably distributed interest-free money in a way that minimizes both inflation and deflation – via a “just price” mechanism that will be discussed later.
2. Implement an amended Constitution that codifies our new National Economic Policies so that they cannot be easily usurped again, as has already been done in the United States on three separate occasions in the nation’s history with respect to its present Constitution. Within it the framework already exists to create positive change.
3. Live as a society by the Law of Love and the Golden Rule.

An important question to ask is “Whom do we need to reclaim our freedom *from*?” The answer is that there is an international conspiracy whose members are part of a secret cabal that has been operating for many years – possibly millennia. The most powerful arm of the cabal is the consortium of international financiers that control issuing of *all* of the financial credit money in existence (i.e. money issued as debt against collateral) to *all* nations without exception. They are a world-wide force comprised of powerful people from all nations, races and religions. This includes the Bank for International Settlements, the Federal Reserve, the Bank of England, all the other financial credit central banks, and all of the national and international banks and corporations that draw their strength from these corrupt organizations. It is interesting to note that very few people – even within these organizations with collectively many millions of employees – have any idea of what they are a part of. This cabal has a sinister plan for mankind

which is nothing less than to put the world under a “king” of their choosing and to make the world government a police state. They are very close to achieving their objectives, and their hope is that this present time of economic upheaval will be the moment for their final push to more completely enslave us all. They know they can’t achieve this goal unless we willingly surrender. If enough of us know their scam, we won’t fall for their tricks.

For all of that, I am completely convinced that they will fail and here’s why. This universe was created by a Creator whose intention is that His creation should be an expression of ever-increasing love, beauty and magnificence. Each human is also a creator – created in His image – and is also capable of creating our world in our own image. Here’s the thing about a creation; you need to have a vision first to transform it into a creation and you need to hold your attention on it with expectation until it manifests. The cabal has a vision of what they want the world to look like that is more concrete than the vision that the vast majority of humanity has. This is why they have been so spectacularly successful. All humanity needs to do to sweep them away is to simply have a sufficient number of people catch a better vision –*Economic Democracy* - and impose it through a fair and just *political* process. The plans of this cabal then will fall like a house of cards. After all, there are at least a million of us for every *one* of them. People like Foster Gamble are already emerging from their ranks, which see the merits of our proposals and are joining us; history will count them as heroes.

In the past four US Presidential elections, America has had a viable third option to the “more of the same” Demopublicans and Republicrats – they were Ross Perot, Pat Buchanan and Ralph Nader. One of the three – Ralph Nader – promised to repeal the hated Income Tax to get the government out of our personal business and replace it with a more constitutionally acceptable national consumption tax. All three said they would veto any bill that did not fit within a balanced budget. All three said they would reform banking drastically. All three pledged to return America to a Constitutional footing by withdrawing from imperialistic military adventures abroad. You have already learned why a balanced budget in any nation under present international finance is a mathematical impossibility so that you now see the policies of these three men would have failed too. Their pursuit of a balanced budget would have indeed harmed the economy further, but their platforms were significantly different from those of the Demublican (I mean Republicrat) candidates.

Why didn't we vote for these men? The office of the President in the United States is particularly powerful because this single individual can face down nearly 2/3 of the joint houses of Congress to force them to change unconstitutional laws, and this office has the most influential podium to speak to the nation and to influence public policy change. When Pat Buchanan resigned from the Republican Party and announced plans to seek the Reform Party presidential nomination in 2000, he characterized the Democratic and Republican parties as a one-party system when he said:

“Today, candor compels us to admit that our vaunted two-party system is a snare and a delusion; a fraud upon the nation. ***Our two parties have become nothing but two wings on the same bird of prey...*** Both parties are addicted to soft money; both write laws with corporate lobbyists looking over their shoulder... My friends, this year I believe is our last chance to save our Republic before she disappears into a Godless new world order that our elites are constructing in betrayal of everything for which the founding fathers fought and lived and died.”

Americans had a viable third option. Why didn't the majority of us choose that option? There are several reasons. Perhaps it was the desire not to be a “loser” by betting on a losing horse. Perhaps it was a defeatist mentality where we told ourselves the lie that the third option candidate will never get elected anyway so why split the vote. Perhaps it was the fear-based conditioning of a national media propaganda machine controlled by the “Powers That Be” that told us who to vote for. I believe it is a blessing that they weren't elected. Their inevitable failure would have been very demoralizing to the electorate and would have given much fodder for their critics to return us to more of what won't work. Perhaps it is really the little voice within us all that intuitively knows what will and will not work. Nah! It was vote fraud! Check out the irrefutable evidence Jim Condit Junior uncovered at [www.vote fraud.org](http://www.vote fraud.org) where 13% of Buchanan's votes were just ignored by the media-owned organization Voter News Service (now called National Election Pool) in charge of tabulating the results. As Josef Stalin said, “Those who cast the votes decide nothing. Those who count the votes decide everything.” When votes are counted by computers, when the paper ballots are never counted by humans and when the best you can get for a recount is a random sample recount and that recount can only happen after 2 weeks' notice, how is it even *possible* to confirm or properly audit a vote? America is the only nation on earth with a secret vote count. The inevitable conclusion is that it is almost impossible for a populist to get elected without the blessing of the “Powers That Be.” What other conclusion could there be? The good news is that we can take control back. The bad news is

that *everyone* will need to get behind the process Jim Condit Jr has outlined by taking control of precincts everywhere to make it happen.

As I write this on March 2009, our world economy is unraveling. At the very heart of the problem is a corrupt money system controlled by “the few” and at the expense of “the many.” These powerful special interest groups are literally in death throes as they try to rescue the disintegrating infrastructure. They will fail for practical as well as spiritual reasons. The entire crisis can be completely and absolutely halted immediately if these “Powers That Be” would simply let go and get out of humanity’s way. When the entire existing financial structure has finally crumbled, something similar to what I describe in chapter three of this book will eventually replace it. In the worst-case scenario, a tyrant or two may come to power for a season; but ultimately, they, too, will fail and will be replaced by a just society with sound economic policies. This will come to pass because the will of the Creator will overcome the will of these megalomaniacs. The inevitable role of man has been to progress in a loving and balanced way, and so we will continue to do. Since we are all individuations of the Creative Force of the Creator and made in His likeness and image, it is through each of us that this will come to pass. Even now, many spiritual leaders are speaking of an ***Awakening***. What you will learn in this book is part of that process – both what is presently unfolding and what you personally can do to contribute.

In past cycles of history, most of humanity was oblivious to what was going on. Now most of us are well enough educated and informed to see the writing on the wall; and with the Internet and its consequent information explosion, seekers are finding answers. The spreading of this information must be viral. By using the internet, the word can and must be spread very quickly - virally. YOU ARE A PART OF THE SOLUTION!

There’s another possible contributing success factor to this process. Over 2000 years ago, Plato described all the forms of government we know of today – and then a few more – in his book ***The Republic***. Of all the governments Plato described, he only had faith in the form that had “Guardians” at the helm but he never considered a form of government where every citizen is a direct participant in government. He likened democracy to a system where the people will eventually vote themselves a paycheck; how prophetic. Edgar Cayce spoke of the ancient nation of Lemuria where every citizen did participate directly in government, but it would be difficult to conceive of how this could work without superior supporting technology. We have historically

never had an efficient means of disseminating important questions of policy and ascertaining everyone's collective wills in a timely fashion. It is now technically feasible to form a new type of government where we use the internet to inform and gather the will of the people and then directly vote that will. Would this new form of government not be more in keeping with the intent of the Constitution's preamble "to promote the general welfare" by allowing the entire nation to participate in political debates and have a more effective voice?

No *political* system will work for the good of the people as long as our *financial* system is not also democratic. The quote by Thomas Jefferson (conflicting sources: [Thomas Jefferson to Albert Gallatin, 1802](#)<sup>1</sup> but also attributed to the [Debate Over The Recharter Of The Bank Bill 1809](#)<sup>2</sup>), at the beginning of the next chapter says it all, and it is so prophetic that it is worth quoting twice:

"I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issuance of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all their property until their children will wake up homeless on the continent their fathers conquered."

It is economic policy that needs to change - **right now** - or everything else we do will continually fail over and over again as it has for the entire Industrial Revolution to this very day. Money is a *utility* that should serve the people to facilitate orderly exchange of goods and services in a way that maximizes Consumer satisfaction and efficiency with incentives for all. People should not be made to serve the captains of money who treat it as a *commodity* they own. We propose a workable model that is a radical departure from anything most readers have ever likely been exposed to. We refer to this model as [Wealth Pumps](#).

There is another important factor that needs to be introduced into our society and made into a cornerstone. We need to stop our insane modus operandi of "Take, grab, steal, get!" and replace it with the Golden Rule. We need to be so serious about this that we are willing to do "whatever it takes" to the point that we will not tolerate in our midst those who will not embrace it. Our courts must be controlled by "We the People" by way of Jury and not by the black-robed priesthood of lawyers and judges who have replaced justice with "just us."

There is no place in a just society for prisons which only serve to punish and which act as crime schools to teach prisoners even more infamous behavior that gets unleashed on us upon

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<sup>1</sup> <http://www.monticello.org/site/jefferson/private-banks-quotations>

<sup>2</sup> <http://www.markturner.net/2008/10/01/tracing-the-bogus-thomas-jefferson-bank-quote/>

their release. We must have a few common-sense safeguards as well. I propose changes to the Constitution of the United States to reflect what those safeguards could look like and it is located in [Appendix A](#) in this book.

You have only one responsibility, and that is to yourselves; think about the issues presented herein and formulate your own truths. As my wife and beloved often says of the many books I read, “*Take what you need, and leave the rest.*” You do the same. My simple wish for my fellow man is this; “May we all live lives that are fun.” After all, life is about the journey and none of us get out of this alive – or do we?

*“I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issuance of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all their property until their children will wake up homeless on the continent their fathers conquered.”* **Thomas Jefferson**

*... this money has been secretly issued by the banks through the cheque system. This occurred when the government stopped them from issuing bank-notes and sought to restrict and control this form of currency through the Bank of England. It is time the legality of these systems was tested in courts. It is a curious kind of law that makes the open issue of money [i.e. counterfeit] treason and its secret issue under a camouflaged name, as bank-credit, so immune from penalty that it was, until recently, treason even to question its legality. But that is now all out-of-date... It is bad enough to be put into the grip of the money-lender who does lend his money, but it is a million times worse to be in the grip of the pretended money-lender who does not lend his own money but creates it to lend and destroys the means of repayment just as fast as the debtors succeed in repaying it. This is the surrender of life and death over the nation’s economic life into the hands of irresponsible imposters.* **Frederick Soddy**

## HOW DID WE GET HERE?

Look no further than the above quote by Jefferson and witness the nearly complete fulfillment in our time of prophesy that was uttered over two hundred years ago. If I have one message to deliver in this book, it is simply this; ***I have a way by which we must free ourselves from the debt slavery that the “Powers That Be” have bound all the governments, businesses and the people of all nations - without exception.*** This is a spiritual issue, and our homes and livelihoods are at stake. There is no political ideology, nation, corporation or government on earth that is not under this yoke of oppression. You will never see this book displayed in an airport store, or library or bookstore because the “Powers That Be” who benefit from this system have become so powerful that the media is completely under their control, and to have this information become general knowledge is clearly *not* in their best interest. Their golden rule is, “He who has the gold, makes the rules.” They completely control the issue of credit and currency today so make no mistake; this is the fulcrum of their power. They have succeeded in making us their slaves, and they did it in such a way that, to date, hardly anyone even sees the chords of their bondage for what they really are! Now you tell me; how do you overcome a force you do not see? How do you overcome them if you do not understand their tactics? What

is the point of even struggling to rid ourselves of this slavery if you do not have a vision of what to replace the flawed system with? Do you burn down the decrepit house only to freeze in the cold? There is what you know, what you don't know, and what you don't know that you don't know. It's time to find out! With knowledge come purpose, confidence and power.

The first purpose of this book is to convince you of the root cause of all general economic malaise and then the second purpose is to propose a viable alternative. Jesus said, "The people perish for lack of knowledge." The economic knowledge we generally lack is: what's really wrong with our world's economies, and how can we fix it? We need to wake up, smarten up, stand up and step up – collectively and in unity – just as the people of India did almost one hundred years ago and just as the American colonists did just over two hundred years ago.

I also want to make it clear that if we can all summon the strength and take personal responsibility to spread this message at the grass-roots level to everyone within our sphere of influence, we can reform this flawed system without firing a shot or losing a life. Let us not be deluded though; the "Powers That Be" have worked for centuries to get as far as they are today, they have almost completed the task they set out for themselves and there is nothing they would not do to ensure their success – including mass genocide. The key to our success is to simply recognize their weaknesses:

- They are very small in number and not trained to fight in military combat – they are not even one in a million.
- If everyone – including their unwitting foot soldiers - knew their plan and understood the viable alternative, we could instantly disable them with our democratic political will.

This is a message of hope and a statement of expectation that in truth; they cannot possibly succeed and we cannot possibly fail. After all, God is a creative – not destructive – force. We were created by the Creator to be in His image – creators too. Shall the destroyers prevail? I think not! Nobody has so eloquently expressed just what the role of these financiers is, how they will ultimately prove to have been a blessing upon man and what the ultimate outcome will be, better than Rev. Wallace Wattles in 1910 in his book *The Science of Getting Rich*<sup>iv</sup> (available as a free download on our website):

***"You are to become a creator, not a competitor;* you are going to get what you want but in such a way that when you get it, every other man will have more than he has now."**



Figure 8 -  
Wallace Wattles

“I am aware that there are men who get a vast amount of money by proceeding in direct opposition to the statements of the paragraph above, and may add a word of explanation here. Men of the plutocratic type, who become very rich, do so sometimes purely by their extraordinary ability on the plane of competition; and sometimes they unconsciously relate themselves to Substance in Its great purposes and movements for the general racial up-building through industrial revolution. *Rockefeller, Carnegie, Morgan et al., have been unconscious agents of the Supreme in the necessary work of systematizing and organizing productive industry; and in the end, their work will contribute immensely toward increased life for all. Their day is nearly over;* they have organized production, and will soon be succeeded by the agents of the multitude, who will organize the machinery of distribution.”

“The multi-millionaires are like the monster reptiles of the prehistoric eras; they play a necessary part in the evolutionary process, but the same Power which produced them will dispose of them. And it is well to bear in mind that they have never really been rich; a record of the private lives of most of this class will reveal that they have really been the most wretched and abject of the poor.”

“Riches secured on the competitive plane are never satisfactory and permanent; they are yours today and another’s tomorrow. Remember, *if you are to become rich in a scientific and certain way, you must rise entirely out of the competitive thought. You must never think for a moment that the supply is limited.*”

The purpose of [Wealth Pumps](#) is as Wattles said, “to organize the machinery of distribution.”

As a Canadian who has lived and worked in the United States and abroad for much of the past fifteen years, I write this message as a citizen of the world to all nations of the world because this is OUR collective story. You will soon see that it may have been a few Americans, British, Canadians, Australians and New Zealanders who first advanced the correct course we *should* take – though it has yet to be implemented anywhere. But it is for the people of every nation on earth that this book speaks because the flaws of economic policy in every nation are the flaws identified in this book. It does not matter if the nation’s ideology is Socialist, Capitalist, Communist, Totalitarian, Oligarchy or any other. The two root problems are the same. Until we get a critical mass of people who clearly see what these problems are *and* have a clear vision of how to fix them, we will continue to be the debt slaves of the parasitic “Powers That Be”, and we will continue to suffer under the yoke of economic oppression.

It was C. H. Douglas from England who articulated the most perfect vision of an economic system that will work. I first learned of our badly flawed economic system in 1997 when I

bought a cassette tape course called Global Prosperity 2000 that was initially put together by Keith Anderson under his company, Anderson Ark Consultants. His hero was G. Edward Griffin who wrote the book that completely exposed the Federal Reserve System as theft of the Republic.

In the course, Keith published the 1982 interview of Norman Dodd by Griffin. Dodd exposed his ring-side-seat witness of the systematic undermining of the American dream by international financiers via their tax-exempt foundations. Dodd was Chief Economist of the Morgan Bank at the time of the 1929 crash and was the administrative head of the Reece Commission (chaired by Congressman Carroll Reece) which investigated tax-exempt foundations during the McCarthy era. I listened to that interview and was deeply moved. Keith is in jail for alleged tax evasion now as I write this because he saw the enemy as our government and their fraudulent Income Tax, refused to pay it, and taught others how to protect their money by moving it offshore. I knew he was morally right after perusing his materials, and it has forever changed how I feel about our governments and taxes. There is a long list of other heroes who deserve honorable mention and they will someday be held in the same high regard as we now hold Patrick Henry, Benjamin Franklin, Thomas Jefferson, Abraham Lincoln and John Kennedy. Here are the men and women I most admire in the tax protest movement today – people who have suffered considerable personal loss to bring the truth to their fellow man: **G. Edward Griffin** – who has worked tirelessly to expose global Elites.

**Sherrie Jackson** – a former IRS agent had the guts to expose IRS fraud and she spent time rotting in prison as a political prisoner.

**Martin Armstrong** – an economist who “they” had to shut up when they failed to recruit him. They apprehended his economic modeling software which was defeating their plans. He too paid with prison time.

**Joseph Bannister** – another IRS agent who also had the guts to expose their fraud – and won in court when acquitted by a jury of peers!

**Irwin Schiff** –wrote the only court-banned book in the history of the United States, *Federal Mafia*<sup>v</sup> (available as a free download on our website) to explain to Americans how to lawfully extricate themselves from the IRS and was put in jail for refusing to cease selling his book – in violation of his First Amendment right. Now he gives it for free as a web download. His son Peter Schiff ran for the US Senate in 2009.

**Bob Schultz** –went on a hunger strike on the steps of the IRS in Washington and refused to relent until they “showed him the law” – though they lied and never kept their promise - and now leads the We the People Foundation ([www.givemeliberty.org](http://www.givemeliberty.org))

**Larkin Rose** –also taught Americans how to extricate themselves from the IRS, and also spent time in prison for his troubles.

**Dick Simkanin** – an employer who refused to collect withholding taxes for the IRS, and who is now in prison.

**Byrun Fox** – leader of the Canadian detax movement faction that teaches Canadians how to extricate themselves from CCRA by lawfully becoming Corporation Sole ecclesiastical bodies of one – just like the Pope, the Sovereign of England and most of the world’s monarchs, Canada’s Governor General, Lieutenant Governors and churches.

**Eldon Warman** – leader of the detax movement that stands on the laws of Canada as written, as the basis of not paying CCRA. He points out that the Federal Government of Canada has no right of Eminent Domain as clearly revealed by the Statute of Westminster that “cut the good ship Canada loose” where it was commandeered by the financial elite of Canada during the Depression while most Canadians were too busy struggling for the means of their daily bread to take notice.

**Louis T. McFadden** – the House of Representatives chairman of the Banking Subcommittee who brought a motion to impeach the Secretary of the Treasury and the directors of the Federal Reserve for treason and was subsequently “permanently silenced” after two previously failed assassination attempts. The impeachment motion remains “to be acted upon.”

**Alex Muljiani** – another vocal Canadian who is a voice in the Canadian detax movement.

**Dr. Ellen Stubenhaus** – a chiropractor who had the courage of her convictions to put herself in harm’s way by putting herself in the public light as a member of Pinnacle Quest International’s Executive Council to help educate people on what the law actually says. She was arrested in 2008 in Costa Rica and fought extradition for four years detained in a woman’s prison before being returned to the USA for her troubles.

**Wally Dove** – another Canadian detaxer.

**Tom J. Kennedy** – another Canadian detaxer – AKA Tommy No-Usury - who champions a possibly-workable barter system called LETS.

**Robert A. Marquis** – the first Canadian to reveal the fraud of Revenue Canada and successfully extricate himself from Canadian income tax. He wrote the book *Fraud, Deception, Manipulation*<sup>vi</sup> (available as a free download on our website) and explained how he did it.

I must say that I personally share the conviction of these men and women but not their calling. I would compare the taking-on of our governments over the issue of their illegal administration of our laws to crossing the street at a public cross walk with a sixty-ton transport truck bearing down at 80 miles per hour and expecting it to stop. I don't care to be road kill, sacrificed on the altar of "dead-right." Nevertheless these people have accomplished and continue to accomplish amazing things in the face of extreme adversity. Some of them are in prison. Some have been acquitted by a jury of peers and are free to trumpet their victory as evidence of their just cause. Some of them have been turned on and reviled by weak-minded people they tried to help when the going got tough. Though they wanted the justice that they were taught was contained within the law, when their government refused to honor those laws, these weaklings needed someone to blame.

I started off with a fire in my belly over this issue of fraudulent income tax; but when I brought it to the attention of members of my church where I was in leadership, I got "eyes glazed over" syndrome or the Bible quote to "render unto Caesar" or accusations of "conspiracy theory mongering" for my efforts. That's when I realized that the problem is collectively the ignorance of the majority who simply do not *want* to believe they have been so thoroughly hoodwinked. Therefore, the victory of required change will come either when we have all had a bellyful of BS or when somehow the "100<sup>th</sup> monkey effect" will permeate the consciousness of enough people as to the viable solution so that a grass-roots movement forces change, a-la Gandhi. Guns and violent revolution are also an option; but if that comes, I won't be participating – just sympathizing. That is not the way of the peaceful warrior, and it is not necessary.

For the past fourteen years I have clearly seen that it is our central banking systems that are the heart of the problem, but I did not have a clear vision of what we could replace this system with until recently – with a better approach as to how to organize a national economy and reframe economic policy. Up until this point I believed the answer was simply to properly apply the principles of the Constitution of the United States and, specifically, the prescription that all money should be specie issued by our governments and backed by gold or silver. I now

recognize that this will *not* work. It too is flawed and indeed has already failed several times over the past few centuries for reasons that will be made clear later.

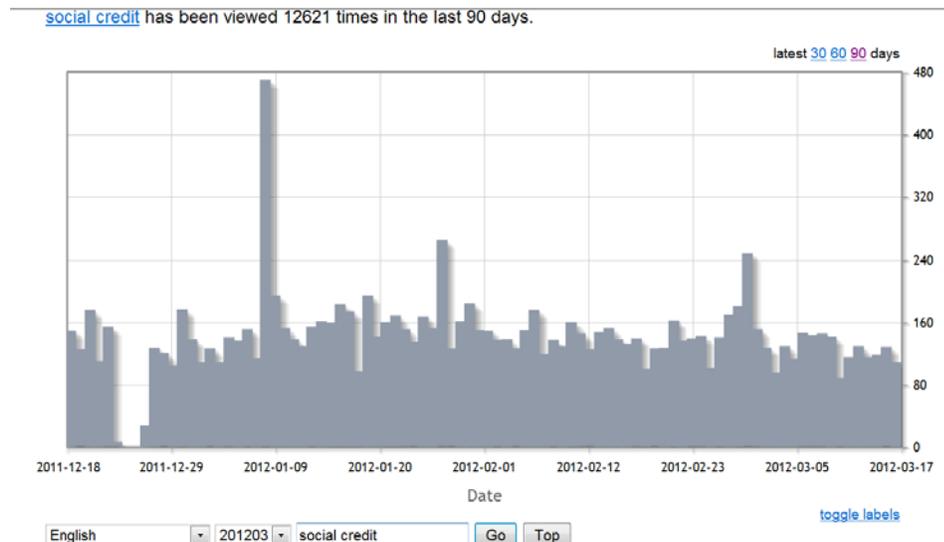
So here is my personal bottom line. I got the idea to write this book because I can see the house of cards we call our world economy falling all around me, and I felt the need to do my part in getting the deluded majority to WAKE UP.

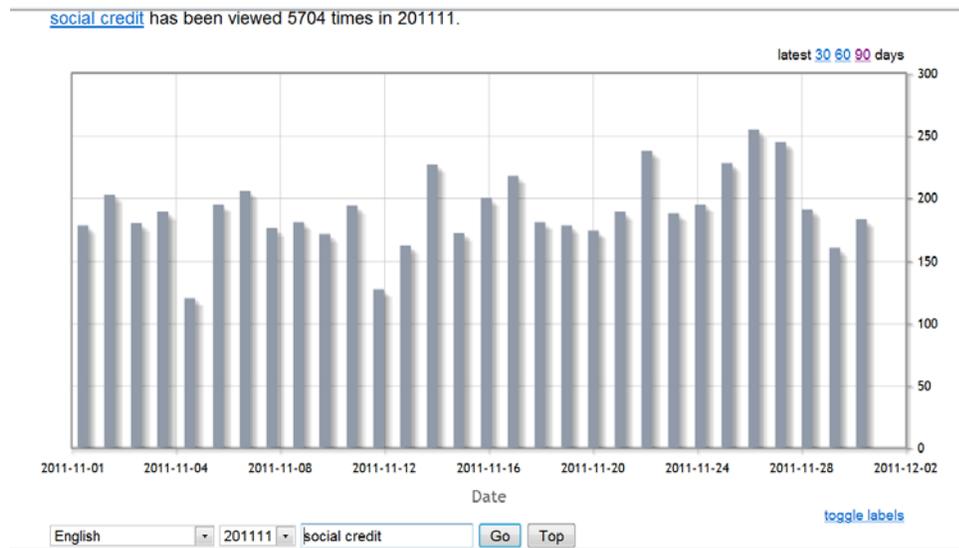
As I started writing down all the things I knew to be wrong, I realized something very important. I did not know what this flawed and archaic system could be replaced with. I had heard about Social Credit which proposes issuing currency without debt; and as a Canadian, I knew that Alberta had a long history of Social Credit governments in power, so I knew it had some credibility. Alberta is Canada's per-capita most prosperous province, and The Social Credit Party of Alberta held the balance of power for over thirty years since first elected in 1935. I also know that during the brief period of the American Civil War, the Union North had interest-free "Greenback money that was, frankly, the primary reason the North won the war. Greenbacks continued to circulate for over a century until called out of circulation of George Walker Bush. It is also the *only* war after which a government emerged *debt-free*. Unfortunately, these facts are not taught our schools in history. Critics will say this is not true but the fact is that Congress converted the war spending to debt after Lincoln was killed.

I knew that the US Constitution's prescription of gold and silver backed specie money was just not good enough. A simple and precisely stated Amendment, however, is all that is needed to remedy this deficiency. It is estimated that all the gold that has ever been mined amounts to 145,000 tons. At the current spot price of \$900/oz. in May of 2009, this amounts to \$24 trillion USD. As big as that number is, it is a drop in the bucket compared to the estimated wealth of the world. Even if you add in all the silver, we still have only about \$50 trillion dollars of bullion. Bullion currency is simply not going to work as the basis of sound money in a world where productive capacity is ever-expanding while the pool of bullion money remains essentially static – unless we can figure out how to pull bullion out of the ground at the same rate as our world economy grows. Another problem with bullion-backed money is that most of the bullion is in the hands of the same few who presently control the issue of money. Shall we go from the frying pan into the fire – again? Insanity is doing the same thing and expecting a different result.

I also studied the economic proposals of Frederick Soddy that he coined as “National Economy” and found great merit in his proposals. It was former Alberta Social Credit Party leader Martin Hattersley who first alerted me to Soddy’s work.

It is not as if social credit is fringe economics with few supporters either. Despite the considerable efforts of the “Powers that Be” to discredit the movement, thousands of books have been written and hundreds of thousands of people are aware of it world-wide. There are political parties and discussion groups. There is also growing interest in social credit by the general public. The following are three traffic reports that span five months for the “Social Credit” page on [www.wikipedia.org](http://www.wikipedia.org):





These traffic reports show an average of 5000 hits per month or 60,000 per year. There is clearly interest in Social Credit out there.

This led me on my journey to synthesize a solution that would be appropriate for the circumstances of our times. A lot has happened in the century since the proposals of Soddy and Douglas were first published. What I concluded was that the best solution is not Social Credit and it is not National Economy but rather a hybrid of the two so that the pitfalls both identified may be avoided and the flaws and strengths of each can be optimized. For this reason, I will refer to this hybrid solution as Economic Democracy because in the final analysis, that is exactly what it really is. It has been a difficult study and frankly one that I know most people simply would not undertake. It is the product of this effort that is presented to you herein.

I am about to tell you things that some of you will say are “preposterous” and I will systematically justify them by facts of history, common sense reasoning, and the support of smarter and more credible men than me. You would not be reading this book unless you intuitively *knew* that something is fundamentally wrong with our world economy. You would not be reading this book if you knew *what* that “something” is. Suspend your disbelief for a while. Let this new viewpoint sink in, and you just might be persuaded to change your mind.

## **Dimensions of the Root Problem Requiring Investigation**

The problems we face are many and varied, but the root cause is singular. You will see that these problems all tie back to the same root cause; but if I were to simply propose the solution,

you would ask how its various facets would impact on all of these problems. So let us begin by identifying the most important dimensions. Society is comprised of a complex set of elements; and though my list is not exhaustive, this is my considered set which frames the key subjects of this book:

- Sound financial system
- Economic policy
- Money
- Taxes
- Elites (AKA “Powers That Be”)
- International Trade
- National debt
- Jobs and the means of our bread
- Leisure Dividend and the unearned increment of ever-improving technology
- Constitution
- Various forms of government
- Profit motive
- Right form of corporations and business organization to manage grand projects
- Elections
- Freedom to manage our own health as we see fit
- Freedom from oppressive government abuse
- Housing
- Land ownership
- Powering our world - energy
- Education
- Standing armies and defense of the nation
- What to do about the criminal element

In this book we will examine many of these considerations and leave others for a later book. We will also first provide a crash course on the key fundamental problems – the gap and private finance’s control of the issue of money – by contrasting it with a look at our viable solution. From this vantage, we can look at each dimension with clear focus that will lead to the inescapable conclusion of what must be done. Next we delve deeper into how this money problem is also at the root of most of our world’s other problems. Next we look at some other apparently unrelated areas of investigation and show how they’re really interconnected and integral to fixing our economy. We will then finish the book with a proposed national strategy for *We the People* to bring about meaningful change quickly.

*“My people are destroyed for lack of knowledge.” **Hosea***

*“Who would have thought that it would be easier to produce by toil and skill all the most necessary or desirable commodities than it is to find Consumers for them? Who would have thought that cheap and abundant supplies of all the basic commodities would find the science and civilization of the world unable to utilize them? Have all our triumphs of research and organization bequeathed us only a new punishment: the Curse of Plenty? Are we really to believe that no better adjustment can be made between supply and demand? Yet the fact remains that every attempt has failed. Many various attempts have been made, from the extremes of Communism in Russia to the extremes of Capitalism in the United States. They include every form of fiscal policy and currency policy. But all have failed, and we have advanced little further in this quest than in barbaric times. Surely it is this mysterious crack and fissure at the basis of all our arrangements and apparatus upon which the keenest minds throughout the world should be concentrated.” **Winston Churchill (1930)***

*“The few who can understand the system will be either so interested in its profits, or so dependent on its favors, that there will be no opposition from that class, while, on the other hand, that great body of people, mentally incapable of comprehending the tremendous advantage that Capital derives from the system, will bear its burden without complaint and, perhaps, without even suspecting that the system is inimical to their interests.” **Amschel Mayer Bauer Rothschild***

*“We gave the people of this republic the greatest blessing they ever had, their own paper money to pay their own debts.” **Abraham Lincoln 1862***

*“The path politicians and the special interests they represent are taking, lead to ruin. People often ask me what they can do to reverse the course. The choice is stark – Renaissance or Ruin.” **Gerald Celente - The Trends Journal Jan. 2011***

## OUR SICK ECONOMY’S PRESCRIPTION



I undertook an intensive study of all the writings of C. H. Douglas and Frederick Soddy to gain a complete understanding of what they were trying to teach the world with respect to what is fundamentally wrong with modern economies. There are no other economic models that I found that I believe have merit to solve our world’s flawed economic structure. Even more importantly, I wanted to understand exactly what they were each proposing as a *solution* since that was my chief objective. Though they were brilliant in assessing the root causes of most of our economic travails, they came up short in conveying their ideas on how to fix economies in a way that the average person could quickly grasp. Douglas’ credibility was sabotaged in the eyes of many (i.e. shallow thinkers) by the forces that control

international finance when they labeled him as anti-Semitic. Soddy was a Nobel Prize Laureate who was honored for his work in nuclear physics but was not taken seriously as an economist – primarily because he was so abrasive in his criticism of economists, politicians and academics. Those of us who would not like to be seen as *sheeple* and *lemmings* must exercise critical reasoning to look beyond these labels to the substance of the message and messengers. If we are incapable of doing this collectively, there are those who would argue that we do not deserve our freedom. The “Powers That Be” have labeled us “cannon fodder.” Is that what we are?

The disease we suffer from is our corrupt money system. At the time that President Lincoln issued usury-free Greenbacks in 1862, or money that was debt free, The Times of London contained an article which stated the following:

If that mischievous financial policy, which had its origin in the North American Republic, should become indurated down to a fixture, then that government will furnish its own money without cost. It will pay off debts and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of civilized governments of the world. The brains and the wealth of all countries will go to North America. That government must be destroyed or it will destroy every monarchy on the globe.

Only 51 years later as the Federal Reserve Act was to be voted upon, Congressman Charles Lindbergh stated:

The [Federal Reserve] Act establishes the most gigantic trust on earth. When the President signs this Bill, the invisible government of the monetary power will be legalized.... The greatest crime of the ages is perpetrated by this banking and currency bill.

David Rockefeller, patriarch of the Rockefeller dynasty and one of the world's key international banking kingpins today, stated in June of 1991 at the Bilderberger Conference held in Baden-Baden Germany:

"We are grateful to the Washington Post, the New York Times, Time Magazine, and other great publications whose directors have attended our meetings and respected their promises of discretion for almost 40 years. It would have been impossible for us to develop our plan for the world, if we had been subjected to the lights of publicity during those years. But the world is now more sophisticated and prepared to march towards a world government. The super-national sovereignty of an intellectual elite and world bankers is surely preferable to the national auto-determination practiced in past centuries."

Surely preferable? Not preferable to me! If these quotes do not convince you of the true task that stands before us of creating an honest economy with honest money, then as Gordon Sinclair of the Alberta Social Credit Party said to me recently, “Perhaps they have not suffered enough yet!” Actually it was the former Premier of Alberta, Bill Aberhart, who originally said almost 100 years ago:

“If the people have not yet suffered enough, it is their God-given right to suffer some more.”

How about you? Have you suffered enough yet?

## **So How Have “They” Been Screwing “We the Sheeple” ... Lately?**

I watched an on-line video that explains how the “Powers That Be” in collusion with the FDIC are taking the mortgage meltdown assets of failing banks and putting them into the hands of other banks at 50-60 cents on the dollar and then *guaranteeing them profits no matter what the final price of the foreclosed house is*. Unfortunately, the link is no longer available and I didn't cache the web page or save the video file. This video exposed the details of the IndyMac asset sales to OneWest Bank a year later. OneWest is owned by Bankster extraordinaire Goldman-Sacks VP Steven Munchin, and world-famous hedge fund owners George Soros and John Paulson. The scam basically works like this:

1. A given bank has its plug pulled by the FDIC (IndyMac).
2. FDIC finds a buyer for the failed bank's assets at 50-60 cents on the dollar (OneWest for 58%) for the face value of the mortgage portfolio – the good, the bad and the ugly.
3. The FDIC guarantees the buyer 80% of the *face value* of the mortgages, not the 50-60% OneWest paid for it!
4. OneWest is free to sell this “distressed property” for whatever they want.

The article articulated the terms but did not clearly show the implications. I had to think that through for myself. I have seen this happen with media articles more than once where facts are presented but no conclusions are drawn. Let's look at the mechanics of this deal with a couple of hypothetical sale prices on a home that originally carried a mortgage of \$400,000. We'll start with a short sale of \$200,000:

1. OneWest receives the \$200,000 from the sale of the home.
2. OneWest acquired the mortgage from FDIC for about 60% of the face value of \$240,000 so at this point the bank is under water \$40,000.

3. The government is obliged to guarantee 80% of the \$400,000 original face value which comes to \$320,000. Therefore the government owes \$120,000 out of the US Treasury – AKA the American taxpayer.
4. The price OneWest actually gets for the home is  $\$200,000 + \$120,000 = \$320,000$  for a home they only paid \$240,000... for an instant profit of \$80,000. That is an incredible 33% return on investment that is made entirely on the backs of taxpayers.

Now let's see how this deal works out if the home is sold for \$100,000:

1. The new buyer Banks receive the \$100,000 from the new home buyers.
2. The Banks acquired the mortgage from FDIC for 60% of the face value of \$240,000 so at this point the bank is under water \$140,000.
3. The government is obliged to guarantee 80% of the \$400,000 original face value which comes to \$320,000. Therefore the government owes \$220,000 out of the US Treasury – AKA the American taxpayer.
4. The price the bank actually gets for the home is  $\$100,000 + \$220,000 = \$320,000$  for a home they only paid \$240,000 for an instant profit of \$80,000. That is *still* an incredible 33% return on investment that is made entirely on the backs of taxpayers.

The bottom line is that it doesn't matter if the house sells for \$1. The banks are going to make no less than a 33% return on investment in every house they sell – guaranteed by the American taxpayer! This crap is going on every week as another half-dozen banks fail. As of March 13, 2010 and as I write this, thirty banks have failed so far this year.



## The Reverse Robin Hood

But wait! It gets even better! Harley Bassman, who is the head of Bank of America's Rates Strategy Group wrote an article on February 9, 2010 titled "The Reverse Robin Hood" where he shows how the American Taxpayer is making monthly bond interest payments on a huge portfolio of mortgages by way of the GSE Mortgage Guarantee function - another brainchild of the Secretary of Treasury in collusion with the "Powers That Be" of Wall Street and the bought men of Congress. Here is an excerpt that describes the mechanics of the scam:

The legend of Robin Hood promotes him as a contemporary of King Richard the Lionhearted who "took from the rich to give to the poor" to spite the King's evil brother, Prince John. Chased by the Sherriff of Nottinghamshire, Robin Hood hid in Sherwood Forest with his band of Merry Men (plus Maid Marian) where he robbed wealthy travelers and used the funds to help the less fortunate. Whether

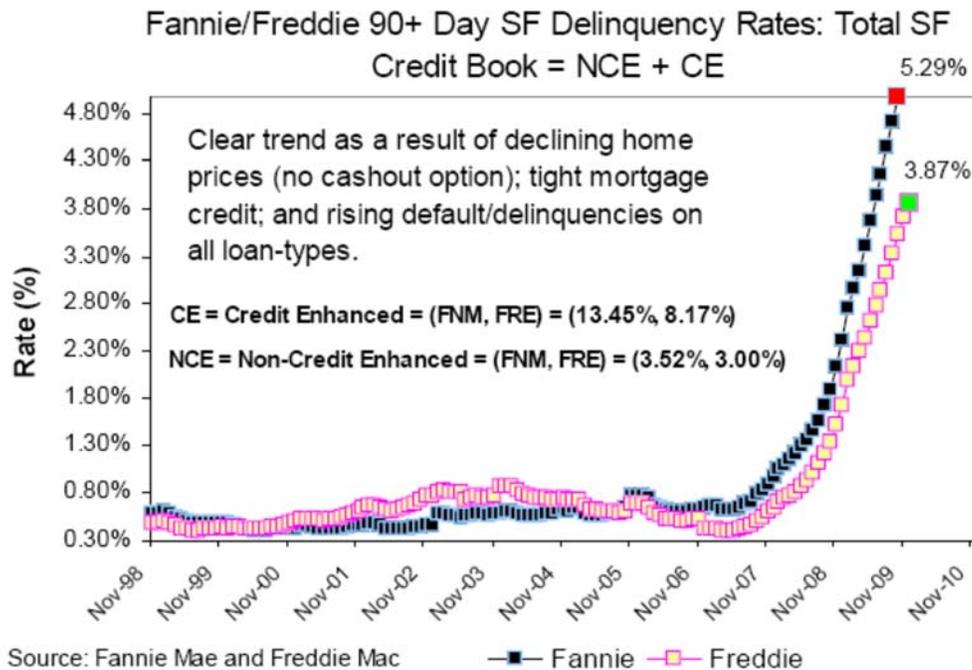
this story is true or not is of little consequence since the notion of the ends justifying the means to help the down-trodden always plays well.

So it is with deep regret that we must reveal that the ballad of the Reverse Robin Hood, where the poor provide funds to the rich, is being written as you read these lines. How is that? Let us explain.

As detailed in past comments, the GSE Mortgage Guarantee function, AKA the G-fee business, serves a vital purpose in our economy and is akin, in many respects, to a public utility. The GSEs take thousands of disparate loans that meet a set of qualifications, bundle them into multi-billion dollar packages, wrap them with their guarantee for the timely payment of principal and interest, and then release them into the markets to be variously bought and sold by investors.

The Mortgage Servicers collect the payments from the homeowners, and after deducting a schedule of negotiated fees and expenses, remit the remaining funds to investors. Thus derives the term "MBS Pass-through Security".

Since the GSEs guarantee these payments to investors, short-term cash flow deficiencies that occur when a homeowner misses a payment must be made up. The Servicer "advances" these payments to the bondholders with the knowledge that the GSEs will reimburse him if the borrower does not "cure" his loan. The GSEs will reimburse the Servicer by "buying the loan out of the pool" if the loan is not "cured" in no less than four months and no more than twenty four months after the last full payment of interest and principal.



All charts, unless otherwise noted, are sourced from BAC/MER data

Although an important concept, the “buy out” topic has never been truly meaningful until recently. This is because the number of loans that required a buyout has never been that large. In the chart above, the blue line represents the total percentage of loans, by the unpaid principal balance (UPB), that are 90+ days delinquent for FNMA's entire G-fee (credit) business. The pink line is the same for FHLMC.

Using the most recent public data for Fannie Mae and Freddie Mac:

	<u>Credit Guarantee</u>	<u>% 90+ Delinquent</u>	<u>Total UPB 90+ Delinquent</u>
<b>FNMA</b>	\$2,826 billion	5.29%	\$149 billion
<b>FHLMC</b>	\$1,869 billion	3.87%	\$72 billion

As noted, the GSEs have a buy-out delinquency window that ranges from four to twenty four months. They will make that decision based upon a number of economic and accounting factors. With their current cost of short-term funds near zero (14bps for three months, 21bps for six months), the bond math leans decidedly towards a massive acceleration of buy-outs.

Let's place pencil to paper. Public documents point to about \$221 billion of UPB loans that are 90+ days delinquent. Assuming an average 6% net coupon, the two GSEs are ultimately forwarding \$1.11 billion each month to the holders of Pass-through bonds whose underlying loans are delinquent. If the GSEs were to buy out all of these loans, they could in theory fund it somewhere near 20bps running or roughly \$3.7mm a month. As such, by not buying out these loans, the GSEs are overspending by about \$12.8 billion annually.

Since the GSEs are under conservatorship with a large credit backstop from the US Treasury, they are for all intents and purposes owned by the taxpayers. And since the average taxpayer is by definition average, he is therefore not “rich” since “rich” tends to be defined as possessing well above average wealth. Furthermore, the mere fact that bondholders have funds to invest in such bonds disqualifies them from being categorized as “poor”. Although not all bondholders are “rich”, those who have such substantial excess funds that they can invest in bonds are probably closer to rich than average. Taken altogether, one could consider the fact that the GSEs are using taxpayer funds to advance a 6% coupon to bondholders when they could be funding this cost in the public markets at 20bps to be in essence a “Reverse Robin Hood” situation.

Consider how utterly incredible the scope of this fraud is. The whole bond market is poised to implode on the back of a huge basket of mortgages that are going into default as the deflationary spiral of the century is unfolding right before our eyes. As the underlying assets of the imploding bonds are melting down, the liars are pretending that everything is okay because

the sucking sound you hear is the collective wallets of “We the Sheeple.” We are propping up these parasites to the tune of \$12.8 billion a year and rising. But don’t worry, before the house of cards falls and everyone wakes up to the fact that the Emperor has no clothes, the “Powers That Be” will have converted a huge pool of liar loan mortgages that these same thieves approved in the first place, into highly profitable assets that will have been paid for by, who else? We the Sheeple!

## **The ‘Screw the Screwers’ Scam**

Just when you thought it couldn’t get any worse, it does! In 2008, the economy fell because of short-term investors’ loss of confidence in the short term credit market (\$500 Billion +) which was entirely supported by credit default swaps (CDS) that were nothing more than mortgages of dubious quality all rolled up into pools and then collateralized as bonds. What made them pseudo-legal is the fact that half the mortgages in America that had been rewritten over the bulk of the decade had been imperfectly consummated. Instead of mortgage companies registering with county court land registry offices, they registered with MERS (Mortgage Electronic Registration Services) which was never approved by congress, for which there was no contract between the mortgagee and mortgager, and for which there was no audit-trail link between the mortgagee and the CDS instrument. When people started losing their homes due to the ensuing depression, some of them dug deeper and discovered this lack of paper-trail. Some were successful in having courts overturn the foreclosures and basically got their homes for free. The financial services industry responded with what became known as “robo-signing.” Here the industry irreversibly stepped over the line and perpetrated a massive fraud. In this scam, the same person’s name was signed tens of thousands of times to documents with different signature handwriting. There was willful and deliberate collusion here.

A class-action suit was filed by the attorneys’ general of many states in late 2011 to hold America’s five biggest banks accountable for this massive fraud. What they did was file a \$25 Billion dollar suit. We the Sheeple are really quite stupid though. The outcome is predictable. They will find the banks guilty and levy this fine. The banks will pay the fine and nobody will go to jail because they won’t dig deep enough to get the story – by design. Will the money go to the victims who lost their homes as their jobs vaporized in the ensuing economic meltdown – us? Will any of it go to the investors who put up the CDS money that supported this whole

fraudulent scheme? No! Half of it will go to the State of California and the rest will go to other state governments. (As of July 2012, that is exactly what came to pass!) Look at the collusion here. The banks could never get away with this without the support of governments to sanction it. The governments allow it for the express purpose of getting their 'shakedown' cut. Can you spell "payoff?" Is anyone awake out there? Anyone? In the same way that governments used to arrest organized crime leaders for operating illegal numbers rackets and are now the organized crime syndicate operating the numbers racket we call the State Lotteries, government has become criminal in so many other ways. Neither the banks nor the governments could succeed if we did not collectively turn a blind eye and accept it. In this way, the victims are knowing-accomplices in their own fleecing; everyone is getting what they deserve.

## **The Same Scam Happened One Hundred Years Ago**

Alas, everything old is new again. Here's the same game played 100 years ago. Phase one, ruin the currency. Phase two; convince them to go back to the gold standard. Phase three, after gold strangles the economy, return to the Ponzi financial credit central banking scheme and ride it for another generation. It is mind-boggling that this strategy has been used again and again after each major economic bust to put the taxpayer further into bondage to banks. A whole generation passes before the next takedown is executed and the school system's history and economics programs are 'engineered' to make sure the public has no knowledge of this fraud and deception.

Here's how it happened a century ago. At the end of World War I in England, after the government had incurred a huge war debt, the bankers with their lackey politicians in the Treasury Department formed the Cunliffe Committee. This was phase 2 after the currency was ruined and here is Frederic Soddy's account of it:

The Committee contained not a single representative of the interests either of Consumers or Producers, for whose benefit, and not for the benefit of the banking profession or the Treasury, money really exists. Nor did it contain a single monetary reformer although, even then, Arthur Kitson had been exposing the evils of the nation's monetary system for over twenty years, and had correctly predicted the inevitable consequences of allowing the bankers to resume their control over it. The first recommendation of this Committee was the early return to the gold-standard and, the second that the National Treasury Notes should be retired and replaced by bank-notes.

After all the suckers drank that Kool-Aid, the “Powers That Be” returned to business as usual for another decade. After World War II, once again gold-backed currency – in this case the US dollar – was the selected world reserve currency at the Bretton-Woods Conference in Washington, DC as the G7 nations considered the reconstruction of Europe. In 1970 when Charles De Galle of France demanded gold delivery on his nation’s \$USD holdings, Nixon’s response was the repudiation of the gold standard. Had he not done this, America would have been revealed as bankrupt at that very moment. Given that Barry Goldwater had never been successful in getting the gold in Fort Knox, audited; in all probability, America would have been unable to make good on France’s “CALL.” If America’s money – and indeed that of most of the world - eventually becomes worthless as seems likely with our present international sovereign debt crisis, a new gold-backed currency will be offered once again. Indeed people like Peter Schiff and Ron Paul are calling for a return to Constitutional specie money backed by gold or silver and sophisticated financial investors are being encouraged to “go long” bullion. How will gold save us when almost all of it is in the hands of the same few who screwed us in the first place? Let’s see... They can control how much money is issued by collateralizing all of it against their own gold. Then whose money is it? We can leave the money backed by the full faith and credit of *We the People* and cut them off. I’ll choose the latter please.

Meanwhile, We the People are being encouraged to “work share” and work shorter hours for less pay. Prices of everything are collapsing because of an obvious shortage of money. People are going on strike to preserve their purchasing power. History repeats itself and everything old is new again.

***Talk about suckers!*** We’re not just getting screwed; we’re getting financially raped, sodomized and bludgeoned to death. Boy, are we dumb because we are the ones who put these people in public office and we are the ones who are allowing this to happen! Isn’t it time that we collectively learn how money *really* works, so we can put a government in place that will fix this mess? If you think so, read on. Your lesson on how money *really* works begins here and now.

## **Frederick Soddy’s National Economy**

I was thoroughly impressed with the observations of Frederick Soddy. He was particularly astute at cutting to the heart of the problem of poverty in the land of plenty. Unfortunately, the “Powers That Be” have gotten much more sophisticated in how to fleece us in addition to the use

of “checkbook money.” This is the first tool these “Powers That Be” started out using to screw us. Now they have new tools such as credit cards, debit cards, overdraft bank accounts, mortgage-backed lines of credit, leasing, debentures, standby letters of credit and more. In this section we will look at Soddy’s diagnosis and prescription. Then I will render some opinions and identify what I think is worth incorporating into our solution while offering a critique of the points that I chose to decline recommending.

### Soddy's Diagnosis

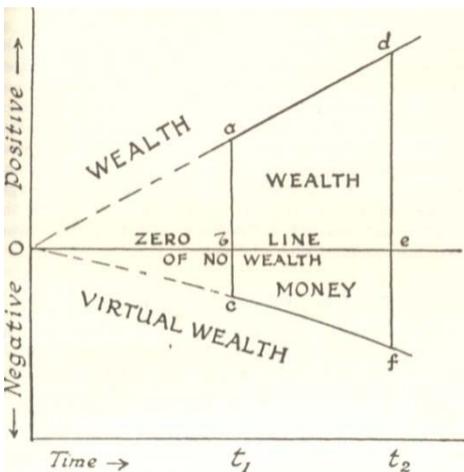


Figure 9 - The Principle of Virtual Wealth

Soddy started with the premise that economics must have a discoverable natural order – just as do all elements of nature. All that is really needed is to figure out the mechanics of a workable economic system, identify the “disease” in that system and take steps to cure it. That would be the end of poverty in the land of plenty. His goal was simply stated in his own words as follows:

“...the aim of the present book is to show how the money system may be reduced to one of exactly the same character as that of our standard weights and measures.”

Soddy observed that what is important in our economy is not money but wealth. Wealth is comprised of all the things that one would desire to buy with money – things that we can regard as the enabling requisites of life. Money is only important because it serves the dual functions of setting a standardized and measured value on wealth items (or at least he thought it should) and it serves as an intermediate “virtual” store of wealth so that society can put off acquiring an earned increment of wealth until a later date when it is needed. He coined this deferred gratification “virtual wealth.” If you think that money is wealth then you take the suitcase of money and I’ll keep the food and camping gear should we become stranded on a desert island. The *Principle of Virtual Wealth* figure illustrated above was drawn by Soddy to illustrate the relationship between real wealth and virtual wealth.

In theory, the maximum amount of virtual wealth needed by society is enough to purchase all unsold merchandise. In practice, only a percentage of that virtual wealth is actually needed

because we never attempt to completely liquidate all unsold goods – unless there is a hyper-inflation and we fear for its loss of value. There needs to be enough virtual wealth – money – to ensure that, like playing the game of musical chairs, we must never be short of money or this will result in deflation. Soddy didn't believe it is too much money that causes inflation; it is the shortage of goods (demand-pull inflation) that drives the price up. Nevertheless there is a relationship between the two because if there was a shortage of both currency and goods, we would have depression and poverty. Inflation implies that there is both too much money and a shortage of goods as preconditions.

His recommended cure to inflation is to stimulate production to bring prices down by using some of those excess dollars as capital to produce more of the goods in shortage.

Money is not wealth; it is only a claim to wealth. It won't feed, clothe or shelter you. Soddy observed that money is debt, and the power of money has been twisted to provide *the few* with power over the lives and labors of *the many*. Money clearly is evidence of debt because it serves as a claim against the wealth of the community. Since all goods and services are produced by the community and since a sufficient quantity of money can purchase any and all goods or services, clearly this observation is correct.

The fundamental flaw of our money under present economic policy is that its value does not remain constant. It suffers inflations and deflations that cause booms and busts as explained in chapter one. The root cause of this fluctuation is that it is not properly regulated. Regulation and issue of money should be done by public administration instead of by private bankers, and this is one of the core problems we must address. Soddy's suggested method was to implement a price index comprised of a basket of goods that would be standardized and never changed. He put forth the reasonable proposition that to standardize weights and measures for the purpose of trade and yet not standardize the value of money that facilitates the trade is pure hypocrisy, and I couldn't agree more! Can you imagine if a kilo today is 1000 grams and tomorrow it is only 890 grams? This is exactly the situation we find ourselves in today with respect to the purchasing power of money. Of what use are standards of weight and measure in the marketplace when the value of money for the purchase of those measures is so tenuous? Soddy's proposed regulatory mechanism is fundamentally to issue a fixed amount of money that remains permanently in circulation. It would withdraw currency from the economy by taxation when prices start to rise or retire public debt and add currency when prices start to fall by spending on the public purse

for projects deemed the most beneficial form of community wealth. By carefully tracking prices and only modestly injecting and removing currency, booms and busts would thus be eliminated. I personally agree with Soddy's intent but not his method – more on this point later.

Soddy next observed that the economy is an energy system. The essence of wealth is the power over nature to harness it to serve us and enrich our lives, and that is achieved by mastering energy to control and harness the flows of nature's bounty. He said that wealth is derived from and produced by the flows of nature's energy. There are fundamentally two types of energy wealth that he identified:

1. **Wealth I** - That which is used up (food, fuel, services, etc.)
2. **Wealth II** - That which the application of energy produces (housing, machinery, tools, etc.)

Soddy observed that these two forms of energy have completely opposite properties that render them particularly unique. Wealth I is a form of useful and available energy which is destroyed as soon as it is used. Wealth II is comprised of products that require energy to create, and as soon as they are completed, their energy is now bound (spent) and unavailable. Furthermore, if they are not used, they become useless. Their value as wealth lies in how they are applied to make our lives richer (more wealthy.) Eventually, both of these types of wealth either wear out or become obsolete so that their value is inevitably destined to become worthless – depreciated.

When gold was the basis of currency for trade, Soddy observed that it was a valuable but inconvenient medium of exchange. That is where money was born – receipts for gold. The problem at the time was that goldsmiths defrauded the public by issuing more receipts than there was gold. Eventually, the government took control of the gold to regulate currency, but they failed to recognize that bank loans were also currency and inadvertently perpetuated the fraud. Since the early run on gold in 1914 in England with “the Moratorium” and in the USA with the Federal Reserve Act's passage, gold became an obsolete relic – though still a valuable commodity that was used for foreign trade payment settling. Currency was issued as a non-interest bearing and thus stable money, but our governments unwittingly gave the real control of money creation to private banks. That control was administered via checking accounts. Soddy observed that in 1909, a detailed study of England's twelve largest banks balance sheets revealed there were combined deposits of £249 million and of that, £180.5 million was comprised of

loans. This means that 72% of those deposits were created by the banks themselves as a book-keeping entry.

By 1924, Soddy noted the following about Great Britain's money. Per statements on the public record on January 29, 1920 by Chancellor of the Exchequer Reginald McKenna, the virtual wealth of Great Britain at the end of 1919 stood at £2,693 million – up from £1,198 million in 1914 at the outbreak of WW I and the currency on hand at all banks on the same dates were £191 million (1924) and £75 million (1919) respectively. Of the £191 million in currency, £75 million was in the hands of the banks and not even in circulation. Of the increase of £1,230 million in virtual wealth over this five year period, £1,114 million was issued via bank loans. Contrast that with almost quadruple increase in just four years (1920-1924) in the stupendous amount of £4,000 million that was reported by the Bankers Clearing House of London in 1924. Is there any wonder there was a Roaring Twenties followed by a Depression? Virtual wealth was increased from £1.23 billion in 1914 to £2.7 billion in 1919 to £40 billion in 1924 – a stupendous increase of 32,000% in ten years! It is clear who is in control of our money and who creates the booms and busts – “Powers That Be” – and this has been hiding in plain sight all along! To collapse the economy, all the “Powers That Be” needed to do was to withhold money by refusing to issue new loans. Isn't that exactly what is happening right now in March of 2010 as I write this?

The public and politicians have completely missed this sleight of hand because payment by check – or credit card, or debit card, or line of credit, or debenture, or standby letter of credit, or loan – is just as useful to us as payment by cash. Now instead of issuing false receipts for gold, they just issue false receipts backed by nothing! This is otherwise known as “kiting.” Even worse, they charge interest and thus systematically capture the nation's wealth for themselves over time through the miracle of compounded interest. Andrew Carnegie correctly observed that under the Capitalist system during tough times, “Capital always returns to its rightful owner.” Interest either works for you or against you. There is no middle ground.

Soddy observed that this business of collecting “rent” on money made out of thin air facilitated a class of society called rentiers - people who live exclusively off of the rents of land and investments and make no otherwise useful contribution to the wealth of the nation. It is precisely this class of parasitic “Powers That Be” who will fight tooth and nail to support the existing order of things. It is also these very people who have come to control banking, industry

and our national economies. By this leverage, they also gained control of media, government policy and ultimately our economic policy. Soddy pointed out that it is the human condition to desire to accumulate wealth in the heyday of youth so as to live in leisure later. Out of this desire was born the economic vehicles that enable rentiers. He observes that this is a false economy because it is like trying to build a perpetual motion machine. The energy must come from somewhere. In the case of this economic disease, the energy comes from the rest of society. Science calls this life-form a parasite. Society's economy fails when we have too many parasites in the system. Is this not *exactly* what is dysfunctional in our society today and indeed throughout the entire industrial revolution?

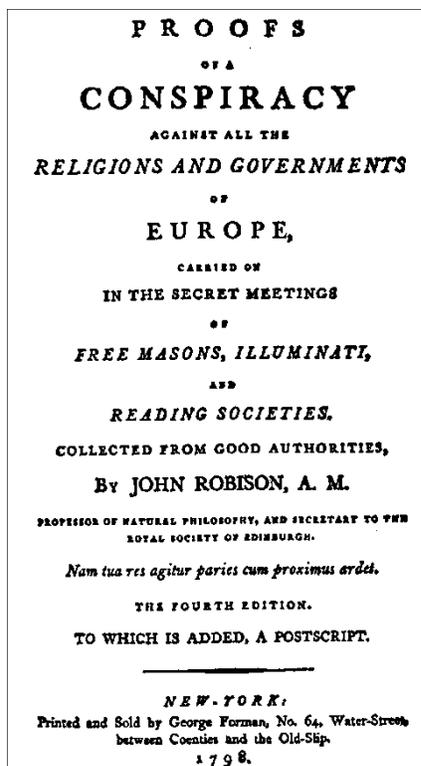


Figure 10 - Book cover of John Robison's book *Proofs of a Conspiracy* (1798)

Soddy knew of but was very careful in identifying a conspiracy of international banking elites that was hotly debated at the time because of the controversy over the Protocols of the Wise Elders of Zion and other documents that had surfaced since the police of Bavaria came upon the writings of Xavier Zwack in association with Adam Weishaupt who founded the Order of Illuminati. The government of Bavaria circulated copies of this document to all European governments in 1874 but none heeded the warning. The entire plan of the Illuminati was carefully documented by Professor John Robison of the University of Edinburgh who Weishaupt had recruited. Robison feigned allegiance with Weishaupt to gather information and then revealed what he found in *Proofs of a Conspiracy*, published in 1798. The adjacent Figure is that book's cover page.

Soddy did not want to be labeled anti-Semitic. *He made a much more profound observation that I encourage each of you readers to make special note of.* He asked why it is that in science, no subject was beyond intellectual criticism and scrutiny. However, any attempt to raise such issues about economy was – and still is - harshly silenced in the media, academia and politics. Indeed, these truths that have been raised in many books since then have never been taught in the schools of any nation on earth. He asks us - and we should ask also – *if there*

*is no conspiracy by international bankers and financial elites then who is behind this conspiracy of silence?* Clearly *someone* is. Now there is a question worth probing!

On the subject of interest, Soddy asserted that the only justifiable and legitimate charge for interest on loans is against money that is specifically given up by someone who forfeits its use until the loan is repaid – a legitimate reward for a legitimate sacrifice. This implies that all banks should be required to hold depositors' funds as 100% security against bank loans and those depositors should be required by law to enter into contracts as counter-parties to those loans. Banks must not be allowed to loan money out of their bank reserves. Banks must retain 100% of depositor money and be subject to harsh criminal sentences with jail time and restitution for doing otherwise.

On the subject of the reuse of non-interest-bearing money, there is an interesting concept that money can be reused for multiple transactions without the need to increase or decrease its supply. It is known in academia as the quantity theory of money. Consider the scenario where a rich man drives through a poor town on his way to the big city and feels tired and hungry. He stops at the local hotel and leaves a \$100 bill as deposit on a room before going to dinner because he is not sure if he will stay the night. The hotel owner rushes to the grocery store and pays the \$100 he owes to settle his grocery account. The grocery store owner rushes to his prostitute to settle that \$100 debt, and the prostitute rushes to the hotel owner to settle her bill. The wealthy man decides not to stay at the hotel after all, so he returns to the hotel to recoup his deposit. In banking terminology, this is called the “velocity of money” and the key to preventing it is by taking the money out of circulation. How does this example play into Soddy's theories? Soddy said that if the economy is neither growing nor shrinking, then only a finite amount of currency is needed to keep the economy running smoothly because it will drive the economy exactly as described above. This implies several things. First of all, the virtual wealth of the whole economy is inherently static and thus must be sufficient to drive all production and consumption.

### ***A Brief Aside To Discuss Velocity of Money***

I had a rather extensive debate with Jim Schroeder (who is expert in Social Credit and who studied Economics in University) on the subject of the velocity of money. He was adamant that Velocity of Money is an invalid theory and he debunked it for me to my complete satisfaction using mathematics. With his permission, I included the paper he offered, Quantity Theory of

Money and Social Credit later in the section titled Quantity Theory of Money Debunked, as proof. I will say that although what he describes is completely valid in the present order of things and with respect to Social Credit, I do not believe it is applicable to Soddy's proposal. Soddy's proposal does not allow for the continuous creation and destruction (i.e. flow) of money like our present banking systems do and Social Credit would. Soddy's proposal does in fact rely on the same static pool of money staying in circulation; a key differentiator from social credit.

### *Back to Soddy's Economic Solution*

Let's examine the notion of using a static supply of money to see if it makes sense. We will deal with Wealth II first. Soddy explains that once energy is expended to create Wealth II commodities, the produced goods are a "dead hand" in that it is impossible to convert the expended energy back into a reusable form. This means that a portion of virtual wealth must always be available for Producers to replenish worn out capital equipment and the sales derived from this equipment must be sufficient to justify the expenditure. If the economy is presumed to sustain consumption at a steady state and Producers are presumed to make wise use of their capital reserves to maximize profits, it seems reasonable that the economy will continue to chug along at a steady pace. An analogous example would be the human body which is completely self-contained. On the outside, everything about the size, shape and weight of the body appears to be unchanging, but inside there is a furious pace of activity as the body metabolizes. The money is the blood and as long as it is flowing and facilitating energy exchanges between the various body parts, the body remains healthy. If you cut off circulation to a part of the body, it dies. So far, I remain convinced that Soddy's premise is sound.

With Wealth I commodities, let's consider the example of food. Wealth I commodities are a form of energy that can be readily used to produce Wealth II products. Once it is used, it is destroyed. People need to eat to produce and indeed to survive. They will eat today, tomorrow and every day thereafter so a steady stream of food is always needed. This is a form of wealth that must be repeatedly recreated. Ever more energy (money) is needed to create the next cycle of production. In addition, the grocer must get his food from farmers, and farmers must grow it. Many Wealth II components are needed to facilitate this process of food production – trucks, farm machinery, buildings, boxes etc. All these wear out and require eventual replacement. It seems inevitable to me that all this supporting equipment will eventually wear out or become

obsolete and inevitably, new money will be needed to replace it since the money spent so far is by Soddy's own admission "a dead hand." As a closed system, the economy still requires an external "source" to sustain it. Even the closed system of the body needs food from an external source to sustain it. In the case of food, it grows without any significant effort from man and the source of its energy is the sun - the free bounty of nature. All man does is direct the process with agricultural practices, and less energy is required to drive that process than is needed to grow the food. In essence, nature provides us with a free lunch. The same is true of fuel and other raw materials that our entire Wealth I and Wealth II elements are fundamentally comprised of.

The model was mathematically "proven" and modeled by Adrian Forrest Nevin in his book *National Economy, The Way to Abundance*<sup>vii</sup>. Consequently, I am convinced that the economy can make suitable progress with a fixed pool of money in a static growth economy. As the economy inevitably expands and contracts, the quantity of money can be suitably adjusted to sustain the economy. This has some profound implications for the economy proposed by C. H. Douglas and they will be dealt with shortly. The key finding I gleaned from studying Soddy's economic model concerns the implications of fraudulent banking as is practiced throughout the world today.

Soddy took exception with Social Credit policies and the recommendations of C. H. Douglas by calling it "utopian economics," but I am of the opinion that he did not undertake a particularly deep investigation into the merits of social credit because the arguments he made are weak and easily defeated. Had he done so, he would have seen that he and Douglas were really not very far apart in their vision of workable solutions. They both recognized the gap and they both realized that there is no money in the economy to deal with "sunken costs." They just had a different way of dealing with it. Soddy's main assertion was that money created by way of National Dividend (ND) or Compensated Price (CP) would create inflation. I disagree. The main "regulator" that is needed to prevent this was just discussed in the previous paragraph – injecting the "right" amount of money into the economy and a "right" mechanism to remove it in continuous balance. I will deal with this more fully later with my hybrid model comprised of both Douglas's and Soddy's principles for implementing a free and unencumbered market that we shall call Economic Democracy.

Near the end of his book titled *Wealth, Virtual Wealth and Debt*, Soddy articulated a set of symbols and mathematical formulas that I am convinced could be very useful in construction of software programs for economic management. They could easily be integrated with Microsoft Visio for example. Since these formulas and economic models are very complex and detailed, they should be the subject of much closer scrutiny by academics and economists to grasp and master their true merit and full potential. I don't presume to infer that I have done so. I am frankly out of my depth on this point. The following figures are Soddy's formulas as excerpted from the above mentioned book:

**MATHEMATICAL APPENDIX.**

**MATHEMATICAL PRESENTATION OF COMPOUND REDEMPTION.**

If  $i$  is the fractional rate of interest per annum,  $p$  the proportion taken by taxation, and  $G$  is the fraction acquired by the Government at any time  $t$  (years) from the start, we have

$$dG/dt = ip(1 - G) + iG$$

in which the first term represents the redemption by present taxation, and the second that by the interest on the capital already redeemed. The solution of this is

$$t = \frac{1}{i(1-p)} \log_e \left\{ 1 + G \left( \frac{1}{1-p} - 1 \right) \right\} \quad \text{or} \quad G = \frac{p}{1-p} (\epsilon^{it(1-p)} - 1).$$

$1/i$  is the period of years in which the investment returns the principal as interest, and may be replaced by the symbol  $P$ . If the tax is 4s. in the £,  $p = 0.2$ , and the expression becomes

$$t = 2.875 P \{ \log_{10} (1 + 4G) \}$$

So that if  $G$  is 1,  $t = 2.0125 P$ , or for a 5 per cent investment, 40.25 years. In the following table the time for a variety of values of  $G$  are given :

$G$	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
$\frac{t}{P}$	0.42	0.725	0.98	1.19	1.37	1.53	1.66	1.8	1.91	2.0125
$t$	8.4	14.5	19.6	23.8	27.4	30.6	33.2	36	38.2	40.25 years

The figures in the last column refer to a 5 per cent security, with income-tax at 4s. in the £.

For the case of complete redemption ( $G = 1$ ) the expression is

$$\frac{t}{P} = \frac{1}{1-p} \log_e \left( \frac{1}{p} \right)$$

and in the following table is given the time of complete redemption for various rates of taxation, in terms of the period  $P$ . This represents also the total return to the investor of the tax-free redeemable investment in terms of the original principal.

Tax	6s.	5s.	4s.	3s.	2s.	1s. in the £
$\frac{t}{P}$	1.73	1.84	2.01	2.23	2.25	3.29

It is of interest also to deduce the expressions showing the proportions redeemed respectively out of taxation and out of the interest upon the part already redeemed. We will denote by  $G_x$  the first, and by  $G_i$  the second, i.e.  $G = G_x + G_i$ . We then have

$$\frac{dG_x}{dt} = ip(1 - G) \quad \text{and} \quad \frac{dG_i}{dt} = iG$$

Putting in the value previously found for  $G$  and integrating gives

$$G_x = \frac{p}{1-p} \left[ \frac{p}{1-p} (1 - \epsilon^{it(1-p)}) + it \right]$$

$$G_i = \frac{p}{1-p} \left[ \frac{1}{1-p} (\epsilon^{it(1-p)} - 1) - it \right]$$

For the particular case, where the whole of the capital is redeemed, i.e.  $G = 1$ , denoting by  $T$  and  $I$  the parts in this case redeemed by taxation and interest respectively, we get

$$T = \frac{1}{1-p} \left[ \left( \frac{p}{1-p} \log_e \frac{1}{p} \right) - p \right]$$

$$I = \frac{1}{1-p} \left[ 1 - \left( \frac{p}{1-p} \log_e \frac{1}{p} \right) \right]$$

If  $p$  is given the value 0.2 (4s. in the £), we get for  $T$  0.254 and for  $I$  0.746, i.e. for this case, about one-fourth is redeemed by taxation and three-fourths by interest payments on the part already redeemed. The values for other rates of taxation are given in the table:

Tax	6s.	5s.	4s.	3s.	2s.	1s. in the £
$I$	0.69	0.72	0.746	0.785	0.827	0.89
$T$	0.31	0.28	0.254	0.215	0.173	0.11

**MATHEMATICAL PRESENTATION OF SIMPLE REDEMPTION.**

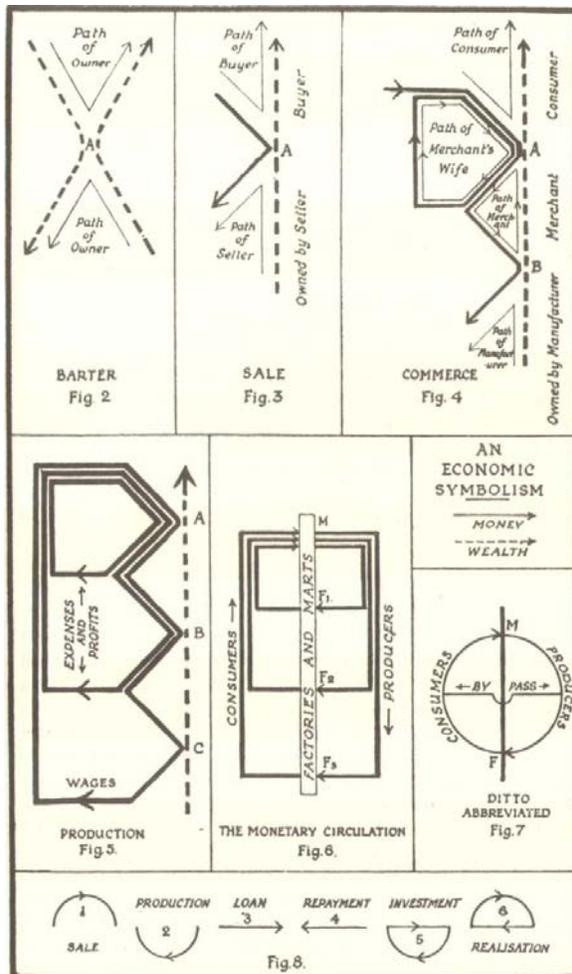
Here  $dG/dt = ip(1 - G)$  and  $t = - \{1/(ip)\} \log_e (1 - G)$ .  
If  $i = 0.05$  and  $p = 0.2$ ,  $t = - 230 \log_{10} (1 - G)$ .

With these values of  $i$  and  $p$  we obtain :

$G$	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.99
$t$	10.5	22.2	35.7	51	69.5	92	121	161	230	460 years

Figure 11 - Wealth, Virtual Wealth and Debt Mathematical Appendix

The following figures are Soddy's proposed symbolism for representing economic transactions along with his accompanying narrative:



The money arrives at the retail mart A in the pocket of the consumer, and leaves in the pocket of the middleman. Part only goes on to the wholesale mart B and buys wealth from the producer. Another part, representing the merchant's expenses and profits, doubles back at once to the consumers' mart A. The *business* path of the merchant is a closed one, travelling with wealth and without money and then with money and without wealth in an endless round, inside the productive system. It is difficult to represent the merchant himself in two places at once, but we may overcome the difficulty by supposing that it is his wife and family who trot off to the consumers' mart at A again with the profits earned, in order to purchase the necessaries of life. The whole monetary system is a system of similar closed paths interlocking with the flow of wealth. But the further repetition of the processes of exchange, and of a queue of middlemen travelling in closed curves, down the wealth stream with wealth and down the money stream with money, would add nothing new to the representation of the process beyond what is depicted in Fig. 4.

It will serve our purpose sufficiently well to represent the production of wealth in exactly the same way as occurring in a factory, C (Fig. 5), where a stream of money owned by the manufacturer is paid out as wages and originates the flow of wealth out of the raw materials and natural energies of the globe. We have already given (Chapter VI) an electrical analogy of the process, but for present purposes this extremely simple diagrammatic representation is sufficient. We distinguish money *inside* the production system in the ownership of merchants and producers in the streams flowing from A to B to C, from that *outside* the system in the hands of consumers in the streams that all converge at A, the consumers' mart. Naturally there may be any number of marts or factories, or combinations of the two, in which wealth is taken in from a previous factory and an additional process performed on it before it is passed on to the next. If now,

understanding the symbolism, we simplify further by leaving out the wealth stream altogether, we shall arrive at something like Fig. 6, representing the monetary circulation only, in which on the left of the diagram the money is in the hands of consumers outside the system and on the right in the hands of producers and merchants inside the system. It is simply a series of closed circuits, all flowing together through the consumers' mart M into the productive system and out of the productive system through a number of wholesale marts and factories, as indicated in the diagram by F, in an endless round. Still further familiarity with the symbolism will cause a still further simplification to something like Fig. 7, where the closed circle represents the clockwise circulation of money, divided by the vertical line into two sides, the consumers' and producers' sides, and connected by a horizontal "by-pass" for transferring money from one side to the other.

The next diagram (Fig. 4) represents commerce, in which the buyer of wealth for consumption, or consumer, buys through a middleman or merchant, and the producer of wealth for money sells through the same middleman. The path of the wealth is continuous, but it now flows through two marts, A and B, where it is met by the money stream. After the first meeting, A, the money stream bifurcates.

Figure 12 - Wealth, Virtual Wealth and Debt Proposed Symbolism and Narrative

I found Soddy's thinking – or at least his expression of his own thoughts – about the subject of international trade to be somewhat muddled. He falls back on a gold standard administered by the League of Nations and cautions that bankers must not be allowed to administer this trade. In a book he wrote ten years later titled *The Role of Money*<sup>viii</sup>, he came up with a better model that relied on import and export duties to level prices and corral the economy into practicing balanced trade. After seeing a century of United Nations participating governments who are puppets of international financiers, I know this policy of gold as commodity for settling trade will not work well. Who would leave a fox to guard a hen house? We need to find a better way.

Soddy had one contribution that is invaluable in understanding why our financial system cannot work. He illuminates the fact that almost all money comes into existence in our present economy by the issue of debt as credit. If all the goods of production are to be sold to a public that desires these goods, there must be sufficient money to “liquidate” the inventory. He observes that we have inflation because banks loan money into circulation at a time when there is not a corresponding sufficient quantity of goods to purchase. Goods in highest demand go up in price and this stimulates further production. The Producers are then given loans to gear up production, and now there is a gap in money to buy that production. His contribution is that the creation of new money must be delayed and issued at the time new production comes to market. He asserted that society needs to defer purchasing goods and instead use that money to expand capacity. When the capacity is available and additional goods are ready for market, at that point we should add new purchasing power to enable society to purchase the new goods. I agree with Soddy that this mechanism will work, but C. H. Douglas has a better mechanism he called “just price” coupled with “Compensated Price” that will accomplish the same end in a more equitable and easily regulated way that I will expand on later in this chapter. That is what I incorporated into the [Wealth Pumps](#).

Though Soddy did not explicitly identify the Gap, he understood that it was there because he recommended that additional capital needed to be injected into the economy sufficient to replenish Wealth II resources as and when needed.

I am grateful to Soddy for the interesting and meaningful insights he brought to illuminate the flaws of our present economic system, and for the several interesting solutions he proposed. All the observations he made about the real nature of the existing order of things have held up as true. In fact, the many consequent busts that have occurred since he wrote his books were

accurately predicted by him. That order of things has evolved and indeed, some of the pitfalls were recognized and adapted; but because the fundamental flaws of fraudulent banking and the gap in purchasing power have never been addressed, we continue to lurch towards an inevitable collapse. I will say this much; I sincerely believe that a “National Economy” economic system and policy, implemented exactly as Soddy describes in his book would be far better than what is presently in place but I do not think it is the best possible solution. Let’s take a closer look at exactly what he proposed in 1926, shall we?

### Soddy's Prescription and Our Assessment

At the end of Soddy's book *Wealth, Virtual Wealth and Debt*, he summarized his economic policy as comprising twenty-two recommendations – his prescription for repairing the economy. I will list each recommendation in this section (in bold text) and then comment on what I believe the test of time has revealed about it. I think if Soddy himself was here today, he would adjust his own thinking too. In the final analysis, a revised set of recommendations become apparent and necessary if we are to make use of them today.

1. ***The production of wealth obeys the laws of conservation of energy. Wealth is either a form of energy (Wealth I) or the product of its expenditure under intelligent direction (Wealth II) and the production of wealth demands a continuous supply of fresh energy and continuous human diligence. The scale of production is limited only by the state of applied technical prowess.*** I agree with this premise without reservation. I would add that the current state of technology which can yield unlimited free energy and completely automated production, has allowed man to create a completely automated production of all human wealth with minimal human supervision so that we are much closer to a leisure society than we were in the 1920s when Soddy wrote this.
2. ***These two categories of wealth owe their value to their opposite qualities of perishability (Wealth I) and permanence (Wealth II). Wealth I category goods have stored energy that is destroyed after one use as its principle attribute. All capital and possessions fall under Wealth II.*** This is self-evident and requires no further comment.
3. ***Capital wealth has the ability to generate continuous revenue of wealth as long as it is used under human direction and its mechanism of usefulness is the savings of human***

*time. It leverages human effort and derives its value there-from.* This is self-evident and requires no further comment.

4. *Money today is a form of debt, owned by an individual and owed by the community, exchangeable for wealth on demand by exchange with another individual within the community. The aggregate of all money is the definition of Virtual Wealth – the measure of all money owned by the community. It is completely and entirely a fiction that is given value by the agreement of the community. The amount of virtual wealth is impacted by population, the rate of increase or decrease of national wealth, and the amount of money actually in circulation.* By this definition, prices can only be stable if the amount of money in circulation is regulated to be in sync with the population and the amount of national wealth available for consumption.
5. *Banks create and destroy money arbitrarily and thus have a negative impact on the stability of money. They are permitted to be the owners of the virtual wealth which does not really exist and to profit from its issue and earn interest on it as if it really does exist and they actually possess it when in fact, they risk nothing. The result is that the community suffers a general loss in purchasing power to the benefit of banks and their owners.* This is at the very heart of one of the two problems we must address and the reason I wrote this book. Banks are engaged in theft of the nation's wealth by conversion.
6. *Banks have usurped the prerogative of government and corrupted the purpose of money from that of an exchange medium to that of an interest-bearing debt and in doing so, have created an effective instrument for playing the economic engine of society (and thus all of us) like a musical instrument. The issue and withdrawal of money must be restored to the nation for the general good and must entirely cease from providing a source of livelihood to private corporations. Money must not bear interest unless it is genuinely lent by an owner who gives it up to the borrower.* This is a fundamental plank I entirely agree with.
7. *Money must not be backed up by a single commodity such as gold or silver because it is impossible to correlate the quantity available with the expansion of the economy and its supply cannot be regulated at the same rate of availability. Instead the amount of money in circulation should be regulated as an index number that is continuously*

*monitored by a competent statistical authority so that it can be maintained at a constant value in a manner similar to maintaining standards for weights and measures.* I agree that bullion is not an appropriate backing for currency for the same reason as Soddy articulated. I disagree that the index is an appropriate mechanism for regulating value. We have watched governments establish indexes for the purpose of tracking inflation and then they manipulate the numbers to scam us out of pensions and make the economic picture look rosier than it is. I prefer using the existing infrastructure used for corporate tax reporting. Today, corporations track income and expenses for tax reporting purposes but all we need to do is change the focus of what is reported. This gathered information should then be analyzed by a competent statistical authority and the results should be published as a public record on a fixed periodic basis. This information will be sufficient to regulate currency because it will be a precise measure of the nation's rate of production and consumption of wealth. The whole model is described in the section titled [Wealth Pumps](#). That being said, it would be appropriate to also maintain a suitable Consumer price index as a backup and sanity check for other reasons that will become apparent shortly. The following graph from the Bureau of Labor Statistics (BLS) in the USA demonstrates that its government has no shame. This revision shows that for the previous year of the so-called "economic recovery" the government lied to the tune of 20% of stated unemployment and now there is evidence that even these numbers are understated by a million jobless. The web site [www.shadowstats.com](http://www.shadowstats.com) presents evidence that actual unemployment is double what the BLS is reporting in this graph:

## 824,000 Jobs Will Disappear on February 5th

Analysis by Bloomberg Multimedia. Feb. 3, 2010

Click or move mouse over **green areas** for interactive content.

When the government releases Friday's employment report, nearly a million jobs could be erased. The change won't show up in the monthly report. Rather, the expected drop will show up in the government's **revised job losses from April 2008 to March 2009**, showing the labor market was in much worse shape than we knew at the time.

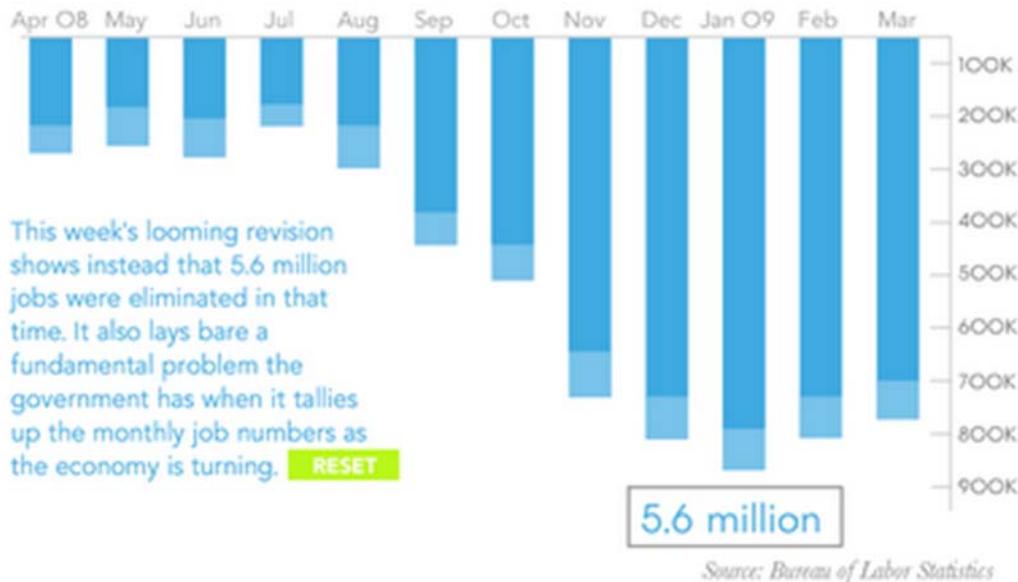


Figure 13 - Liar jobless statistics from US Government's BLS

8. *If the quantity and purchasing power of money remains constant, it is an accurate measure of the nation's virtual wealth. It therefore needs to be regulated by a trusted regulatory body and empowered with appropriate regulatory tools that are immune to political manipulation. Money should be injected into the system by spending on the public purse or retiring public debt and money should be withdrawn from the system by incurring non-interest-bearing public debt.* I completely agree with the need to provide a stable currency that is administered by a non-profit regulatory body that is immune to political manipulation, but have some strong views on Soddy's methods of managing the money. I think C. H. Douglas came closer to the mark of how to equitably distribute public money – a National Dividend and/or Compensated Price - that will be explained shortly. I will expand on how to distribute effective demand money later. The main point is that whatever steps an issuing authority takes to create new money must preserve its relative quantity and purchasing power in reasonable balance with production of society's goods and services.

9. *Soddy postulates that the only equitable means of establishing a just price is with a debtor/creditor relationship so as to remove the speculative element introduced by unstable value of money. He concedes that this may not necessarily lead to a “just” price.* I am not certain I understand the basis for this premise, nor its need. In my view, price will be determined by supply and demand in an economy where there will certainly be competition. The Consumer will determine the price by voting with their money – Economic Democracy. The stability of money will be regulated using the just price mechanism as described in the chapter section titled [Wealth Pumps](#).
10. *All national public and private debt should be retired and substituted with new debt-free currency to replace the credit issued by the banks. This will end the public burden of interest on that debt.* This is an amazing proposition that I heartily endorse. All loans from private institutions will be immediately retired. All public debt will be retired. All mortgages, credit cards, personal and business loans will be immediately retired. The only interest-bearing contracts that will survive will be those that can demonstrate the actual loan of real currency that would otherwise be a material loss to the lender. This converted debt will be the virtual wealth remaining in the economy. Since all this money will instantly be converted into wealth owned by the holders of the property and products that former debt had claim against, there will continue to be an extreme shortage of effective demand money. New effective demand money can be equitably distributed to society as a National Dividend and Compensated Price as described in the chapter section titled [Wealth Pumps](#).
11. *Bank laws must be changed so that banks must retain 100% of deposits at all times. They must charge the real cost of their services through to their customers. The best banks will be the ones with the lowest fees. When banks lend money, they must have counter-party agreements with legitimate depositors or have 100% reserves via retained earnings to support those loans. Laws must have teeth so that money loaned must be inaccessible to the lender for the life of the loan.* I would add that there must be severe laws to punish illegal issue of newly created money as debt including jail time, financial restitution and penalties upon the people and institutions responsible. In addition, our Economic Democracy recommendations include a facility to ensure interest-free capitalization of worthy business ventures and an equitable share of ownership and risk

with the employees behind those ventures. It goes without saying that these loans are for *domestic* production only and will utilize only domestic-made components. We don't support subsidizing of foreign producers. If there is to be any loaning of new money by banks, it must be borrowed by the national credit authority and as the loan is retired, the bank must repay the NCA. In this way, the NCA is aware of the level of effective demand in circulation at any point in time and adjust the compensated price rate as needed to keep the economy healthy.

12. ***Currency should be increased – not decreased as is done now – when supply exceeds demand for the simple reason that to do otherwise would cause price deflation.*** This policy sounds reasonable. This is an implicit recognition of the gap because that is the only reason additional currency is needed. One would ask how we are to deal with the situation where we produce too much of a useless article so that there would be no demand for it and the net result would be too many dollars chasing the rest of desired wealth and consequently inflation. There are two answers to that. One is that the Consumer price index and just price mechanisms will likely detect the condition and suitable tools can be employed to adjust the money supply accordingly. The second is that, as will become apparent later, Producers will generally obtain interest-free financing directly from the government National Credit Authority under my [Wealth Pumps](#) proposal. The next round of capital will generally not be forthwith until the previous loan has been repaid and that will only happen if there are sales. This will generally work like a revolving line of credit so that sales will tend to sustain production. Inadequate sales will result in inevitable business bankruptcy. In the case of bankruptcy, the money issued from the initial investment will be used in buying liquidated capital equipment. Any imbalances will be adjusted by the just price mechanism.
13. ***An increase in the scale of production without impacting the Consumer price index requires the initial abstinence of consumption followed by the issue of a proportionate but lesser value of currency than the price of the finished stocks. Any additional issue of currency will be guided by the aforementioned regulatory statistical analysis.*** What Soddy is saying is that Producers need to put their own skin in the game by applying their effective demand money as investment capital to increase production initially and then when that productive increase is reported, government will issue additional currency to

ensure effective demand. That newly issued currency will eventually be returned to the investors with profit. This is a reasonable proposition and our Economic Democracy has an appropriate compliance measure. Specifically, free-lance entrepreneurs or the National Credit Authority can provide the seed capital in many cases and new currency will be issued via National Dividend or Compensated Price sufficient for producers to retire their loans – the decision of how being a matter of public policy. The main point for this proposal is to prevent inflation by only providing new currency when new goods are brought to market. The “just price” mechanism that sets the Compensated Price rate is another tool to manage this problem as described in the chapter section titled [Wealth Pumps](#).

14. *If the issue of money precedes the completion of finished goods, the wealth in the system tends to become permanently depleted and the consequence of this shortage is that prices tend to rise. It also tends to adversely affect the nation's balance of payments by stimulating imports to meet the demand. For this reason, economic policy should take this factor into consideration at all times.* This sounds like a reasonable proposition that we will incorporate. The “just price” mechanism that sets the rate of the Compensated Price is the tool we will use to manage this problem as described in the chapter section titled [Wealth Pumps](#).
15. *If abstinence and an increase in wealth production are not followed by an appropriate increase in currency, there will not be sufficient effective demand to liquidate the new wealth and the consequence will be unemployment, squandered capital and price deflation.* Again, here is another sound and reasonable proposition that we will incorporate into our [Wealth Pumps](#).
16. *Grand permanent capital projects and large industrial initiatives such as energy mega-projects, hydro-electric dams, huge bridges, super-highways, “Manhattan Project” type initiatives etc. should not be financed by private interests at huge interest for durations that span decades because they eventually bankrupt society. For all intents and purposes, they're virtually unrepayable. Taxation should be extended beyond simply defraying government expenditure to redeem this capital investment without interest.* I agree with the intent but not the taxation method. I believe all government expenditure should be simply issued as new currency on the basis of [Wealth Pumps](#). To

ensure the success of Wealth Pumps so that bureaucrats will not be immune from prosecution for malfeasance and misfeasance as they are today, a new set of Constitutional Amendments are proposed later in this book. One of the proposed amendments will enable any citizen to initiate investigations for corruption, misappropriation of public funds, bidding processes for government contracts, etc. and penalties will be severe. The bottom line is that governments will be reined in through ballot box accountability and people will not be burdened with taxes because the [Wealth Pumps](#) cover the taxes for We the People. Public infrastructure will get funded and industry will thrive under such a well-managed scheme.

17. ***Taxation to defray government expenditure for social improvements, public infrastructure, stimulating the economy, reconstruction of agriculture, and dealing with natural disasters, managing prices, and generally influencing the proper development of the country is completely futile.*** I couldn't agree more. A better mechanism is as described later in this chapter in the section titled [Wealth Pumps](#). We simply have the public National Credit Authority issue the funding to government and then government will spend the A and B components of project costs into the economy. The new money will eventually get cancelled by the repayment of Producer loans.
18. ***A national currency based on an index number coupled with intelligent expansion of the industrial system to its full working capacity would promote both domestic and foreign trade equally well.*** I agree that sound national currency and economic policies that maximize the efficiency of industry are the *key* to robust trade but as discussed earlier, there are better tools than a consumer price index in the 21<sup>st</sup> century. We will fully expand on our precise means of "intelligent expansion" of industry shortly.
19. ***Gold should be the commodity used to facilitate international transactions and the League of Nations should administer it. This administrative unit will determine how much gold each nation is required to keep as a reserve to secure the integrity of trade.*** It is becoming obvious to more and more people that the United Nations (that the League of Nations eventually evolved into) is a corrupt organization that has been completely co-opted by international banking elites. They absolutely must not be the administrators of the international gold trade. A more appropriate administration would work as follows in my opinion:

- a. Each government will have an office within their International Affairs department which will liaison with the department responsible for administering the supply of money. I deal with this subject later in this chapter in the subsection titled [\*International Trade\*](#).
  - b. Under international treaty, each country will have the right to audit any country they suspect of fraud (e.g. price fixing, dumping etc.) and an international tribunal will convene to arbitrate any disputes.
  - c. Internationally agreed-to standards will eventually be laid down.
  - d. Since the first nation to implement Economic Democracy will *not* have trade agreements with other nations, it will need to exercise its sovereignty to impose the gold standard upon its trading partners as the only acceptable form of payment, and it will offer the same as an acceptable and fair compromise.
  - e. Where imports and exports are balanced, to that point, the trade can be settled in each nation's own currency without resorting to gold for settlement.
  - f. The goal of the nation needs to be balanced trade, and the appropriate tool to regulate trade is tariffs. When there is trade deficit, the cost of imported goods must be taxed to raise the price of these imported goods and thus discourage their consumption. This would hopefully encourage domestic production as a result. When there is trade surplus, we must drop the price of imported goods and thus encourage their consumption. The goal is to encourage balanced trade. Only fair trade with no winners or losers is sustainable over an extended period of time.
  - g. The last point is absolutely key. If there is balanced trade, there is absolutely no need for the exchange of gold to even enter the picture.
20. *The use of gold as national reserve for international trade will eliminate the harmful effects of constantly fluctuating currency exchanges that result from continuously changing trade imbalances. At the same time, trading nations are free to independently negotiate an appropriate "price" for the goods they chose to trade – particularly for goods that are especially valuable to them.* I think this could be made to work but am not convinced that it is the best approach. I deal with this subject later in this chapter in the subsection titled [\*International Trade\*](#).

21. *A suitable barometer should be established to measure the balance of trade between two nations and appropriate mechanisms such as import and export duties should be established to ensure that fair trade occurs between them. The principle of generally balanced trade is critical to price stability and to prevent depletion of the nation's gold reserves.* This is a reasonable premise. We never want to be chronically out of balance in trade with any nation because it will cause trade wars that inevitably lead to military conflict. One possible “barometer” solution could be the establishment of a joint public/private Trade Commission whose mandate will be to:

- a. Assess the strategic needs of the nation. For example, the nation may not have a particular metal commodity, may not have sufficient arable land to feed the nation, etc.
- b. Assess the competitive advantages of the nation. The nation may have particular trade advantages such as net exporter of particular food-stuffs, possess strategic metals, manufacturing prowess in particular technologies, particularly talented tradesmen in specialized industries, etc.
- c. Assess the comparative advantages and disadvantages of our trading partners to support effective negotiation.
- d. Assess how to best promote the industrial and/or agricultural “excess capacity” strengths of our nation with a view to what our trading partner(s) are most interested in that we can supply.
- e. Negotiate with governments and or industries abroad to secure our national interests and enter into win/win trade treaties.
- f. Keep careful records on the balance of trade between each trading nation and take steps to balance trade where needed. For example, if one nation is found to owe us a surplus, we can add a duty to their imports until the trade balances or simply stop selling to them or sell our goods to another nation who we are in a deficit trade balance with who may also desire or need some of our merchandise.

22. *All of the above-mentioned reforms may not cure all possible problems but by setting a course that solves the chronic problems we are currently faced with in our economy, we will make enough progress to move closer to the national goals of individualistic society, optimized and efficient national production, industrial automation that does*

*not adversely displace workers, sufficient leisure to ensure domestic tranquility, and sufficient prosperity through stable money to eliminate social unrest and poverty.*

These seem worthy goals that everyone would agree would be a significant improvement over the current state of affairs in every country on earth today.

With Soddy's National Economy recommendations and proposals firmly grasped, let us now move on to integrating them with the principles of Social Credit economics to arrive at a workable Economic Democracy as implemented with my [Wealth Pumps](#).

## **Clifford Douglas and his Social Credit Economics**

Having just reviewed Soddy's proposals, we now turn to the Social Credit ideas of Major Clifford H. Douglas. The reader will see the converging of the policies and proposals of both men in the [Wealth Pumps](#) framework that follows. Since the economic proposals of Douglas are the most compelling of the two models, that will be our focus; but Soddy's influence on our thinking will be apparent – particularly with respect to unearned usury on the issue of newly created money as debt.

As I studied Douglas' work and came to understand his message, I realized that his work needed to be reduced to a *Cliff Notes* version that could be quickly communicated to the novice. To that end, I set out to reduce my explanation into more digestible pieces:

1. My Wealth Pumps Social Credit platform explained in 10 sentences or less.
2. Compressing the key concepts into core concepts.
3. Using a series of compelling questions and answers to express the key concepts Douglas and Soddy wanted to convey.
4. Outlining how to transform our economy from where it is to where it could be under economic democracy.
5. Outlining the critical flaws of our current economic system.
6. Creating a simple model that shows a practical implementation of the proposed replacement economy.
7. Accompanying the model with a narrative.
8. Using the real-world values of Statistics Canada for 2008 to demonstrate the model and to reveal the evidence of Douglas' observations on pricing, production and consumption.

I also weaved the meritorious proposals of Soddy in where appropriate. That is why this book is titled *Economic Cures* - plural.

## Wealth Pumps Economic Democracy Platform in Ten Sentences

1. **It's a policy of a philosophy.** *Social Credit* was summarized by its visionary Clifford H. Douglas as “a policy of a philosophy whereby systems were made for men, and not men for systems, and *the interest of man which is self-development, is above all systems*, whether theological, political or economic.”
2. **What's in it for me, you ask?** Though we all can agree with such a noble definition of this as the rightful place of our institutions, we need to consider a more *pragmatic problem/solution formula*. We can offer a “Dividend” that provides *every* adult citizen a \$1000/month guaranteed income. The exact amount of Dividend would, of course, be negotiable and would pivot around the two points of social policy and the economy's ability to support the dividend. This dividend serves to “prime the economic pump.” We will also provide a Compensated Price to control inflation/deflation and fill the rest of the gap. It is a sales credit of at least 25% for every dollar a consumer (but not producer or foreigner!) spends.
3. **The root problem is that there is not enough money.** The seminal problem with all our governments and economies is simply *that there is not enough money in circulation* to allow the *Consumers* of society to purchase all of the goods and services that society is capable of producing by way of *Producers* and this can be summarized as *poverty in the land of plenty*.
4. **Understanding price, price gap and the A + B Theorem are the key concepts to grasp.** The [Wealth Pumps](#) solution centers on a clear understanding of the true nature of *price* which is comprised of *two important logical components*: earnings and costs.  
**A) Earnings** are money paid out as dividends, salaries, wages and fees into the hands of people to be spent by them at their discretion.  
**B) Money** paid out for capital equipment, raw materials, depreciation and everything that does not ultimately fall into the hands of Consumers as an A component. All B costs are Capital *Costs*.
5. **The problem with prices is the price gap.** The fundamental properties of these two components of price create what Douglas called the “*price gap*” which is the simple observation that only the A component of price is available in the marketplace to purchase goods and that the B component must also be injected into the hands of

Consumers or there will not be enough money for them to buy all the products. If consumers don't have sufficient effective demand, Producers can't recover their costs and thus liquidate their inventories.

6. **Unsound financial credit money is the manifested cause of our economic disease.** In every economy on earth today – without exception - *this gap money is only compensated for with debt* (AKA financial credit) *money with interest bearing against it by private international financiers* by way of government deficit spending, personal loans, mortgages, credit cards, armaments for fighting of wars and waste through planned obsolescence. The problem is really the gap but most people think it is debt interest. The Powers That Be want to mask the truth so that we will not know how to fix our economies and so that they as parasites will not lose their host - us.
7. **We need to outlaw usury to solve the problem.** The net effect of the interest paid to private banking interests on the issue of newly created money as debt is the further erosion of the available “A” share of public money by transferring it into the hands of these “Powers That Be” and eventually transferring substantially all wealth of citizens into their hands. The money bankers create is backed by the full faith and credit of We the People. This is our property – not theirs – and they have no moral right to charge us *any* interest on it. They have broken trust with society with these twin deceits so that for this simple reason, *all interest on newly issued money must be outlawed.*
8. **We replace unsound financial credit banking with a real-credit-based economic system that fills the price gap effectively.** *Economic Democracy* seeks to right this social injustice by carefully measuring the A and B components of pricing and then introducing that B price component price gap money. This is non-interest-bearing money that is paid directly to consumers by way of a nationalized central monetary authority which acts as a public utility. We call it the *National Credit Authority*. Take notice that it is neither a private bank nor a government institution.
9. **The core economic policies are National Dividend and Compensated Price that are administered by a public utility under public oversight with the “Just price” mechanism to regulate their issue.** There are *two mechanisms for equitably distributing this gap money* into the economy: 1) the *National Dividend* whereby every man and woman get a living wage sufficient to meet their basic needs of food, clothing and

shelter, and 2) a *Compensated Price* whereby everything purchased by Consumers will result in a sales rebate in the amount of between 25-50% - in amounts that will be mathematically derived via the “just price” mechanism so as to yield an economic policy that is neither inflationary nor deflationary. With such a mechanism, prices and costs can be expected to actually fall with increases in productivity!

10. **The result of these changes will be the world's first true Economic Democracy.** The net result of this *economic policy* is the creation of a *democracy of Consumers* with an *aristocracy of Producers* that is backed by *real credit* - the full faith and credit of the people that they will continue to be a productive people.

But how does Social Credit define itself, classically speaking? Here is how Geoffrey Dobbs defined it in a booklet titled *What is Social Credit* in 1981:

Please explain in simple terms, “What is Social Credit?”... Couldn't I sum up the gist of it in a single sentence? Certainly I could — even in two words: **practical Christianity!** But let me expand it a little. Social Credit is a name given to a certain movement of the human mind and spirit (not an organisation) which stems originally from the mind and writings of a man of great insight and genius, the late Clifford Hugh Douglas. Its aim is to “bind back to reality” or “express in practical terms” in the [current](#) world, especially the world of politics and economics, those beliefs about the nature of God and man and the Universe which constitute the Christian Faith, as delivered to us from our forefathers, and NOT as altered and perverted to suit current politics or economics, which stem from a non-Christian source...

This movement has been influencing the World for sixty years. Its effects have been widespread, but unpublicized. One of its gifts to the human mind and at least the English language is the term: the social credit (without Caps.) which is the name of something, which exists in all societies but which never had a name before because it was taken for granted. We become aware of it only as we lose it. “Credit” is another word for «faith» or «confidence», so we can also call it the Faith or Confidence which binds any society together — the mutual trust or belief in each other without which fear is substituted for trust as the “cement” of society... Though no society can exist without some social credit, it is at its maximum where the Christian religion is practiced, and at its minimum where it is denied and derided.

The social credit is thus a result, or practical expression, of real Christianity in Society, one of its most recognizable fruits; and it is the aim and policy of social crediters to increase it, and to strive to prevent its decrease. There are innumerable commonplace examples of it which we take for granted every day of our lives. How can we live in any sort of peace or comfort if we cannot trust our neighbors? How could we use the roads if we could not trust others to observe the rule of the

road? (And what happens when they don't!)

What would be the use of growing anything in gardens, farms or nurseries if other people would grab it? How could any economic activity go forward — whether producing, selling or buying — if people cannot, in general, rely upon honesty and fair dealing? And what happens when the concept of the Christian marriage, and the Christian family and upbringing, is abandoned? We see, do we not? — That Christianity is something real with desperately vital practical consequences, and by no means a mere set of opinions which are «optional» for those to whom they happen to appeal.

**Of course, social crediters are not the only people who are trying to promote the social credit. Most decent, sane people instinctively do so, including many God-fearing people of other religions, and even some atheists who were brought up in Christian homes and are living on the moral capital of their parents or teachers.** But social crediters are the only people who are consciously engaged in it, and know where they are going, so that they can point the way to those who are unconscious.

I am partial to the view that Social Credit is an inclusive philosophy that truly transcends religion. Christianity was summarized by Jesus himself as the law of love and Christianity does not have a monopoly on this doctrine.

## Mathematical Proof of Social Credit A + B Theorem

The following table is a mathematical proof for the Social Credit A + B Theorem:

The following analysis of the financing of a long term production cycle presents a simple and convenient formal proof of Major C. H. Douglas' Social Credit A + B Theorem. Neither the premises nor the reasoning have ever been refuted, although critics of the Theory have repeatedly been challenged to attempt to do so.

## FINANCING OF A LONG-TERM PRODUCTION CYCLE

Let  $N_1$  = average length of the credit cycle in years  
 = bank deposits X 2/bank clearings per annum + L-K

where K is the value of "Second Hand Transactions". ("Second hand transactions" are those which do not cancel a cost.)

Then  $N_1$  = average period of circulation of A payments + L

L = internal (non-clearing bank) transactions

Let  $N_2$  = average length in years of the production cycle at any selected period  
 = (process time X number of processes)  
 + (100/depreciation % + obsolescence % + consumption %)

$N_2$  = average period of time cost production and destruction.

Costs are generated in production and cancelled in consumption.

Therefore  $N_2$  = average period of cost cycle.

$N_1$  is the order of 2 months;  $N_2$  is the order of 20 years.

Let  $n_1 = 1/N_1$  = number of circulations per year, say 6.

Let  $n_2 = 1/N_2$  = number of circulations per year, say 1/20.

Let A = all disbursements by a manufacturer which create costs  
 = wages and salaries.

Let B = all disbursements by a manufacturer which transfer costs  
 = payments to other organisations.

The manufacturer pays £A per annum into the  $N_1$  system,  
 and £B per annum into the  $N_2$  system.

Disregarding profit, the price of production is £(A + B) per annum.

But to purchase (i.e., to cancel the allocated cost of) £(A + B), there is present in the hands of the consumer:

$$\frac{\text{£}(An_1 + Bn_2)}{n_1} = \text{£}\left(A + \frac{Bn_2}{n_1}\right)$$

Consequently, the rate of production of price values exceeds the rate at which they can be cancelled by the purchasing power in the hands of the consumer by an amount proportional to  $B\left(1 - \frac{n_2}{n_1}\right)$   
 = approx. B.

This deficit may be made up (in the orthodox system of economics) by the export of goods on credit, by writing down of goods below cost, by bankruptcies, and by money distributed for public works and charged to debt. But in the main, it is represented by mounting debt.

This proof was taken from *An Introduction to Social Credit* by Bryan W. Monahan. The A + B theorem essentially demonstrates that the B component of price is unpayable in our present economic system because once Producers spend money on capital costs; it is never issued to Consumers to settle these costs. It is a shortage of money that is institutionalized in our economic policy. The evidence of this is irrefutable.

Jim Schroeder wrote a paper titled *Costs and Time* which was published on the internet in August of 2010 here: <http://social-credit.blogspot.com/2010/08/costs-and-time.html>. The following is a reprint of that paper with Jim's permission. It presents the gap revealed by the A + B Theorem from a different perspective.

According to the generally accepted accounting principles, when physical capital is purchased, it is recorded as an asset and expensed over time as the capital depreciates. "Generally accepted accounting principles require expenditures to be capitalized when they will benefit more than one accounting period, and when they are significant in amount, and when they can be measured with reasonable objective evidence. (Financial Accounting, Henry Dauderis, pg. 393) With accrual accounting, revenues and expenses are recorded when they are incurred. Because capital depreciates over time, and has a longer life than the time at which it was purchased, physical assets are depreciated via depreciation expenses in order to better match costs with revenues. This defers financial costs to the future in order to "allocate costs over its (capital's) useful life".

From an economic perspective, there are two ways of measuring costs: 1) financial costs, and 2) real costs. One of the purposes of cost accounting is to attempt to measure the real cost of production in terms of financial costs. Orthodox economics regard real costs as "the alternative opportunities forgone" (Hirschleifer, "Price Theory and Applications, pg. 176). These costs are referred to as "opportunity costs", and this is what economists call the real cost of production. In other words, the real cost of producing something is the opportunity lost to produce something else. This theory of costs is unusable at the macro-economic level because it infers that the real cost of production is all the non-existent production that could have occurred. This cost would be impossible to measure, because it would include all production which is non-existent. Douglas proposed that the real cost of production is consumption over an equivalent period of time. In other words, if we produce ten apples, and consume eight in the same period of time, the real cost of producing those ten apples was eight - profit was two apples. These two apples can then be exchanged for other goods in a barter economy. However, in the macro-economic sense, profit is pointless, since macro-economics is concerned with aggregates. As Douglas made explicit, the purpose of production is consumption (otherwise production is waste). In other words, real profit in the aggregate is merely waste, because it would be production which is not meant for consumption.

Now, the only time that exists is the present. The past used to exist, but it is gone. The future exists as possibility. Time flows from past to present, but consciousness can only exist in the present - in the now. Everything that we are conscious of must exist in the present. While this may seem self-evident, it has important economic implications in regards to costs, and the attempt to allocate financial costs over future time periods.

Financial costs are measured in the currency of the nation that is measuring them. For instance, in Canada, we measure costs in dollars. Douglas proposed that the physical currency in which we can measure costs is the "time – energy unit". The time – energy unit is "potential effort over a definite period of time." (Economic Democracy, pg. 100) Obviously, as improvements in process reduce the amount of time – energy units used to produce a unit of output, the real cost of production is diminished, because less inputs are used to produce a unit output.

However, if physical costs are associated with the time-energy unit of measurement, this means that time is an important factor in measuring physical costs. Since the only time that exists is the present, the only time energy units available are present units. And since these are a measure of physical costs, the only physical costs that can exist are present costs. Past time energy units have been expensed and future time energy units do not yet exist. In other words, the only financial costs that should exist are current costs. Past costs no longer exist.

If past costs no longer exist, then why are we forced to pay for capital that was built previously? How was the real cost of capital expensed at the time it was built?

Currently, we are forced to pay for capital twice. The accountant is mainly concerned with costs and their impact on price, but forgets that the upper limit of price is what an article will fetch on the open market. When capital is built, purchasing power (in the form of wages, salaries, and dividends) is disbursed to individuals who helped construct the capital. These individuals use that purchasing power to purchase current consumer goods coming onto the market. This activity has a tendency to inflate the price of consumer goods as this purchasing power is recouped from retailers who find that the effective demand for their product is rising. In this way, the consumer pays for the capital at the time of its construction via the inflation of the price of consumer goods, and once again as the capital is depreciated over time via depreciation expenses. In fact, the inflationary effect of the construction of capital would be far worse if it were not for the negating effect on this process of improvements in efficiency which tends to reduce prices at the same time.

Since one dollar of income is only capable of defraying one dollar of cost, consumers eventually find that they do not have income necessary to defray these depreciation expenses in the future, because they have already used this income to

purchase consumer goods at or near the time they received the income. This creates a gap between incomes and prices, and necessitates the further production of goods and services that the consumer is unable to consume in order to distribute the necessary income to purchase all of the consumer goods coming onto the market at some future point in time. Douglas exposed this gap in his A+B theorem.

The solution is not to change the way accountants allocate costs over time, because this is an accurate attempt to match costs with revenues, and is likely the only way many businesses would be able to operate at a profit. The solution entails distributing purchasing power to consumers in such a manner that said purchasing power does not form a part of costs, which is exactly what happens with respect to Douglas's proposal for a Compensated Price.

The Compensated Price mechanism cancels costs at retail by reducing prices to consumers. This increases consumers' purchasing power. The mechanism is designed to equate production and consumption, and to allow financial costs to more accurately reflect the real cost of production. In this way, costs that have been capitalized, and really represent past consumption, can be eliminated in the current accounting period.

You can see the gap from the perspective of the immediate moment whereby the goods being produced *now* do not introduce into the economy sufficient money *now* to cover any of the present B costs. Since we are only interested in buying those goods that are available *now*, it stands to reason that we must have sufficient money *now*.

In the case of a new startup concern, those setup costs can be enormous. Jim showed it from the perspective of those enormous costs being carried into the future by way of depreciation costs to recoup that enormous initial outlay and demonstrates that in effect, consumers must pay for the capital outlay twice – once through inflation and once through depreciation charges added to prices in the future.

## **Points of Divergence between Soddy and Douglas**

Having just studied the viewpoints of both Soddy and Douglas, we will highlight the key points at which the two men apparently differ in opinion.

Soddy said money should be standardized, just like weights and measures. Douglas argued this is exactly what money should not be. In his book *Social Credit* in chapter seven titled The Nature of Money, Douglas stated,

“Yet perhaps the most important fundamental idea which can be conveyed at this time, in regard to the money problem - an idea on the validity of which certainly stands or falls, anything I have to say on the subject - *is that it is not a problem of value-measurement. The proper function of a money system is to furnish the information necessary to direct the production and distribution of goods and services.* It is, or should be, an "order" system, not a "reward" system. It is essentially a mechanism of administration, subservient to policy, and it is because it is superior to all other mechanisms of administration, that the money control of the world is so immensely important.”

Soddy thought that inflation implies that there is both too much money and a shortage of goods as preconditions. Douglas disagreed with this assertion. Bryan Monahan expounded on this point in *Freedom and Inflation*:

“The replacement of labour by capital in the productive process implies that overhead charges (B) increase in relation to income (A), because "'B' is the financial representation of the lever of capital”.<sup>[3]</sup> As Douglas stated in his first article, "The Delusion of Superproduction":

"The factory cost--not the selling price--of any article under our present industrial and financial system is made up of three main divisions--direct labor cost, material cost and overhead charges, the ratio of which varies widely, with the "modernity" of the method of production. For instance, a sculptor producing a work of art with the aid of simple tools and a block of marble has next to no overhead charges, but a very low rate of production, while a modern screw-making plant using automatic machines may have very high overhead charges and very low direct labour cost, or high rates of production. Since increased industrial output per individual depends mainly on tools and method, it may almost be stated as a law that intensified production means a progressively higher ratio of overhead charges to direct labour cost, and, apart from artificial reasons, this is simply an indication of the extent to which machinery replaces manual labour, as it should."

If overhead charges are constantly increasing relative to income, any attempt to stabilize or increase income is met with rising prices. If income is constant or increasing, and overhead charges are continuously increasing due to technological advancement, then prices, which equal income plus overhead charges, must also increase. Further, any attempt to stabilize or decrease prices must be met by falling incomes according to this analysis. As the [Phillips Curve](#) demonstrates, inflation and unemployment are trade-offs, unless prices are reduced from monies derived from outside the productive system. According to Douglas' A+B theorem, the systemic problem of rising prices, or inflation, is not "too much money chasing too few goods", but is the increasing rate of overhead charges in production due to the replacement of labour by capital

in industry. Douglas did not suggest that inflation cannot be caused by too much money chasing too few consumer goods, but according to his analysis this is not the only cause of inflation, and inflation is systemic according to the rules of cost accountancy given overhead charges are constantly increasing relative to income. In other words inflation can exist even if consumers have insufficient purchasing power to buy back all of production. Douglas claimed that there were two limits which governed prices, a lower limit governed by the cost of production, and an upper limit governed by what an article will fetch on the open market. Douglas suggested that this is the reason why deflation is regarded as a problem in orthodox economics because bankers and businessmen were very apt to forget the lower limit of prices.”

The most important point is that inflation can exist even if there is not enough money to buy back all of production.

Soddy said that there are fundamentally two types of energy wealth:

1. **Wealth I** - That which is used up (food, fuel, services, etc.)
2. **Wealth II** - That which the application of energy produces (housing, machinery, tools, etc.)

Douglas would have argued that this is not wealth, but the means to produce wealth. Tools and machinery in and of themselves do not increase “wellbeing”, but are simply a means to do so. Only consumer goods represent wealth; capital is a means to create wealth.

## Quantity Theory of Money Debunked

In both the present economy where money is issued and removed by banks and also in the Social Credit model, Douglas argued that what the bankers called “velocity of money” was really a sham because money was often removed from the economy through the repayment of producer loans *before* that money had the chance to be used by the consumer. This implies that money is expected to be continuously created and destroyed, as opposed to injecting a static amount of money into the economy and allowing it to be continuously be recirculated. In Soddy's model, money does indeed recirculate because it is never withdrawn – except in proportion to the relative growth or contraction of the economy. *Many Social Credit advocates disagree with Soddy's whole economic model and solution because they miss this subtle but critical point.*

This following paper is the one that Jim Schroeder presented to me, where he disproves the quantity theory of money in our present economy mathematically. Interestingly, Jim admits to Soddy's point about recirculating money as I highlight below:

## **Quantity Theory of Money and Social Credit**

The quantity theory of money can be simply expressed by the equation:  $MV=PQ$ , where M is the quantity of money in the economy, V is that money's "velocity of circulation", P is the average price level, and Q is real output. Proponents of the theorem generally argue that Q and V are constant, or at least not influenced by the quantity of money. This implies that any change in the quantity of money has a direct relationship with price levels. In other words, increase the money supply and increase price levels (i.e. inflation), or decrease the money supply and decrease price levels (i.e. deflation). The theorem deduces that the fundamental source of inflation is increases in the quantity of money "in circulation". The theorem also assumes that money is an exogenous variable to this equation.

C. H. Douglas was quite critical of this theory, claiming that, "the velocity of circulation of money is a complete myth". While econometric models have generally demonstrated a correlation between money and prices in the long run (which is what the theory predicts), there is less of a correlation in the short run, and it should be noted that correlation does not prove causation. Perhaps there is another variable which is causing an increase in the money supply and an increase in inflation over the long run? Before we explore that possibility, let us look at the "velocity of circulation", what it means, and why Douglas called it a "myth."

If we rearrange the quantity theory of money ( $MV=PQ$ ) we see that  $V=(PQ)/M$ , and if we assume that PQ equals nominal GDP (an assumption that implies equilibrium), then the velocity of circulation can be calculated by dividing nominal GDP by the money supply. Does this rearrangement of the equation give us the velocity of circulation? Or is this merely an instance of *petitio principia* (begging the question)? Leaving aside the assumption of equilibrium, let's explore this "velocity of circulation" in more detail, and why economists believe that money "circulates".

The early quantity theory can be traced back over 200 years to at least as far back as the philosopher David Hume. (Blomqvist, Wonnacott and Wonnacott "Economics First Canadian Edition", pg. 248). The early theorists believed that the inflation at the time was due to the influx of gold and silver from the New World. They believed that this increase in the money supply, accompanied with a relatively fixed quantity of goods available for sale, led to a rise in prices. As we can see, this theory holds that money is an exogenous variable, and the quantity of money is determined by forces outside the equation itself (i.e. an influx of gold from the New World). To what extent gold was actually used as money is a discussion beyond the scope of this essay, but even in the 18th century (and even much further in the past) it can be shown that the vast majority of money was actually credit (\*see Alfred Mitchell-Inness, "What is Money").

One of the events which Douglas claimed led to the development of his analysis was a conversation he had with the Accountant-General of Bengal named J.C.E. Branson. Branson used to have long discussions with Douglas about credit, and one of the

things he told Douglas was “Silver and gold have nothing to do with the situation. It nearly entirely depends on credit.” (J.W. Hughes “Major Douglas The Policy of a Philosophy”, pg. 34) The idea that money “circulates” goes back to the idea that money is a commodity (such as gold or silver) and goes about circulating through the economy as goods and services are purchased. A good example of the quantity theory is given in The Alberta Post War Reconstruction Committee:

A wage-earner A. uses a \$10 bill of his income to buy two pairs of shoes from a shoe merchant B., who immediately goes into the adjoining store and spends the \$10 to purchase some shirts from C., C in turn immediately goes across the street to grocer D. and buys some provisions costing \$10, grocer D. then takes the \$10 bill across to the local garage E., to buy some gasoline and oil.

The contention is that the \$10 bill provided purchasing power to the extent of \$40 during the day by virtue of its "velocity of circulation" in enabling \$40 worth of goods to be purchased by consumers.

The problem with this theory is the neglect of money as credit (or debt). It implicitly assumes that money just “falls from the sky”, and does not examine how money comes into existence as a debt that needs to be repaid. The vast majority of money is credit created by banks through loans to businesses and individuals. This money does not “circulate”, but instead operates in an “accounting cycle”. Ignoring consumer credit momentarily, which is just a mortgage on future incomes, money flows from the bank to businesses and finally to consumers as income. The income is then spent by consumers on goods and services and flows back to the bank via businesses and in the process cancels all the debt created in order to produce the good or service. In other words, money is not a stock that can be simply added up; it is a flow which has direction (either flowing from the bank to the consumer as income, or is recovered from the consumer in the form of prices and taxes and flowing back to the bank and cancelling debt). Money created as consumer debt also operates in an accounting cycle, but does not involve the intermediary of businesses in the first part of the process. Consumer debt is the futile attempt to cancel a debt with a debt. With consumer debt, money flows directly to the consumer, and is recovered by business through the agency of price and then continues to flow back to the bank as it cancels debt.

***If money does not “circulate”, then the whole quantity theory of money is a fallacy.***

The “velocity” of circulation is merely an example of *petitio principia*, and is defined within the confines of the equation itself (i.e. GDP/money supply). If the quantity theory of money is a fallacy, then why does there appear to be a direct relationship between money supply and price levels in the long run? This is due to a third factor which influences both. This factor is the increase in overhead charges relative to income as efficiencies in production are realized. Douglas stated in his first article, “The Delusion of Super – Production”, “it may almost be stated as a law that intensified production means a progressively higher ratio of overhead charges to direct labour costs”. According to Douglas’s A+B theorem, prices equal A (income)

plus B (overhead charges). If overhead charges are constantly increasing relative to income, then in order to maintain or increase income, prices must rise. Further, since the vast majority of production is financed through the issuance of new credit (i.e. through loans to businesses), the capitalization of industry proceeds with an increase in the money supply. In other words, the fact that overhead charges are increasing relative to income *causes* increases in prices and necessitates an increase in the money supply to meet these increased prices. A third factor is increasing both the money supply and prices: it's not the increase in the money supply that is causing inflation, but the increase in overhead charges relative to income that is causing both.

If the quantity of money is not causing inflation, and if money is actually a flow instead of a stock, we can increase the money supply and reduce prices. This is done by introducing money as a "reverse flow". A "reverse flow" of money would cancel overhead costs. This would equate purchasing power with prices and reduce prices. By giving consumers credits directly at the point of retail in the form of a price rebate, we can increase the quantity of money and reduce prices to consumers. The reason for doing this is based upon Douglas's A+B theorem and his demonstration that the economy is not in equilibrium in any permanent fashion. The quantity theory of money implicitly suggests equilibrium and is at odds with the Social Credit analysis. A price rebate given to consumers is necessary in the Social Credit paradigm because the real cost of production is consumption over an equivalent period of time, and in any technologically advanced society, consumption is always less than potential production. The price rebate is designed to bring consumption and production into equilibrium, and reduce prices. The cries that Social Credit policies are inflationary are explicitly, or implicitly, based upon the quantity theory of money. The purpose of this essay is to help expose the quantity theory of money as a fallacy, and help alleviate some people's concerns over one aspect of Social Credit policy.

The net conclusions of this paper are that Social Credit economic policy is not inflationary and that the quantity theory of money in a credit-based economy is a myth. I have come to the conclusion that he is correct and that I was wrong on this point. He shows that the velocity of money equation offered by economists can be mathematically reduced to *GDP divided by quantity of money in circulation*. This clearly has nothing logically to do with velocity of money.

Jim also made the valid point that fiat money is the paper and coin currency issued by a nation's central bank and he took exception to me referring to bank-issued money as fiat. Here is what he said to me in an email:

Fiat money is all money that is deemed money through government "fiat", or decree. Only cash and coin fall into this category. No company has to accept a cheque or electronic transfer of funds for settlements of debt - most do! But it's not necessary. Therefore, credit is not fiat money in the correct usage of the term.

As a *technical* point that may be true but as a *practical* point, I don't think so. Here's why.

I think we're splitting hairs here when we try to give a different name to the checkbook money bankers create versus the currency money the central banks issue. It lends further to obscuring the insidious thing bankers have done with checkbook money. Soddy had a great deal to say on this important subject. Douglas also had a lot to say on the specific problem of banks being the issuer of the nation's currency so it is not like he was oblivious to this one and same problem.

Soddy clearly exposed the bank fraud when the British government pegged their currency to gold just before World War I and the banks got around this limit through the sleight of hand of checkbook money. Soddy quantified the magnitude of the fraud with the public testimony of Reginald McKenna, the Chancellor of the Exchequer himself. One may argue that only the paper and coin are real fiat but practically speaking, when you deposit your money into a bank account and write a check, the merchant sees no difference between your paper and that of the person whose check is drawn on overdraft. Similarly, when you get your paycheck, you don't really care whether the boss drew it on a positive cash balance or from overdraft – as long as it clears. For all practical purposes, in our society, cash, credit cards, lines of credit, promissory notes and debit cards are all the same. And the root of all of this system is the fiat money system based on the issue of debt, the Ponzi pyramid scheme our universities pass off as monetary science. The government legitimizes and backs up this money system with both laws and force so in my mind, it is indeed a fiat money system.

I would like to propose that the entire subject of fiat versus social credit money can be clarified as follows since so many people think in these terms anyway. Any money that is issued as debt is fiat money – regardless of its source. Nevertheless, I have conceded to Jim's point so as to avoid any confusion and changed all reference from "fiat" to "financial credit." Any money that is issued interest-free to compensate for the gap is social credit. The fact is that both financial credit and social credit are made up out of thin air but the distinguishing difference is that one (financial credit) comes with a price tag – interest – while the other (social credit by way of dividend or Compensated Price) does not. One is the evidence of debt and the other is evidence of wealth.

On the subject of what an appropriate Compensated Price percentage should be, there will certainly be a great deal of controversy as to whether it should be set at 10% or 25% or even as

high as 50% where Douglas thought it should be initially set. The main point is that it will be mathematically derived via the “just price” mechanism so as to yield an economic policy that is stable and can successfully transfer the goods and services of the nation into the hands of those that want them. Again, returning to the practical size of the gap in Canada in 2008 that amounted to over \$16,000 for every man, woman and child, the amount of gap to fill is enormous. We proposed earlier that a National Dividend of \$1000 per month for every man and woman will not even come close to filling the gap. Let’s do the math. Statistics Canada says there are roughly 2 children for every man and woman and the number of men and women are roughly equal. We can thus conclude that every family has an average of four people and a family price gap of \$64,000 per year. The proposed National Dividend amounts to \$24,000 per family so this still leaves a gap of \$40,000 per family. That’s a lot of gap! Are you still convinced that a 50% Compensated Price is unrealistic? The most important point to take away from this discussion is that whatever the rate is, it will be adjusted based on the economic activity reported by businesses so that the purchasing power can remain stable. The goal is simply to make sure there is enough effective demand (i.e. money) in the hands of consumers to buy all the goods offered by producers.

Another point Social Credit advocates will make is that keeping prices constant is not really important. What is important is that there is sufficient purchasing power to liquidate production. They also assert that over time, prices can be expected to fall, and for a very good reason. Since society’s people would all have sufficient money to meet their needs, there would be a great incentive to work less by increasing productivity and efficiency so as to gain more leisure time. Free time will become the new commodity we will all come to value most. I agree with all these points. This increased efficiency will translate into lower costs and subsequently, lower prices. That being said, we can intuit a number of scenarios. In a world of cars, the price of horse carriages plummeted, regardless of the cost of manufacture, because they became obsolete. That affected price in a way that would have nothing to do with the rate of Compensated Price. Similarly, the cost of calculators has fallen dramatically because of innovation and the economies of scale that came from increasing demand. But at the same time, we don’t expect to see dramatic change in the cost of food and widely consumed staples unless there is a dramatic change in underlying fundamentals; for example severe drought.

## Debt Virus Theory Debunked

The debt virus theory can be summed up by the notion that when banks loan (and thus create) money they do not also issue the interest that must be paid on that loan. The notion is that you can't repay \$11 if only \$10 was loaned.

Economist Steve Keen wrote a paper titled *The Circuit Theory of Endogenous Money*<sup>3</sup> and he used Ordinary Differential Equations to model a thirty year loan. With his model, he proved that in our present economy the interest can indeed be paid because of the flows of money. I leave it to the reader to study the math and verify his model but I am most interested in his conclusions and observations within this paper because they make a brilliant case for endorsing Social Credit. Consider the following excerpt:

Though *the amount of money and debt in this final model grow exponentially over time*, the same relations hold between debt and income deposits, while the overall money stock includes both the sum of deposit accounts and the amount in banks' reserves. At the end of the simulation period (30 years), *the endogenous money stock has grown from 100 to 379.13*, 228.78 of which is in circulation between firm, bank and worker income accounts, *and 150.35 of which is in the banks' reserve account*.

Consider the implications of this math:

1. Inflation is absolutely necessary under our present economic system to keep the economy growing.
2. The inflation caused by this 5% loan over 30 years was 379%.
3. The original loan of \$100 was 100% entirely for the benefit of the borrower and none of this money in the lender's possession. At the end of the loan, 39% of this purchasing power had transferred to the lender's reserve account and the borrower's purchasing power was reduced by this same 39%.

I have repeatedly asserted that the present banking system systematically transfers the wealth of the nation into the hands of bankers. Steve Keen's math proves it. There is something else going on here that Steve does not seem to fully recognize. The only reason the inflation is happening is that there is a gap in purchasing power and that gap is largely responsible for this inflation. It

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<sup>3</sup> This paper was downloaded from the following web site link:

<http://www.debunkingeconomics.com/Papers/Money/KeenCircuitEndogenousMoney.pdf>

just so happens that the mechanics of finance are skewed to benefit lenders at the expense of borrowers. Steve does have some awareness of the gap though. He says in this paper:

*Spending by workers on consumer goods* (and also purchases of corporate bonds by workers) *return money to the firms, who can then use this money to repay their debt to banks. This repayment of debt destroys money:* “To the extent that bank debts are repaid, an equal amount of money is destroyed”

With this statement, Steve has stumbled upon the truth that C. H Douglas revealed about the gap almost 100 years ago – that B costs can't be settled by business because the money they receive from sales and use to pay down their debts causes that money to be destroyed. If it is no longer available in the economy, how can the producer's price be met on the remainder of his unsold inventory? This is exactly what a social credit advocate means when he states that consumers must pay for the capital costs of production twice. There is an accounting flaw in our present economic system whereby it is impossible for consumers to meet the producers' prices. This is what the A + B Theorem is all about.

Steve also makes another important observation about our present economy with respect to the impact of consumers saving their money and the impact of that condition upon industry:

The repayment of debt closes the circuit, *but this only happens “If wage earners spend their incomes entirely”* (including on purchases of corporate bonds). However if they don't, then dilemmas arise: *If instead wage earners decide to keep a portion of their savings in the form of liquid balances, firms are unable to repay their bank debt by the same amount.*

The next cycle, if it involves an identical scale of production, therefore requires new money, so that *the money supply must increase to finance a constant scale of production:* the new quantity of money in this second circuit “will be equal to the wage bill plus the new liquid balances set aside by wage earners at the end of the previous cycle”

This observation is precisely why compensated price is an important component of a properly functioning economy because it provides a very strong incentive for consumers not to hoard their purchasing power.

So what is the bottom line? The debt virus theory is a red herring. The obvious fact is that loans are for the most part getting repaid so the debt virus theory is observably false. But that is not to say that there is not something fundamentally wrong with the mechanics of our present economy. I have grave concerns about a system that by its very structure systematically transfers the wealth of producers and consumers into the hands of international finance. We are paying

for our own slavery. The people perish for lack of knowledge about how our financial system really works against them. Learning the truth about this important subject will set the people free.

## **Why International Bankers Should Lose Their Privilege**

There has been a great deal of discussion on the Social Credit Google e-group on the subject of whether bank interest is really a problem in our economy. I believe those who argue for keeping the privilege of issuing our money in the hands of private banks are technically correct. Jim Schroeder posted on the socialcredit Google group the following on September 24, 2011:

Hi:

You hit upon the crux of the point.

You are correct in stating that all bank expenses which make their way back to the consumer in the form of income (wages/salaries, interest on deposits, and dividends to shareholders) is not equivalent to the amount they charge in interest on loans (price of the loan).

This is exactly what Douglas' A+B theorem demonstrates - income disbursed by all firms is less than the amount they charge in price. Banks are just another firm with A and B costs - interest being the price of the loan.

*The problem is not interest - interest is merely the way the bank makes a profit and recovers their costs. It's the revelations behind Douglas' A+B theorem and the fact that total income is always less than total prices.*

Take care,

Jim Schroeder

I believe banks should lose this privilege simply because they have been so unscrupulous and destructive to the well-being of "We the People" that they can no longer be trusted. They have been the primary force behind the suppression of social credit and national economy. They have suppressed this vital-to-mankind's-wellbeing information so they can continue to feed off humanity via their parasitic system. Never again! There are probably several alternative approaches that will have various pros and cons but the solution I propose in this book will ensure success. This solution, however, will need the following structural changes in government that will be launched after the several proposed Constitutional amendments are ratified to give this new framework the force of law:

1. Form a completely independent administrative body (what we refer to as the National Credit Authority or NCA) that is responsible for the nation's money and appoint a good administrator to oversee it. This new administration's primary responsibilities are:
  - a. Issue a national dividend by apportionment to all legal resident adults over eighteen years of age and fund a compensated price (i.e. sales credit) for all domestic retail purchases made by legal residents. Because this money is distributed directly to the people, there is no opportunity for abuse by politicians.
  - b. Subject to congressional budget approval, issue interest-free funds directly to government to fund these budgets. Coupled with this provision is a Constitutional amendment that prohibits all direct taxation other than for controlling the balance of import and export foreign trade.
  - c. Fund interest-free loans to domestic producers to cover their otherwise-unrecoverable B costs. As a concession, the gap could also be funded by having our NCA advance needed funds as loans to banks and allow the banks to lend that money to businesses at interest without the benefit of fractional reserves. Because banks are liable to the NCA to repay the advances and therefore at risk, it would be reasonable for them to charge their borrowers a rate of interest. Of course, this interest is profit to the bank and can ultimately be funded by compensated price and national dividend.
2. Modify our Constitution to add a fourth and superior pillar of government that can overthrow the decisions of the Executive, Judiciary and Congress – Jury. This will put the real power in the hands of those in whom it rightfully belongs – *We the People*.
3. Make any act of malfeasance by any employee of this new department an act of treason and punishable by death.
4. Make any act of misfeasance by any employee of this department grounds for immediate dismissal.
5. Pay the employees of this department really well so that they are well compensated for the job's risks and to mitigate any attempts to corrupt them by removing incentive.
6. Legislate that this administration is accountable to no branch of government or to industry. Oversight will be achieved by having it independently audited by a third-party corporation selected by and at the administrative direction of an annually convened jury.

The findings of this jury will be made public. If any evidence of malfeasance or misfeasance is detected, the jury will lay appropriate charges and another jury of peers will be assembled to weigh the evidence and find a verdict.

Is there a role for banks in the new economy? I would say unreservedly that the answer is yes. As a minimum, people still want bank accounts for their money; they want the convenience of checking and electronic banking. There is no reason that we can't find ways to regulate banks with the NCA's careful oversight. With the power of Jury and each citizen's right to raise a charge against any act of malfeasance or misfeasance as a final recourse for remedy, this beast can be tamed.

Should banks have the right to issue the nation's money? On that count, I have grave reservations. Not only have banks destroyed the prosperity of nations for personal gain, but they have used their power over money to suppress key technologies that have held back the progress of man. We must put an end to this in such a final way that they can never trick us again. There has been a scientific study titled *The Network of Global Corporate Control*<sup>4</sup> completed by Swiss Federal Institute of Technology in Zurich by authors Vitali, Glattfelder and Battiston who proved conclusively that most of the corporations on earth are held in the hands of a small number of powerful financial services conglomerates who were all cross-collateralized. They performed data mining on over 30 million corporations to deduce and distill their findings as described here:

We start from a list of 43,060 TNCs (ed. transnational corporations) identified according to the OECD definition, taken from a sample of about 30 million economic actors contained in the Orbis 2007 database (see SI Appendix, Sec. 2). We then apply a recursive search (Fig. S1 and SI Appendix, Sec. 2) which singles out, for the first time to our knowledge, the network of all the ownership pathways originating from and pointing to TNCs (Fig. S2). The resulting TNC network includes 600,508 nodes and 1,006,987 ownership ties.

This is proof positive that there is indeed a global conspiracy of international financiers to control the world's economy. The following figure was excerpted from this study's executive summary and it speaks volumes:

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<http://arxiv.org/abs/1107.5728> (Abstract of the study)  
<http://arxiv.org/pdf/1107.5728v2> (the study)

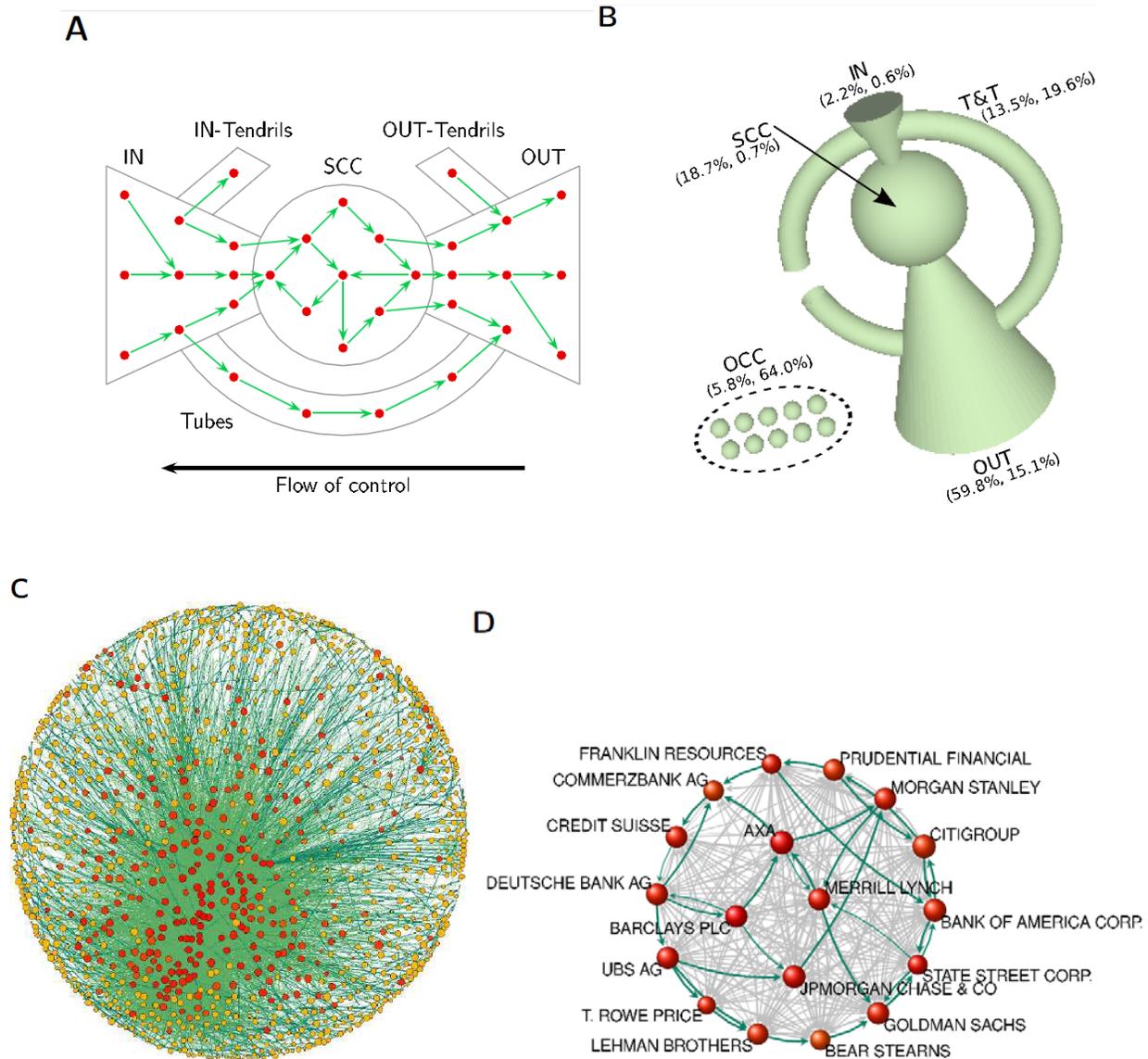


Figure 2: **Network topology.** (A) A bow-tie consists of in-section (IN), out-section (OUT), strongly connected component or core (SCC), and tubes and tendrils (T&T). (B) Bow-tie structure of the largest connected component (LCC) and other connected components (OCC). Each section volume scales logarithmically with the share of its TNCs operating revenue. In parenthesis, percentage of operating revenue and number of TNCs, cfr. Table 1. (C) SCC layout of the SCC (1318 nodes and 12191 links). Node size scales logarithmically with operation revenue, node color with network control (from yellow to red). Link color scales with weight. (D) Zoom on some major TNCs in the financial sector. Some cycles are highlighted.

Figure 14 - The Network of Global Corporate Control, Summary Findings

Here are some of the report's key findings:

This is the first time a ranking of economic actors by global control is presented. Notice that many actors belong to the financial sector (NACE codes starting with 65,66,67) and many of the names are

well-known global players. The interest of this ranking is not that it exposes unsuspected powerful players. Instead, it shows that many of the top actors belong to the core. This means that they do not carry out their business in isolation but, on the contrary, they are tied together in an extremely entangled web of control. This finding is extremely important since there was no prior economic theory or empirical evidence regarding whether and how top players are connected. Finally, it should be noted that governments and natural persons are only featured further down in the list...

The second characteristic is that the largest connect component contains only one dominant strongly connected component (1347 nodes). Thus, similar to the WWW, the TNC network has a bow-tie structure [21] (see Fig. 2 A and SI Appendix, Sec. 6). Its peculiarity is that the strongly connected component, or core, is very small compared to the other sections of the bow-tie, and that the out-section is significantly larger than the in-section and the tubes and tendrils (Fig. 2 B and Tbl. 1). The core is also very densely connected, with members having, on average, ties to 20 other members (Fig. 2 C, D). As a result, about 3/4 of the ownership of firms in the core remains in the hands of firms of the core itself. In other words, this is a tightly-knit group of corporations that cumulatively hold the majority share of each other...

In principle, one could expect inequality of control to be comparable to inequality of income across households and firms, since shares of most corporations are publicly accessible in stock markets. In contrast, we find that only 737 top holders accumulate 80% of the control over the value of all TNCs (see also the list of the top 50 holders in Tbl. S1 of SI Appendix, Sec. 8.3).

What does this mean? For starters the control is held primarily by the financial sector.

Furthermore, the largest connect component comprised of 1347 corporations is  $\frac{3}{4}$  owned by its own members which means it has complete control over its member corporations with an average cross-collateralization of 20 equity members. The top 737 companies control 80% of all other corporations so that this core group of 1347 corporations control an even greater but undefined percentage of all corporations! In conclusion, the financial sector effectively controls all industry. Here is the top 50 corporations. Note that 35 of these 50 corporations are members of the largest core connect component. Also note that 46 of the top 50 are financial sector companies (92%) and that they cumulatively control 40% of the world's corporations!

Rank	Economic actor name	Country	NACE code	Network position	Cumul. network control (TM, %)
1	BARCLAYS PLC	GB	6512	SCC	4.05
2	CAPITAL GROUP COMPANIES INC, THE	US	6713	IN	6.66
3	FMR CORP	US	6713	IN	8.94
4	AXA	FR	6712	SCC	11.21
5	STATE STREET CORPORATION	US	6713	SCC	13.02
6	JPMORGAN CHASE & CO.	US	6512	SCC	14.55
7	LEGAL & GENERAL GROUP PLC	GB	6603	SCC	16.02
8	VANGUARD GROUP, INC., THE	US	7415	IN	17.25
9	UBS AG	CH	6512	SCC	18.46
10	MERRILL LYNCH & CO., INC.	US	6712	SCC	19.45
11	WELLINGTON MANAGEMENT CO. L.L.P.	US	6713	IN	20.33
12	DEUTSCHE BANK AG	DE	6512	SCC	21.17
13	FRANKLIN RESOURCES, INC.	US	6512	SCC	21.99
14	CREDIT SUISSE GROUP	CH	6512	SCC	22.81
15	WALTON ENTERPRISES LLC	US	2923	T&T	23.56
16	BANK OF NEW YORK MELLON CORP.	US	6512	IN	24.28
17	NATIXIS	FR	6512	SCC	24.98
18	GOLDMAN SACHS GROUP, INC., THE	US	6712	SCC	25.64
19	T. ROWE PRICE GROUP, INC.	US	6713	SCC	26.29
20	LEGG MASON, INC.	US	6712	SCC	26.92
21	MORGAN STANLEY	US	6712	SCC	27.56
22	MITSUBISHI UFJ FINANCIAL GROUP, INC.	JP	6512	SCC	28.16
23	NORTHERN TRUST CORPORATION	US	6512	SCC	28.72
24	SOCIÉTÉ GÉNÉRALE	FR	6512	SCC	29.26
25	BANK OF AMERICA CORPORATION	US	6512	SCC	29.79
26	LLOYDS TSB GROUP PLC	GB	6512	SCC	30.30
27	INVESCO PLC	GB	6523	SCC	30.82
28	ALLIANZ SE	DE	7415	SCC	31.32
29	TIAA	US	6601	IN	32.24
30	OLD MUTUAL PUBLIC LIMITED COMPANY	GB	6601	SCC	32.69
31	AVIVA PLC	GB	6601	SCC	33.14
32	SCHRODERS PLC	GB	6712	SCC	33.57
33	DODGE & COX	US	7415	IN	34.00
34	LEHMAN BROTHERS HOLDINGS, INC.	US	6712	SCC	34.43
35	SUN LIFE FINANCIAL, INC.	CA	6601	SCC	34.82
36	STANDARD LIFE PLC	GB	6601	SCC	35.2
37	CNCE	FR	6512	SCC	35.57
38	NOMURA HOLDINGS, INC.	JP	6512	SCC	35.92
39	THE DEPOSITORY TRUST COMPANY	US	6512	IN	36.28
40	MASSACHUSETTS MUTUAL LIFE INSUR.	US	6601	IN	36.63
41	ING GROEP N.V.	NL	6603	SCC	36.96
42	BRANDES INVESTMENT PARTNERS, L.P.	US	6713	IN	37.29
43	UNICREDITO ITALIANO SPA	IT	6512	SCC	37.61
44	DEPOSIT INSURANCE CORPORATION OF JP	JP	6511	IN	37.93
45	VERENIGING AEGON	NL	6512	IN	38.25
46	BNP PARIBAS	FR	6512	SCC	38.56
47	AFFILIATED MANAGERS GROUP, INC.	US	6713	SCC	38.88
48	RESONA HOLDINGS, INC.	JP	6512	SCC	39.18
49	CAPITAL GROUP INTERNATIONAL, INC.	US	7414	IN	39.48
50	CHINA PETROCHEMICAL GROUP CO.	CN	6511	T&T	39.78

Figure 15 - Top 50 Trans-national Corporation Control-holders

But there is also a very pragmatic reason for preventing banks from issuing money. The next section will make this abundantly clear but the concise reason is the gap - that if loans are issued to fund production and then paid off before goods have been sold at market, that loaned money will be removed from circulation and thus decreases the amount of effective demand available in the marketplace for consumers to buy those goods. The Wealth Pump has specific mechanisms to prevent this from occurring.

So what exactly will banking look like? I would and do recommend that banks stay in place as private institutions for the purpose of offering branch banking services for fees and for being the group that grants private corporate and commercial loans. I stated how I propose constraining their issue of money via loans. I even allow for the charging of interest – but not on

money made up out of thin air; only on money that banks are obliged to return as the loan is settled. I think back to a conversation I had with Jim Schroeder in 2009 where when I first explained my Wealth Pumps solution. He asked me how banks could be held responsible for issuing bad loans if there was no risk to them. If banks didn't offer the loans, then who would? He pointed out that banks presently do a very good job of screening loan applicants. The answer to the dilemma is to:

1. Have the National Credit Authority (something that will be discussed in detail shortly) be the ultimate arbiter of how much money will be available for loans.
2. The NCA can directly issue National Dividend checks to the public. Banks will cash these and the Compensated Price rebates and then settle nightly with the NCA as is done today between banks themselves and their national central banks.
3. Have the Consumers of banking services be the ultimate arbiter of which banks will get their business by voting with their patronage.
4. Banks will need to divest themselves of all non-banking assets so there will be no conflict of interest in setting loan policies. For example, a bank that owns a major oil company would not serve itself well by funding alternative energy initiatives.
5. All corporate entities that own all or any portion of a bank will need to divest themselves of that ownership for the same reason as the previous point.
6. Have the banks compete with each other to offer the lowest fees and rates of interest with the best services.
7. Hold the banks responsible for returning their loan principal promptly to the NCA as borrowers pay it off – retaining their profit portion of course.
8. Setting the punishment bar high (i.e. death for what amounts to treason) for malfeasance that serves to undermine the integrity of the system.

This issue of banks loaning money obviously requires close oversight by the NCA to make sure they stay within the boundaries set upon them. The alternative would be to have the NCA nationalize all the banks but I don't see that as necessary. You don't need to kill a dog when castration will suffice. Most of the services offered by banks are extremely beneficial. As I have stated repeatedly, my own personal beef is with banks creating money out of thin air and charging interest on it when in fact the money they issue is the property of the public commons. With my proposal, there is no fractional reserve component and banks have only an indirect say; no say in how much money is put into circulation but a significant say in what businesses and consumers get loans based on merit and credit rating. That authority to create money will be the exclusive purvey of the NCA. Its own activities will be subject to frequent and rigorous public

oversight that is immune to political manipulation – something that the central banks and governments have never been subject to.

## Core Concepts of the Economic Solution

Let's now dig deeper. At a higher abstract level, there are just three interconnected problems with our economy, and there is just one viable solution. It's really that simple. The problems are:

1. **Insufficient Effective Demand (*money*):** There is not enough money in circulation to allow all of the goods available to be purchased by all the Consumers who would desire to purchase them – the gap. The problem is exacerbated by the deliberate shortage/abundance swings (booms and busts) that bankers engage in to sweep property into their coffers and feed their parasitic system.
2. **Inability To Discern Why This Is So:** There is the mistaken belief by many people that the reason for lack of money is lack of full employment. Full employment will *not* solve the problem. The real problem is the gap.
3. **Issue of Money as Loan Debt via a fractional reserve system:** This debt-based money system effectively and systematically transfers the wealth of Consumers into the hands of the “Powers That Be.”

The one viable solution is to implement an economic policy that ensures there is sufficient consumer money to purchase the nation's production and prevents the private issue of money that would tamper with effective regulation of the money supply.

The following illustration makes the first two problem points abundantly clear. Note that there are hypothetically three manufacturing cycles and the net purchasing power *gap* is shown in grey. It should be obvious that unless there is Consumer borrowing or the merchandise is exported, the Producer will suffer a loss and a portion of his production will become stranded as unsellable because there are not enough wages and earnings available to pay for his goods at a profit:

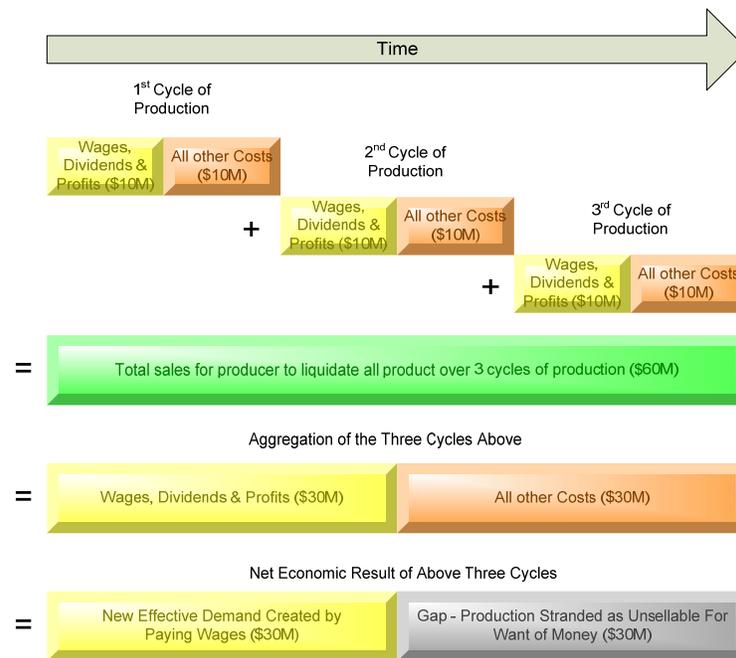


Figure 16 - Effective Demand Gap Illustrated

Even with 100% employment, there is still not enough effective demand to fill the gap. Unemployment is *not* the fundamental problem with our economy. Even John Maynard Keynes admitted that there is a gap. He described it thus in 1936 in his book, *The General Theory of Employment, Interest and Money*<sup>ix</sup>:

Consumption is satisfied partly by objects produced currently, and partly by objects produced previously, i.e., by disinvestment. To the extent that consumption is satisfied by the latter there is a contraction of current demand, since to that extent a part of current expenditures fails to find its way back as a part of net income. Contrariwise, whenever an article is produced within the period with a view to satisfying consumption subsequently, an expansion of current demand is set up. Now all capital investment is destined to result, sooner or later, in capital disinvestment. **Thus the problem of providing that new capital investment shall always outrun capital disinvestment sufficiently to fill the gap between net income and consumption, presents a problem which is increasingly difficult as capital increases.** New capital investment can only take place in excess of current capital disinvestment if future expenditure on consumption is expected to increase. Each time we secure today's equilibrium by increased investment we are aggravating the difficulty of securing equilibrium tomorrow.

The economist for the Labor Party of Great Britain, H. T. N. Gaitskell, used the following diagram to “disprove” the A + B Theorem of prices by showing how over time, the entire price

of goods will be introduced into the market via the money that produced them. He thus presumed that there is sufficient effective demand to liquidate all goods:

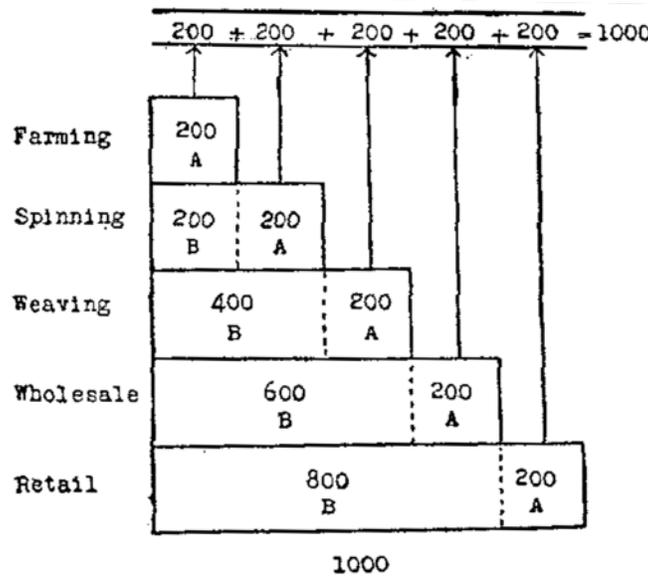


Figure 17 - The Gaitskell Diagram

Gaitskell failed to take two things into account:

1. The fact that money spent on the B components always lags the market in time increments and are thus not really available to the Consumer *in that cycle*, and
2. That money issued by banks as credit is returned to the banks – often before goods can come to market - and thus disappears as Consumer purchasing power.

This mistiming of the issue and retiring of money strands the manufactured goods that have a much slower liquidation cycle, rendering them unsellable for want of effective demand.

Frederick Soddy made precisely this same observation. British Social Credit Party technician J. Adamson redrafted Gaitskell's diagram to more clearly incorporate this dimension of time as follows:

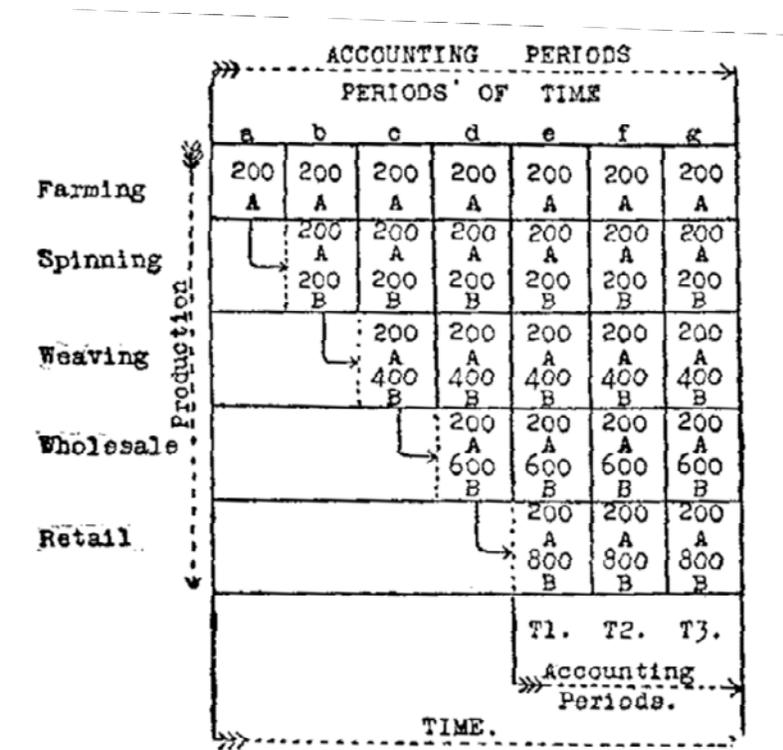


Figure 18 - The Adamson Diagram

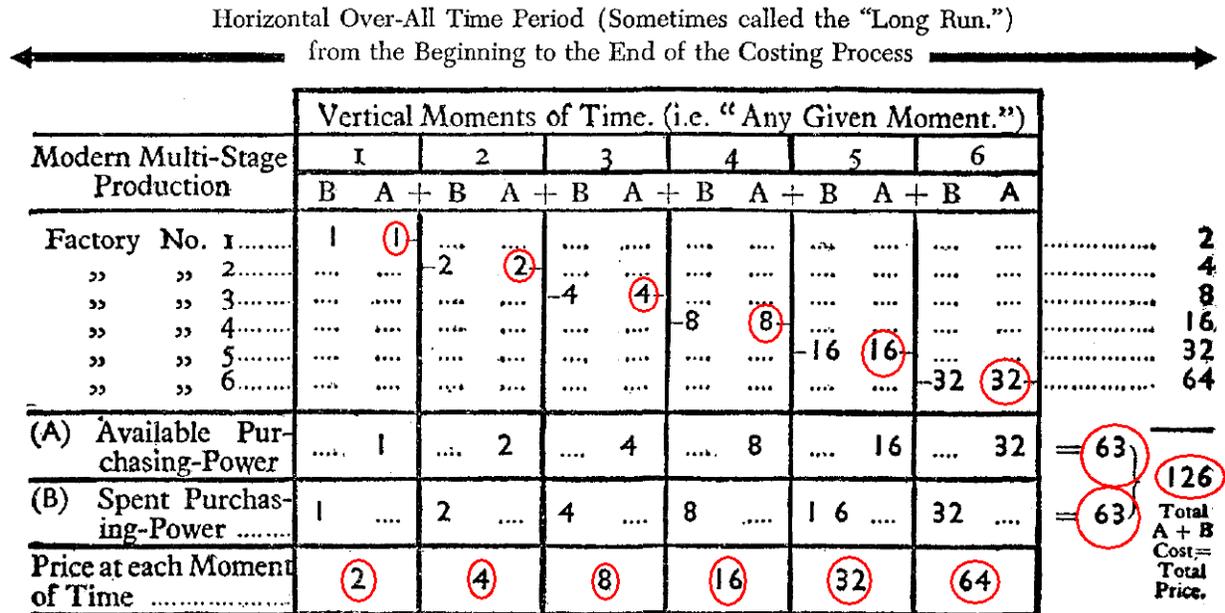
Now the problem of price gap reveals itself more clearly. For example; in period “b”, there is \$400 in A costs created and available in wages for Consumer spending but the cost of liquidating the entire cycle is \$600 so there is a shortage of \$200 in effective demand. But the problem is made worse by having Producers earlier in the chain of production retire their loans with banks before the goods come to market because there will be even less money available for effective demand. For example, if the weaver in period “c” pays his loan for \$400 off in period “e” after the wholesaler pays him in period “d”, then there will be an additional deficiency of \$400 (i.e. in addition to the \$800 deficiency noted in each of the periods “e”, “f” and “g”) in the marketplace when the goods become available in the retail market. If the farmer, spinner or wholesaler settles his bank debt before the goods come to market, that will be an additional \$200, \$400 and \$800 less respectively in available effective demand.

The American Social Credit pioneer, Gorham Munson redrafted Adamson’s diagram to make the point even more clear about the gap in pricing and the present economy’s failure to provide sufficient money that can liquidate Producer inventories. The circled column A costs are the new Consumer purchasing power in that time “moment.” The price that needs to be met in that

same "moment" to liquidate the product is in the final row. The total net gap in the production cycle is computed on the right:

A SIMPLE "TIME-LAG" CHART

Showing how "B" Costs have all appeared as "A" Costs "at Some Time or Other."



In the columns showing Available Purchasing-power and Spent Purchasing-power it will be noted that "B" Costs are always lagging behind "A" Costs. This is the "time-lag."

Figure 19 - Munson's Effective Demand Time Lag Chart

It is worth noting again that this set of production sequences all assume the goods produced at each cycle do not require repayment of loans before the final stage 6. This would further strand production in the amount of currency that is retired through loan and interest repayment. As a matter of fact, if production loans are retired before the goods have actually been sold at retail, that amount of retired currency will be the reduction of effective demand available in the marketplace for Consumers at large. Is there any wonder why we have economic booms and busts?

When you consider that in this age of highly automated production, the vast majority of cost in producing goods is not A cost wages but rather more predominantly B costs, the distress caused by this flawed money system becomes even more amplified. As a software engineer, I often wondered that if I was automating all these processes and putting people out of work, who would be left to buy the goods that robots would now make?

It is also worth noting that because bankers hold Producers inventory and capital equipment as collateral, when the Producer goes bankrupt, the banker can sell the goods and equipment at a liquidation price and suffers no real loss because the money he lent in the first place was made up out of thin air. This additional revenue is all gravy. At present, the whole economy is a game of musical chairs where there are not nearly enough chairs for either Producers or Consumers. It's a good thing there are no debtor's prisons because the magnitude of the injustice would be intolerable.

When you consider the recently passed US federal law that prevents Americans from filing for bankruptcy on credit card or IRS debt in the light of this revelation as to how money shortages are deliberately created, the depth of the injustice of this heinous law is clear.

C. H. Douglas cited five primary causes for the price gap in his paper titled *The New and the Old Economics*<sup>x</sup> and they are consistent with Soddy's findings:

1. Financial profits on money (i.e. interest of all kinds)
2. Savings (money not in circulation)
3. Investment in Capital with which to create wealth (what Soddy called a dead hand).
4. Difference in velocity of money between cost liquidation and price liquidation.
5. Deflation caused by settlement of loans and the sale of securities by banks.

The following figure puts the price gap problem into perspective in the context of our economy. We lose the crisp focus on the price gap as a time sequence problem but we can clearly see where the flows of money in and out of the marketplace fit in with governments and the banking system:

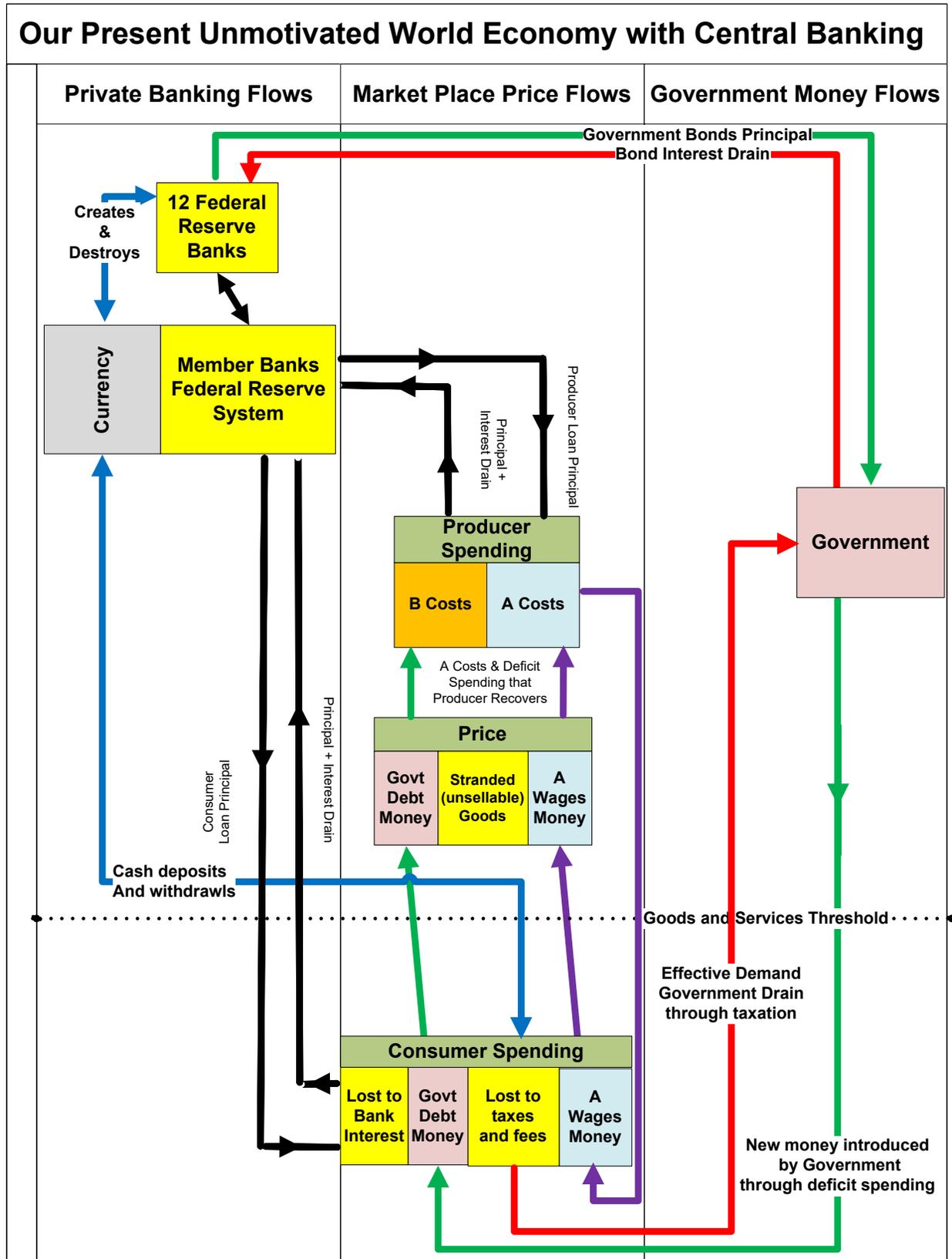


Figure 20 - Unmotivated Economy with Central Banking

The **black** lines illustrate money flows that occur as a result of bank debt issues to the public and industry as loans in the way of credit cards, personal and corporate loans, letters of credit, mortgages and lines of credit. Note that money siphoned off as interest and debt repayment withdraws effective demand from the economy and tends to cause deflation. Note also that if effective demand is turned over to banks as interest, it tends to cause purchasing power to aggregate in the hands of banks to the detriment of the rest of the rest of society. Any money that banks spend is new beneficial effective demand for the economy but they never spend all their revenue. Their growth is at the expense of both producers and consumers. ***This is the first way that banks steal our wealth.***

Because banks never issue enough money to facilitate liquidation of production (i.e. B costs and unearned usury on the issue of newly created money as debt), the government has become accustomed to deficit financing. First, the government issues a bond that is secured by the “full faith and credit” of *We the People*. The central bank issues a credit in the bond’s face amount (**green** flow) in consideration of interest. The government then spends the money (**green** flow) into circulation so now we have additional purchasing power for Consumers. The problem with this mechanism is that government must extract more than they spent into circulation by way of taxes (**red** flows) in order to settle the debt and pay the bankers principal plus interest. Because banks don’t issue the interest along with the loan, the interest ultimately comes out of the available effective demand and in this way; our property is transferred into their hands. ***This is the second way that banks steal our wealth.***

The only money that remains in the economy and continues to drive the production/consumption cycle is the money paid out by producers as wages, earnings and interest (**purple** flows) and the cash currency that remains in circulation (**blue** flows).

In the modern world, nations try to compensate for this “money shortage” by achieving a favorable balance of trade where exports exceed imports – this leads to wars. Another negative effect of government “stimulus” is that it distorts the natural market. Let’s take an extreme example to illustrate. Suppose the government builds a bridge in the middle of nowhere (Don’t laugh; they’ve done exactly this!) and it causes a local boom. The net result is that supporting businesses expand to meet the new consumer demand; but as soon as the project is completed and the inflow of money stops, the expanded businesses now suffer.

The net effect of this flawed money system is that the wealth of the entire nation gets systematically transferred into the hands of the bankers. This is theft because banks are taking from society without giving anything up. It's theft by conversion because this whole process is a sleight of hand that converts the wealth of the people into the wealth of the bankers. Now you know why I regard them as "Banksters". This system is parasitic. As we consider other economic models, elimination of parasitic mechanisms that can cause the wealth of the nation to transfer into the hands of a few must be avoided *at all costs* because parasites eventually kill both themselves and their hosts.

The next figure is a reproduction of an illuminating chart that Gorham Munson, one of the first American Social Credit advocates, drew in his book titled *Aladdin's Lamp* which I actually used as the basis of the above figure. Here, Munson is attempting to retro-fit Social Credit upon the existing Federal Reserve based financial system. It contains two flaws Munson never dealt with in the narrative that is illustrated by the yellow and red flows. Have a look:

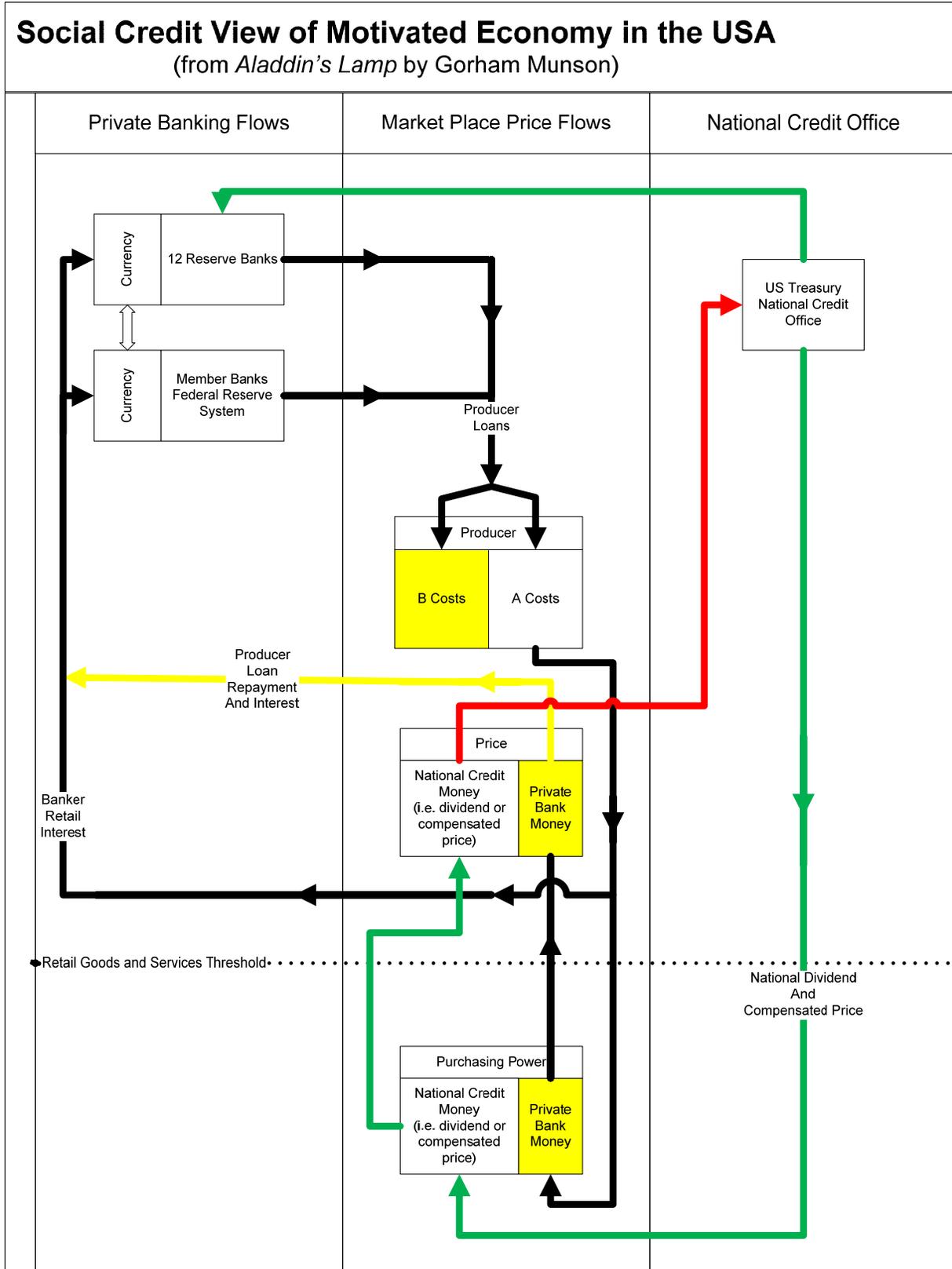


Figure 21 - Gorham Musnon's Motivated Economy - A Flawed Social Credit Solution

The **black** flows are money created by the Federal Reserve or their member banks. You will notice that because of Producer and Consumer interest, the amount of money available for purchasing power is ever shrinking because the **yellow** flow siphons it off for the benefit of bankers. That's the fundamental problem with private banking as described earlier. They're systematically stealing our wealth by charging rent on our money. That's one problem with Munson's "hybrid" approach. The other problem is that once the National Dividend and Compensated Price are introduced into the economy, Munson realized the money needs to come back out in order to prevent inflation but he never said how and he never described this flow - the **red** flow. He also showed money given to the Federal Reserve (**green** flow at top) but never explained that flow either. I think Munson subconsciously knew you cannot continuously fill a jar without providing a way for it to be emptied in equal proportion. Frederick Soddy made clear what the problem is in *The Role of Money*:

Any given single quantity of money will normally go on distributing goods and services forever at a constant rate if the price-level remains unchanged, so that the total quantity of goods and services it will forward from production to consumption and use is unlimited. No new money at all can be issued unless and until there is an increase of the rate of production. It is only when the rate of production and consumption increases, that is to say when the quantities of wealth produced and consumed per year, or in any other unit of time, increase, that proportionally more money has to be issued if the price-level is to remain the same. It is nonsense to suppose it can be destroyed "when it has done its work ". It cannot be so destroyed without the owner of it being expropriated of his claim to goods and services. The facility with which the banks can destroy money as well as create it depends on the fact that such money is not given away at all, but only lent, and the credit money that was created for the borrower is automatically expropriated from him again and disappears from existence when he repays the loan. Whereas the suggestion to pay National Dividends out of such credits does not contemplate lending money at all but giving it away, and such claims to wealth cannot be destroyed again except by taxation, or some other form of expropriation, compelling the owner to surrender up for destruction the money so issued. It is positively amazing how ready some people are to believe in magic still.

Soddy is correct that to create the money and not withdraw it is a problem because to issue social credit ad-infinitum without ever withdrawing it from the system will clearly create inflation. He then goes on to explain that banks don't cause inflation because they only "lend" the money to create it and then destroy it when the loan is repaid. This is a very important

observation because it reveals that we really have two viable choices in operating our economy soundly with money:

1. We can create money and then leave it in circulation. We only increase the quantity of money by the rate of increase in production and decrease the quantity for the same reason. For example, if we manufacture a million widgets this year and increase production to two million widgets next year, we must double the quantity of money. This is at the very heart of Frederick Soddy's National Economy proposal.
2. We can create money as a loan to fund the creation of wealth (i.e., production) and then use that production as collateral to issue an equal sum of money and place it into circulation as either a National Dividend or Compensated Price to facilitate the consumption of the new wealth. When that money returns to the Producer, the Producer must retire the loan, thus destroying it. When the Producer needs to create another cycle of production, he must borrow the money again which provides the collateral for the creating of another mirrored round of money to facilitate its consumption. This is at the heart of my proposed [Wealth Pumps](#) model.

Personally, I prefer option 2 and the Douglas Social Credit model over Soddy's National Economy because it solves the problem of how to equitably distribute purchasing power for the benefit of all and ensures that we have a workable framework for allowing all of society to share in the leisure dividend that our highly automated society can give us all through ever-improving technology. With Soddy's model, how does the home maker get paid for her invaluable work of caring for her children, taking care of the household and nurturing the family so that the rest of the family can function sanely – as juxtaposed to the insane “latch-key kids” society we now live in with both parents working just to keep a roof over their heads at the expense of the children who are staying home and taking care of themselves at great social cost to us all? And what about all the handicapped people who can basically take care of themselves but lack sufficient health to work? And if an efficiently run and fully automated economy can be tuned to only require 20% of the workforce to operate, and thus each healthy person needs only work for 20% of their adult life, what will they live off of for the rest of their lives? Shall all these people live off the dole of welfare? And if we have welfare, how do we get money into their hands and who pays for it if other than to heavily tax the 20% who are working? If workers are so ridiculously taxed, what incentive do they have to work? If the amount of money in existence is fixed to the rate of production, where will money come from in order to fund government and pay for construction of public infrastructure?

Another important consideration in selecting option 2 is that these interest-free loans are only given to domestic producers. This will serve as a significant incentive to produce everything domestically and would restore those industries that have been lost through GATT and NAFTA treaties.

And now we come to a real and workable answer to all our economic woes!

## Wealth Pumps

Before diving into the Wealth Pumps solution, I must first address the fact that there are many self-described social credit advocates and many of considerable stature in this community who take the very strong position that banks should continue to issue money out of thin air. This is a proposition that I strongly disagree with. They cite quotes from C.H. Douglas to support their position. I will first answer these critics with the assertion that Douglas actually endorsed a plan similar to mine and I will now make that case.

In his 1931 book *The Monopoly of Credit*<sup>xi</sup> in his concluding chapter, Douglas made the following assertions:

It is, in my opinion, not too much to say that these *governments are now superseded by financial institutions*, and that these financial institutions, so far as can be humanly judged, *are in an impregnable position....*

*... the world cannot be made safe without removing the banker, painlessly or otherwise, from the commanding position which he now occupies. The alternative is in fact clear, and nothing effective can be done to protect civilization from its major risks which is not an attack upon the power of finance. It would seem, therefore, that the fixation of responsibility largely by means of an explanation of financial processes, and of the probable results of financial policy, is the first effective step which can be taken, not only to prepare for the still further chaos which seems likely to ensue, but to strengthen the hands of those agencies which may be effective in the restoration of popular control...*

*... the reorganization necessary must be based on a philosophy which, whatever other elements it may contain, will certainly not enthrone the productive and industrial systems which they have occupied for the past hundred years...*

*The modern State is a completely immoral organization. Its taxation differs in no fundamental quality from that levied by a highwayman of the Middle Ages, and ... bears much the same relation to the question as the liberality, to his followers, of a mountain bandit. Political democracy without economic democracy is dynamite...*

... some method at present quite unknown must be developed for dealing with a situation in which there is, for instance, one post in the economic system to be filled, and ten equally satisfactory applicants for it...

If civilization is not to disappear altogether, *there will within a comparatively short period of time arise a situation in which the bankers as at present understood will be replaced.* It seems important to recognize that when this situation does arise, it will be just as easy to *inaugurate a financial system which will meet all necessities,* as to introduce piecemeal reforms...

Although it seems difficult to obtain general understanding of it, fundamentally *a financial system is a matter of pure arithmetic, and the results which will be obtained depend entirely upon the arithmetical factors which are employed* and only to a very temporary extent on the particular brand of black magic which is superimposed... and *it is much better that the present defective system should be allowed to discredit its upholders, and so render genuine reconstruction possible,* than that an alternative, of which the effects are not sufficiently beneficial as to place it at once in an impregnable position, should be substituted for it.

What exactly did Douglas say here? Quite a few points can be concluded:

1. Governments are controlled by international financiers and their position is presently impregnable.
2. More economic chaos under the present world economic system is inevitable.
3. International financiers must be ousted as the first step to economic reform.
4. The key to their removal is an informed public.
5. Their removal from power must utterly remove their commanding position of control over industry and the means of production.
6. Banking as it is presently practiced must be replaced in its entirety.
7. Governments cannot be trusted to assume this role of disciplining them.
8. The ultimate solution was unknown to Douglas and his recommendations focused on principles – not concrete forms.
9. Taxation of the people is robbery.
10. What the system is replaced by must be carefully considered. The economic reform must be a thorough overhaul but to prevent going from the frying pan into the fire, the present system should be allowed to completely collapse so all of its flaws can be fully revealed.
11. The ultimate solution must be entirely based on a mathematical formula that will implement economic as well as political democracy.

So that one is not left with the impression that Douglas had absolutely nothing to say about the notion of implementing a public but completely de-politicized central bank, he said the following on November 24, 1936 in a speech titled Dictatorship by Taxation on the futility of bank nationalization:

*No nationalization of banking will put one penny into the hands of the individuals comprising the countries over whom it rules, so long as this question of the ownership of money is left unaltered. But if it once be admitted that the community, not the Government, is the owner of the money, and the individual, as part of the community, is entitled to his share of it, the situation is obviously very different.*

I affirm that the economic reform proposals embodied by the Wealth Pumps I am about to set before you embody every single one of these precepts. I leave it for you to judge the veracity of that statement for yourselves.

I constructed the following diagram with narrative to illustrate how a new economic system without a private central bank or private banking would work in a hybrid National Economy/Social Credit model that promotes equitable distribution of the nation's wealth while carefully controlling the amount of money in circulation. That is *not* to say that there is no role for banking. It *is* to say that there is no role for banking as the issuers of new money as debt. This is the basic mechanics of the Wealth Pump:

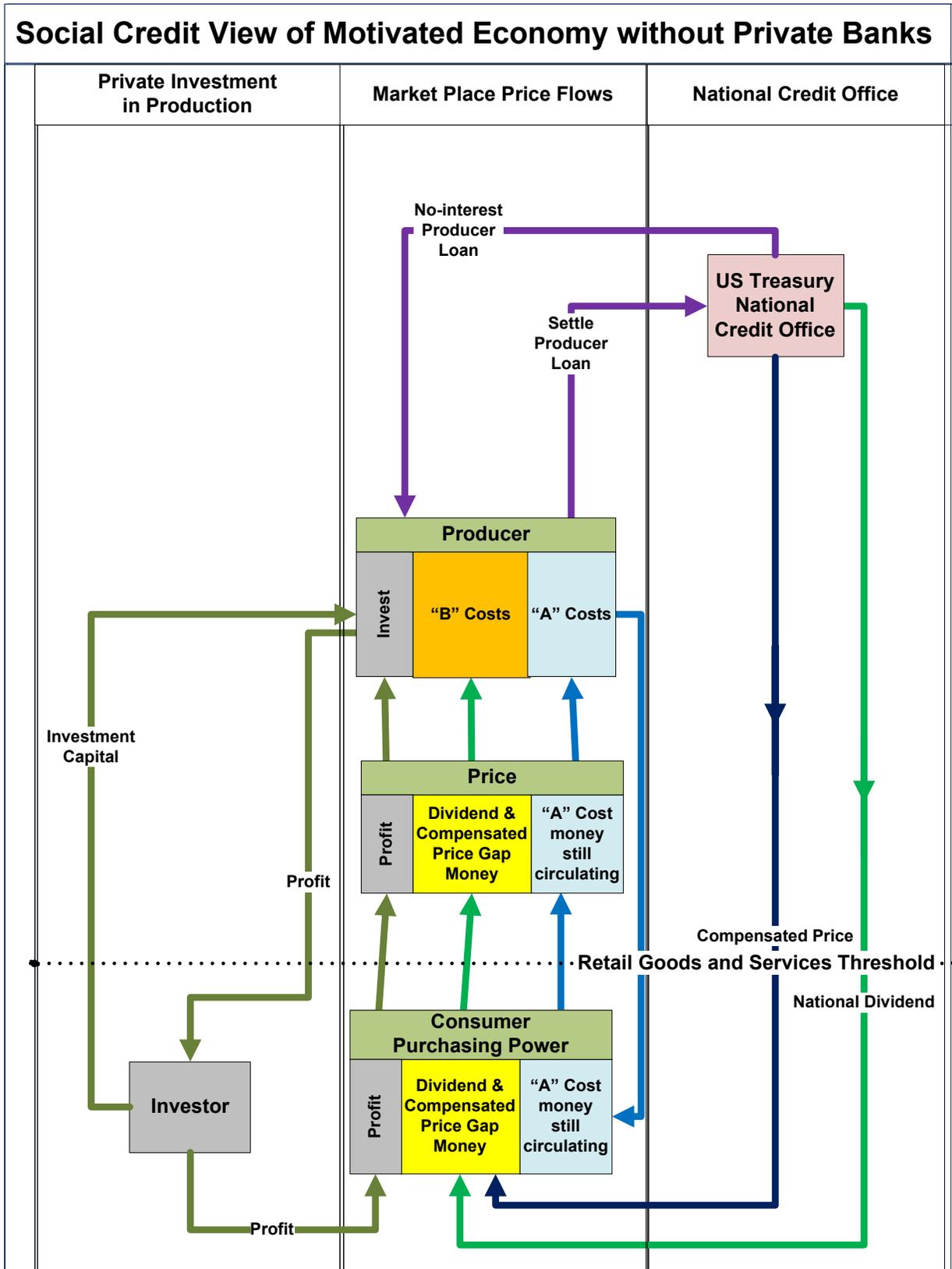


Figure 22 – Wealth Pumps Economy with Hybrid Soddy/Douglas Social Credit

Notice how the National Dividend and Compensated Price are in complete balance with the B costs? The balance is preserved by having the Producer borrow his B costs from the National Credit Authority (**purple** flow) and pay it off after the specific time interval of:

*length of one production cycle + length of one accounting-billing cycle*

If the Producer is making 10-year aged whiskey and their billing cycle is 30 days with 30 day terms for payment, the loan will be for 10 years and 90 days if we allow another 30 days for the manufacturing process. The manufacturer's B costs will be covered but there is not enough purchasing power to fill the gap as of yet. The purchasing power will arrive at the point of consumption as Compensated Price. That's fine because the goods are not at market and introducing the purchasing power before this event would tend to cause inflation anyway. The purchasing power will arrive at the point of consumption as Compensated Price.

Meanwhile, wages have been paid (**blue** flows) and that money gets spent into circulation. Wage A money is never removed from circulation either – except for the portion of Producer costs that were borrowed originally to capitalize the launch of the business that is cancelled when the loan is repaid.

This leaves money issued by the National Credit Authority as Compensated Price and National Dividend (**green** flows) which cycle through the economy in an endless and continuous process of creation and cancellation (**purple** flows) of Producer loans.

The **olive** flows show how private investors can generate a passive income via a successful investment. We must be careful here though. This is another mechanism to transfer the wealth of the nation into the hands of the few. I have elsewhere in this book described corporate ownership where it is necessary that shares of a corporation must not be passed on to our children. Instead, they should revert back to the corporation and be evenly distributed among the surviving shareholders of that corporation. In this way, a man may become very wealthy by virtue of his hard work, but not so wealthy that he leaves his progeny to become the masters of their fellow man; that is, wealthy to a degree that is not proportional to their contribution to the wealth of society. There is a second potential problem with private investment. If private investors supply the funds – presumably to obtain a share of the Producer's profits by either interest or profit sharing – there will be less money returned through loan settlement to prime the pump of spending via the National Dividend and Compensated Price. The solution to this is for the government to tax investors' profits (unearned passive income) at source at a rate of say

50%. Investors will get a benefit but it will diminish and eventually disappear over time – 50%, 25%, 12.5% 6.25%, etc. If a business is successful, it can increase its benefit to its employees by “buying out” investors. Obviously if there is sufficient profit to yield dividends, there are profits with which to buy out investors.

## The Proper Role of Property Rights

As just stated above, we must rethink property rights with respect to productive capacity. I recently listened to Rodney Shakespeare's speech<sup>5</sup> given at the 2012 Public Banking Institute in Philadelphia where he dealt with the whole issue brilliantly. He said that America's founding fathers had it wrong from the very beginning in 1776 when they stated that the inalienable rights of man are the right to

1. life,
2. liberty and
3. the pursuit of happiness.

However a different notion was originally articulated by Englishman John Locke some 90 years earlier when he stated that the inalienable rights of man are in fact more correctly stated as:

1. life,
2. liberty and
3. private property.

He further stated that without these three rights held inviolable by all, true freedom is impossible. Viewing private property as essentially something which produces an income he limited the right of private property with two important constraints:

1. That no individual may possess so much property that others are prevented from also holding a reasonable portion of property – sufficient to meet their basic needs.
2. That no individual may have property producing more income than he can reasonably consume.

Rodney also put forth the notion that everyone in our society – even babies – must be connected in a meaningful way to the productive capacity of the nation and share in its issue in order to be truly free and independent. Political democracy gives a very weak periodic power (via voting) to influence our lives: an income coming from productive capacity gives a strong

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<sup>5</sup> See the video of Rodney's speech at <http://www.publicbankinginamerica.org/speakers.htm>

everyday power so that we have control over our everyday lives. I heartily agree, though I am of the opinion that this benefit should never accrue to parents because it will distort our population by encouraging baby breeding as a source of income. When I drew this to his attention, he responded with:

It is generally agreed that people have lots of children to provide for their old age but when women get some control over their own lives and are generally secure, they start to limit the number of offspring. This is already happening throughout Europe, Japan and many sections of the USA (with immigration keeping up or increasing population levels). If people have economic security, in practice, they limit the children. I think Social Credit could also use this argument.

That may prove true but either way, things will work themselves out – whatever policy direction is taken. It is not *the* most important policy detail.

Rodney expounds on Locke's position with his own Binary Economics<sup>6</sup> which is predicated on "Fifty-three false assumptions of mainstream neoclassical economics" which can be found at [www.binaryeconomics.net](http://www.binaryeconomics.net). Readers are invited to look at the fifty three false assumptions and then *reverse every one of them so as to express the opposite, or near-opposite, meaning*. That is where the notion of "binary" comes from. The effect is startling and produces a new paradigm for economics.

I find that I am in agreement with most of what Rodney has proposed and believe that if he was to study my Wealth Pumps proposals, he would find them to be consistent with his own proposals. I might also say that those elements of the fifty-three false assumptions that I have not addressed merit closer scrutiny by my readers.

I find these constraints on private property proposed by Locke to be consistent with my own views. It is vitally important for society to be transparently and easily protected from clever forces that can aggregate power and then use it against their fellow man for selfish purposes. The simplest way to stop it is to put some basic principles in place that prevent it from happening in the first place. Locke's constraints are such principles. Rodney highlighted this point and I heartily second it. Let us revisit my proposals again in this light to make sure we are completely clear on the 'whats' and "whys" of this proposal.

Every man feels a keen sense of the right to own and hold inviolate the property he has obtained by his own efforts and that seems fair to all. What can be said of the property a man

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<sup>6</sup> <http://binaryeconomics.net/binary-economics>

holds that was obtained with the cooperative effort of others? Is that as strong a claim of ownership as that achieved without the assistance of others? I think not. I think all contributors should benefit according to the value of their contribution.

Concisely stated, I propose that all corporate entities which are formed by the capital and ingenuity of a few people but ultimately implemented with the assistance of a much larger community of people is property that should ultimately revert to that community of people. Over time, that community will have members come and go, retire and die. The founders themselves will eventually die. Yet the business and related community will live on. If we presume that the core founders who made the business flourish spectacularly should also justly flourish spectacularly and that this is fair, then it follows that founders are entitled to a disproportionately large share of the wealth produced by that business. But now some new questions arise in light of Locke's constraints:

1. Should the benefits accrued to the founders, investors and employees be transferrable to their heirs and successors or would it be more equitable that this property that is sustained by the community of employees should benefit them instead?
2. If a man or woman who was a member of this community and has formed a household with their spouse should pass, should the stability of that household that is founded on the income from that share be passed to the spouse or should it revert immediately back to the community of employees?
3. Are there any constraints we would wish to place upon the chattels and other property of those who have benefitted to a great extent as a result of their extraordinary abilities?

To answer the first question, I reason that the benefit should accrue to the community of employees. To let it accrue to heirs would give extraordinary and unearned advantage to progeny at the expense of the rest of society and would create disincentive to the community of employees who would be diminished by the dilution of their equity. Furthermore, the inevitable result of such wealth accumulation will result in exactly the same problem of disproportionate ownership of the means of production in the hands of a very few that presently plagues humanity.

There is still a problem with even this mechanism. If financial institutions and private investors possessed of extraordinary means can use all their surplus wealth to gain large shares of other businesses, then even within their lifetimes, they will accumulate a great share of control

over resources that exceeds their ability to use and it may well constrain the fair use of those resources by others by unfairly tilting the competitive landscape and the result would be monopolies. The answer to that problem is to provide a graduated and increasing tax upon extraordinary gains (i.e. in excess of \$350,000 000 at a tax rate of say 25%) up to as much as 75% for which there are no tax loopholes. The money that is taxed would be retired from circulation and that would trigger the need for a compensating increase in national dividends and/or compensated price rebates to keep the overall economy in balance. In other words, extraordinary gains would be eventually transferred back to the public. Our proposed solution directly addresses the first question.

In answer to the second question, we need only interrogate our own hearts. What person would wish to see the financial stability of their spouse upset by our untimely death? Since the answer is obvious, it is equally obvious that such a proposal would be widely accepted as fair and reasonable.

In answer to the third question, I think the answer is a resounding no; we should not administer any further constraints – with only a few exceptions. Let us first consider a scenario to illustrate. Suppose a man has created something that was so wildly successful that he amassed a fortune of \$1B and even at a tax rate of 75%, was still earning an annual income in the hundreds of millions of dollars. Let us also suppose that this man has built ten businesses comprised of ten communities of employees. Such a man would have a fabulous estate, would have schooled his children in the businesses and indeed, several of them might be highly placed within those businesses. He lives in a fabulous estate home worth several million dollars and it is attended by a staff of ten servants at an annual cost of \$½M dollars when you include grounds and building maintenance. His stable of cars, cottages and toys are also worth millions. Those chattels (i.e. the homes, cars, furniture etc.) are left as inheritance to the children but not one of them is possessed of an income to support the estate and inevitably, the assets would need to be sold off. Upon the founder's death, the equity of all the community of employees would be increased. Even those family heirs who were highly placed executives would not likely have the income needed to support such an estate – even though their share would also increase in proportion to the assessed value of their contribution. The result is that chattel assets will inevitably diminish in the hands of children and will transfer to those that can afford them – the next generation of super producers.

Now what of the first of a few exceptions? What if a man freely gives his possessions to his progeny before his death? Would that not delay the transfer for a generation? Indeed it would. For this reason, we need a constraint whereby the business assets of a community of employees are not assignable to any third parties under any circumstance, such that it would yield a benefit beyond that employee or founder's death.

The second exception is that businesses must not be able to own other businesses. They may only merge into a new corporation with the approval of the board of directors and the assent of the community of employees of both merging businesses. The only reason businesses are merged today is to aggregate control and/or ownership to build a monopoly, for tax advantages or for the benefit of directors; but not necessarily in the best interests of one or both of the corporations themselves. This is not necessarily in the best interests of at least one of the community of employees and for this reason alone, each community of employees must have a deciding say in any merger after having a reasonable opportunity to assess the merits of the proposal under full disclosure. The era of enormous holding companies and mutual funds must come to an end.

Under this policy of inheritance and constrained property ownership, is everyone the same? Certainly not! Those of extraordinary ability will still benefit far more than the most unmotivated; but not in such a way that they and their progeny can eventually overpower their fellow man. Is there still great incentive and opportunity for great enrichment for the particularly ambitious and talented? Certainly! Is this arrangement of benefit to all of society? Certainly!

## The Proper Role of Patents

Patents can be just as big a barrier to entry as accumulation of estates if not administered reasonably. The stated purpose of patents is to give inventors the opportunity to financially capitalize on their invention without having their inventions poached by others without accruing benefit. That being said, there are some elements of patent law that must be constrained:

1. Things that deal with genetics or the combining of matter must not be patentable. Life is the result of the workings of Universal Creator of the Universe – whatever name you care to call this force generally known as God. To manipulate it and then call it your own is as perverse a notion as calling the seed that produced your crop your own invention. The transmutation of elements has already been achieved. We know how to create perfect

unblemished diamonds. It is only a matter of time before we learn how to transmute other elements into gold, silver and other elements presently regarded as rare. Once this knowledge has been discovered, it should not be held as someone's personal property.

2. If someone discovers such secrets of the universe as just noted and wishes to patent the *process* by which these changes take place that is another matter entirely.
3. Patent applications for modest improvements to processes should not be allowed unless they can demonstrate a meaningful and measurable improvement over the foundational process that yields a significant competitive advantage. Any patent application that fails this test should be disallowed.
4. Another strategy for protection of intellectual property should be a person's right to hold the invention a secret, but protect their interests by filing it as a sealed, date-stamped, copyrighted package that is notarized and held by a third party in safe-keeping. In the event that someone files a patent, the original inventor has the means to supersede such a claim by submitting it for adjudication by a jury of peers. Under such a circumstance, the patent would be reassigned to the rightful owner. The patent filer could submit a claim to be reasonably reimbursed for expenses in exchange for what is unquestionably a benefit to the rightful patent holder.
5. Patents should be held only by human beings and not by corporations. Furthermore, patents should only be assignable to corporations by way of contracts that preserve the rights of the patent holders. For example, if a corporation funds efforts that lead to a significant discovery or new product, there could be a prior agreement where the corporation could have negotiated a portion of any proceeds of the patent in exchange for the investment. Corporations could also claim a share of ongoing revenue in exchange for actively protecting the patent rights for the benefit of both parties. Another example could be an inventor who negotiates with a corporation to bring an invention to market in return for a share of the resulting profits.

What we must not allow is for companies like Monsanto to patent the genes of corn, have those seeds blow into an adjacent farmer's field and then sue that farmer for "using" the seed. We must not allow a situation where that gene spreads into the gene pool by cross-breeding with other strains and then having Monsanto claim the new hybrid as their own. We must not allow companies like this to engage in weather modification for the express purpose of stressing the

existing crop base so as to give advantage to their genetically modified crops that were engineered to withstand such hardships. Such is the criminality of Montesano that proceeds largely under cover of patent law.

In conclusion, patent law should revert back to what it was a century ago when originally conceived so as to implement the original intent. The failure of foreign nations to uphold a nation's patent-holders on a world-wide basis is grounds for unilateral trade sanctions and this is a sufficient stick to compel trading partners to honor patents internationally – as long as these patents are internationally accessible to all.

There is a great debate about corporations that are filing patents against the work of employees and claiming it as their own property – for example software. With the above-noted constraints and by virtue of the fact that employees are actually equity stake-holders in a company which yields lifetime financial benefits, this debate is largely mitigated.

### How to Fund Governments with Modified Wealth Pumps

I struggled for three months to figure out how we could make the above Money Pump work in our economy with government monetary needs factored in. It appeared to me that governments would siphon off the gap money and subsequently starve Producers of the capital they need to settle their loans; in other words, taxes appear to hijack the gap money needed by Consumers and Producers. After all, as a Consumer you can't pay taxes and buy the stuff you want at the same time. Then it occurred to me that government is just another Producer whose services are comprised of A and B costs too. The A costs go to civil servants who are also Consumers that bring their purchasing power to the marketplace to consume goods. Government's B costs are all spent on goods and services produced by other Producers – contractors, office space rental, electricity, telecommunication costs, computers, office furniture, cars and trucks, public services support equipment like cars, trucks, guns, emergency response equipment and on goes the list for another hundred pages – Producer stuff!

The solution is to simply have governments bill all citizens directly for government services by apportionment (i.e. everyone pays the same amount) and have the National Credit Authority send each citizen a check to cover their bill! Ultimately, all the new money lands in the hands of Producers who need to settle their loans, so the money gets retired in perfect balance with its issue to taxpayers as their goods and services are consumed. It is true that people will save

money and defer their spending for big-ticket items, but eventually the money *will* get spent. Why? Because the compensated price rebate is the best possible return on investment! What can you invest in today that will yield an *immediate* 25% return? Nothing is a better investment than in something you want to buy and immediately enjoy!

By issuing both the tax bill invoices and the funds to pay them to taxpayers on a monthly basis, money gets introduced into the economy at a sensible rate because governments will spend all the money they get. Think of it! Now taxpayers don't care if the government spends a dollar, a million, billion, trillion or gazillion dollars. If I, as a taxpayer, blow the money I am given to pay my taxes on a flat screen TV, next month the National Credit Authority won't send the check to me; it will go to the government to settle my tax bill. Since the bill is roughly the same every month, this presents no big overall problem. I will then get an annoying monthly fine until I catch up and settle the account. Government politicians and bureaucrats will be happy with this arrangement because now they don't need to worry about tax increases and angry taxpayers. Taxpayers will be happy because the National Credit Authority would give them enough money to pay their tax bill – every time – so they're never out of pocket.

Does this sound too good to be true? That's because you are used to working within a flawed system where such policies would presumably cause an explosion of debt. But we're not playing the game of Monopoly anymore; we're changing the game and playing in a new sandbox with new rules. The following diagram and narrative is the modified Wealth Pump that makes the above description possible, followed by its narrative. Follow the numbered sequence:

# Motivated Economy's Government Interactions

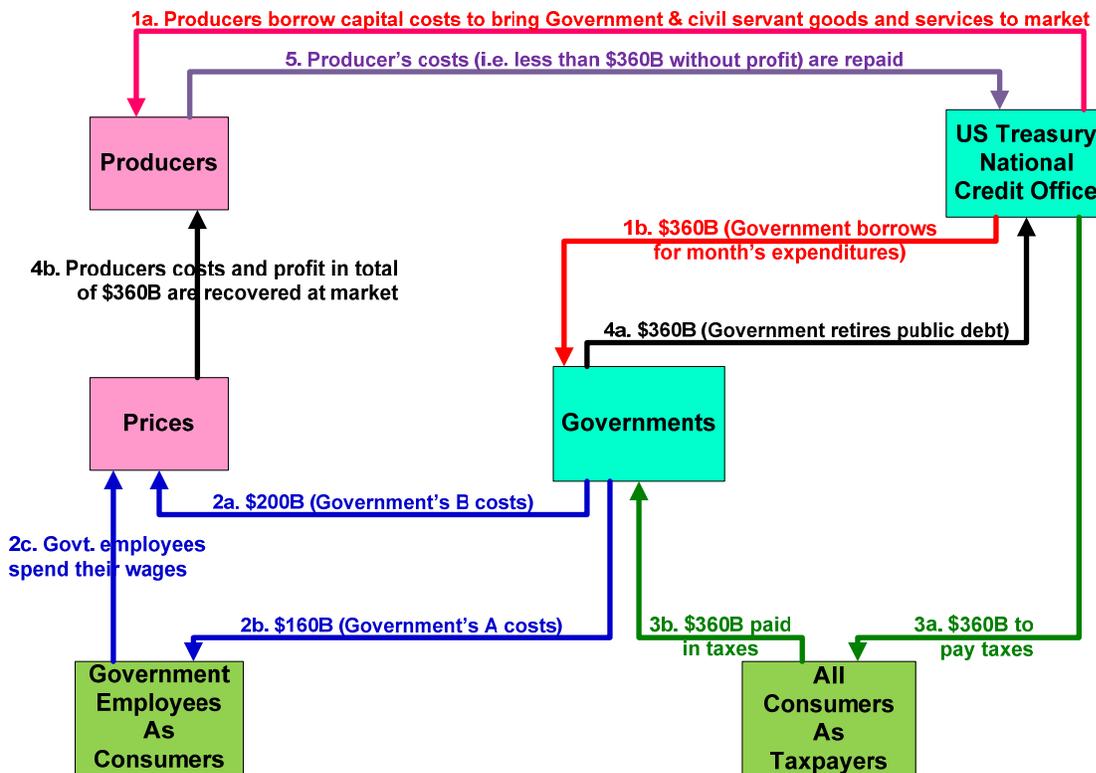


Figure 23 - Wealth Pumps with Funded Government

The red lines show the money loaned by the National Credit Authority to Producers to capitalize the production that will satisfy the goods and services demand of government and its civil servant employees respectively. The blue lines show the A and B costs spending of government. The green lines show where government gets the money to repay its interest-free National Credit Authority loans. The first black line shows government settling their National Credit Authority debt and the second black line shows all of the spending of both civil servants and government on Producer goods and services so that Producers can recover all of their costs. Finally the purple line illustrates all Producers settling their National Credit Authority loans so that the entire economy has now come back into the same state as before the first loan was issued and all debts with the National Credit Authority have been settled by all parties. Notice that follows 3a, 3b and 4a are the exact same \$360B. They can be factored out without changing the

rest of the model. This means we can fund governments without taxation! Can it really be *that* simple? Indeed it is!

If the Figure 23 diagram was a mathematical equation, you would note that items 3a, 3b and 4a are the same amount. They can technically be factored out with no net effect on the economy. How could we implement such a scheme?

The first thing to note is that taxes are charged to taxpayers for services rendered to taxpayers. What would happen if we decided to treat government logically like a consumer instead? It would not be charging for services so it would not need to levy taxes. It could receive its money by submitting a legislatively approved budget to the National Credit Authority and get funded directly. Up to this point, we have asserted that all new money be issued to consumers as National Dividend or Compensated Price. What if we direct a portion of that Gap money to cover government expenditures instead?

The second thing to note is that the consequence of such a choice would be the complete elimination of all taxes – a very attractive proposition indeed! A dollar that the taxpayer doesn't need to pay in taxes is as good as getting that dollar over and above his present income to pay the taxes. The next section titled "What if We Had Social Credit Today" looks at the mechanics of this proposition in detail. The bottom line though is that it will force the radical shrinking of government and release us from what has become an oppressive bloated government of waste while unleashing prosperity and economic democracy for the consumer. The majority may not care how big the tax bill is if they are given the money to pay the bill. They will however care if that same government issues demands on their time to service those programs. People will only support and contribute effort to programs they believe in. This alone will tend to constrain the size of government under a properly functioning Economic Democracy. This is the kind of "welfare" the founding fathers wrote into the Constitution (i.e. that which contributes to society's collective well being) as the proper role of government and the Constitution's stated goal. The modified Wealth Pump now looks like this:

# Motivated Economy Without Government Taxation

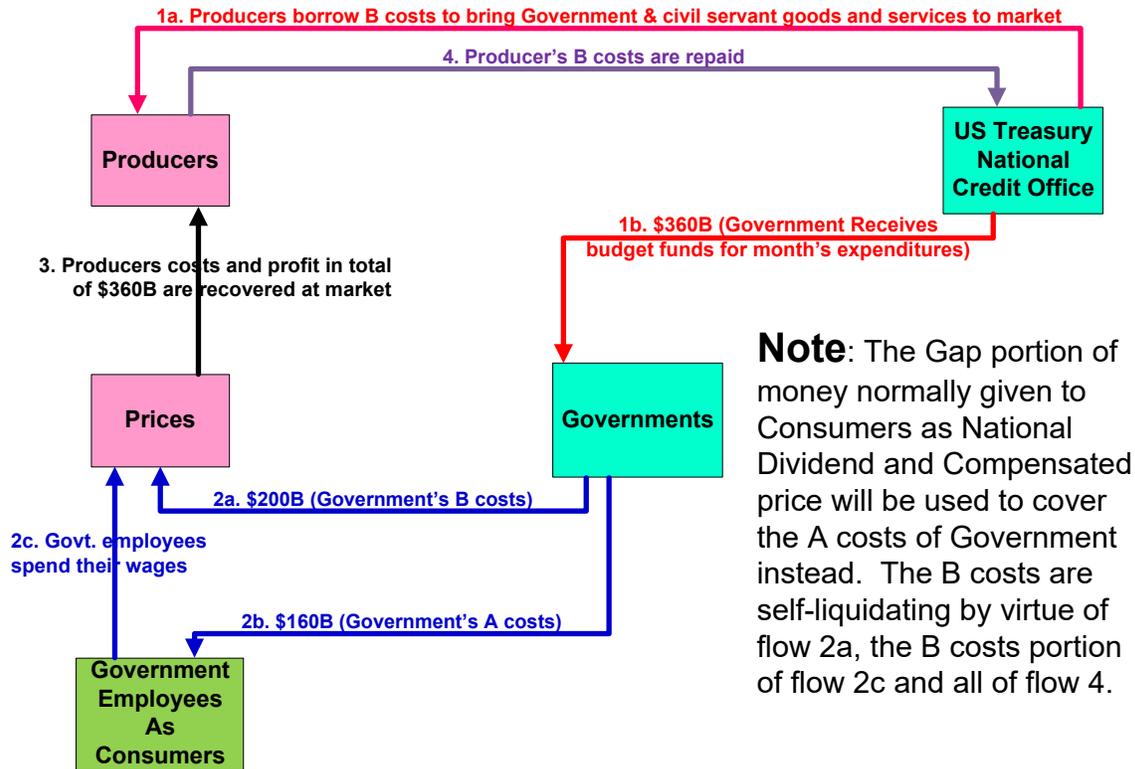


Figure 24 - Motivated Economy Without Government Taxation

There is no need for a narrative here since it has already been fully explained in the previous figure and it is otherwise self-explanatory.

## Special Case of Business Capital

As Frederick Soddy pointed out, money spent on Capital to create wealth is different from money spent in the marketplace. The essential difference is that capital equipment is never sold to the Consumer because the Consumer has no use for it. When the equipment is worn out, or becomes obsolete, it is worthless. This leaves two choices:

1. Create a separate mechanism for funding this capital and leave that money in the economy to circulate for depreciation, business expansion or to start new business.
2. Have Producers incorporate all costs into price and have the Consumers pay the cost.

My recommendation is the second option because this will serve to further prime the pump to fund the National Dividend and it is simplest to implement per our [Wealth Pumps](#).

One might ask what would happen if a Producer was to go bankrupt because his products are not desirable. This is easily solved. The loan from the National Credit Authority or Investor would not be repaid so no further moneys would be lent. Employees would move on to other companies and opportunities. The assets of the now-bankrupt company would be sold by the creditors (i.e. the National Credit Authority and/or any investors) at auction to offset losses. The loaned money that is not repaid would be modestly inflationary because the capital will not be repaid; it is a dead hand. Those downstream intermediate manufacturers whose products were inputs to this Producer all got paid and their revenues continue to flow as illustrated above so there is really no problem there. Any minor distortion to the economy can be adjusted for as a result of statistical analysis and implementation of the Just Price mechanism by the appointed economic oversight agency.

There is another scenario that can lead to insolvency; investment into a Research & Development initiative that does not bear fruit. In life, not all that is undertaken is successful. Our economic model takes this into account because money spent on unproductive initiatives simply dies for lack of circulation – another dead hand. The National Credit Authority and lenders become the primary creditors in a bankruptcy proceeding and all capital, inventory and assets are liquidated to settle the Producer loan. Occasional losses and unprofitable ventures are inevitable but this Wealth Pumps framework is much better able to sustain and recover from these losses than the present economic order – or I should say disorder.

### Important Link between Just Price and Compensated Price

I have come to realize why Compensated Price is such an important tool. I used to think that it makes no difference whether purchasing power is distributed by National Dividend or Compensated Price but now I see the difference. Compensated Price doesn't come into existence until the instant something is bought. For example, with a product that takes 10 years to bring to market (e.g. aged whiskey), the purchasing power from Compensated Price won't be added until over 10 years later - the instant it is sold. The key driver for what the National Dividend should be was revealed by Gorham Munson in his discussion of Just Price when he said:

***"The Just Price Factor*** Consumption/Production is an adjusting device to be used only for retail sales. It does not operate back of retail organizations among

wholesalers and manufacturers; their pricing and billing would proceed as it now does. *It is a variable factor*; that is, it does not remain constant through a succession of accounting periods but *changes as the facts of production and consumption change*. Thus, if production falls off and consumption climbs, the factor will show the altered relation, changing, let us suppose, from three-fourths to nine-tenths, indicating only a one-tenth reduction in financial price to be given the Consumer. On the other hand, the reduction in retail prices will be greater than one fourth if production runs away from consumption and *the ratio of consumption to production* yields, let us say, a fractional multiplier of one-fifth; in that event the Consumer would get an 80 per cent discount when purchasing ultimate commodities."

*This next paragraph is one of the most important in this book* because it cuts to the very heart of how to implement an economic model that will be stable and sustainable. The key mechanisms are as follows:

1. **The National Dividend must match the loans given to Producers, less the funds expected to be allocated to Compensated Price.** When the money is loaned to producers, it pays for the production of goods. The producer's costs have now been covered with a non-interest-bearing loan to settle, but only the A costs enter the marketplace as effective demand. Let us hypothetically presume that 25% of the gap is covered by National Dividend. In this hypothesis, only 75% of the gap must be issued as Compensated Price. This means that the Compensated Price and National dividend must be carefully balanced – one way or the other. For the Wealth Pumps economy to work efficiently, the National Dividend must not be too big a share of the gap; otherwise demand-push inflation will be the inevitable result. Since the life cycle of production of most goods is less than three months, it would probably be a reasonable guess to let up to half the gap to be allocated as National dividend. Only actual statistical results will be definitive though and fine tuning will be needed.
2. **The Compensated Price must be set at the ratio of production to consumption.** We have computer and accounting systems in place in virtually every business today that can discern this ratio precisely. As money is spent, exactly the right amount of additional money can be injected into the economy to keep prices stable and businesses solvent. That money is created at the perfect time – just in time to meet the demand that is expressing itself by the very act of the purchase.

The best argument for National Dividend is that it provides a basic income for everyone as a reasonable alternative to welfare and takes into account the leisure dividend. If all the money is introduced as National Dividend though, as already explained, it would tend to be inflationary. We require the rest of the gap money needed to meet effective demand to be introduced by Compensated Price which will be determined by the Just Price mechanism of the

Production/Consumption ratio. Another component that must be factored into determining the Compensated Price is the proportion of A costs to B costs. It will tend to be constant across all industries but as society relentlessly continues to automate, the ratio of B to A costs will continue to increase in favor of the B costs and thus must be accounted for with a proportionate increase in Compensated Price. I have come to see that this pair of recommendations is a better mechanism for injecting new money into the system than Soddy's proposal of deferring consumption and withholding effective demand until the goods are ready to bring to market. As long as the total money paid out as National Dividend and Compensated Price does not exceed the money loaned to Producers by the National Credit Authority, there will never be a surplus of currency that would cause price inflation. As long as we inject the correct ratio of new credit created at the very instant of purchases by Compensated Price, there will never be deflation.

The Just Price mechanism can be thought as the regulator that compensates for the acceleration and deceleration of production versus consumption to minimize inflation and deflation – just like a pressure release valve on a steam engine.

To fund the National Dividend, we want Producers to borrow their cost of manufacturing goods from government without interest and they need to keep the loan for the duration required to bring their product to market. For example, if it takes 2 weeks from commencement of a production cycle to shipping of same, the loan will be for that 2 week period plus say 60 days to allow for accounts receivable and billing cycle. At the end of that period, the Producer must pay the loan off to qualify for another loan to finance another production cycle. Producers thus always have loans outstanding and are always paying them off out of accounts receivable. From the National Credit Authority's perspective, this Account Receivable is the collateral that society uses to issue the National Dividend money against. When the Consumer spends the money, it flows back to the Producer who can now pay his debt. In this way, the money created by the National Dividend and Compensated Price is retired by the Producer in perfect balance and with perfect timing so as to ensure neither inflation nor deflation – a Wealth Pump.

## International Trade

One might ask how a country practicing this kind of economy will deal with nations that continue to operate on the old flawed model. The most critical consideration is that our country must begin to operate only on the basis of balanced trade. There are a couple of viable solutions

that can work but a key principle is that imported goods must not lead to undercutting of domestic Producers or subsidizing of foreign producers:

1. Establish trading treaties so that the price of goods entering our country are identical to the price of goods we sell domestically or negotiate a price index so that we pay the same price as is charged in the originating country.
2. Impose tariffs on underpriced merchandise so that countries dumping goods will have no advantage over domestic Producers.
3. If our country is importing more than exporting, put a punitive tax on all imported goods until trade becomes balanced again.

Any countries that don't want to trade with us on the basis of fair trade can do business with someone else. To further promote our autonomy, we must make as many of our goods and services as possible domestically.

There are a number of additional considerations we must take into account:

- ***Currency exchange for our citizens travelling abroad*** – The only fair exchange is one where our money goes just as far abroad as at home. We as a nation need to construct a Consumer price index for each nation and maintain it for our own purposes. We will only offer as exchange what the foreign nation's currency is worth and we will only pay the same.
- ***How we deal with nations with whom we have a deficit balance*** – In the scenario where we owe the other country in our net trade balance a difference of let's say 5%, we can either offer gold at the nation's spot price for settling the debt that is paid for with a tariff tax of 5%; or we can offer our exported products at a discounted price of 5%, and earmark the surplus between that and fair market price to settle the debt. We will not pay interest on the deficit.
- ***How we deal with nations with whom we have a surplus balance*** – In the scenario where the trading partner country owes us a net surplus of say 5%, we will charge a tariff of 5% on our exports to them to discourage this drain on our wealth until trade comes back into balance. This will force them to increase their exports if they wish to obtain our exports and it will discourage our exports – a net drain of wealth on us anyway. If balance is not restored, we will continue to raise export taxes until we obtain the desired effect. We will not charge interest on the surplus.

- ***How we use gold to settle debts and accept payment*** – It is an option for us to use gold from our national treasury to settle our trade deficits at the target nation's commodity price if it seems prudent. Similarly, if it suits our national policy, we can accept gold from trading partners to settle any surpluses on the same basis. We will only accept the delivered bullion as payment – not a paper receipt for same.
- ***How we settle trade between importers and exporters*** – If we have *balanced* trade, there is absolutely no need to trade currencies. The importers can settle with exporters on a national currency exchange that we set up for exactly this purpose. Spreads for currency exchange will be limited to an amount sufficient to cover costs of operating the exchange with a reasonable profit – and no more. It will be operated and regulated by the National Credit Authority or its closely monitored delegate.
- ***How we deal with nations that have deficit or surplus trade balances with us but who may have an opposite situation with another of our trading partners*** – It may be that we may have a trade deficit with country A and a trade Surplus with country B and at the same time, country A has a trade deficit with country B. It would be to our advantage to send exports to country B at a discount and use the difference to settle the surplus with country A if both parties are agreeable to a trilateral agreement.
- ***With such a multiplicity of trading partners, is there no easier mechanism?*** – The short answer is no. If we are serious about balanced and fair trade, we need to do our due diligence.
- ***What we do with nations we find to be practicing unfair trade with us*** – We unilaterally place a tariff on their goods or reduce any trading surplus we owe them until the financial harm has been remedied.
- ***How we will defend our financial interests*** – We will retain an army and navy sufficient to secure our borders and protect our interests. We will not project power abroad. For us, imperialistic hegemony is finished as economic policy. It's time we return to something similar to the Monroe Doctrine.

The bottom line is that our trading policy will be fair trade only. The only trade that we will allow is trade transactions that lead to balanced trade so as to preserve friendly trade with all nations.

## Canada as an Example

One might argue that this [Wealth Pumps](#) model does not reflect the real world, so let's plug the numbers right off the Statistics Canada web site for 2008 and see what that looks like:

### Canadian Economy 2008 (Statistics Canada)

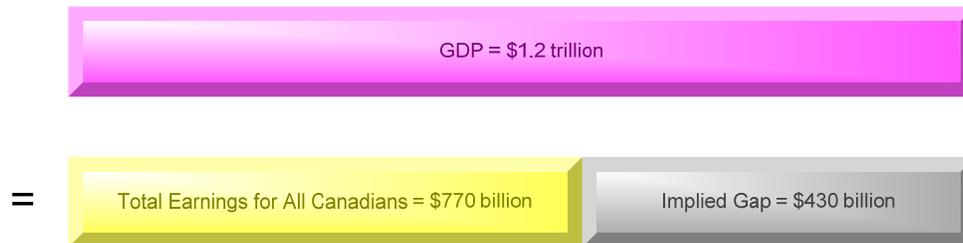


Figure 25 - Implied Gap in Canadian Economy For 2008

There has been controversy as to exactly what the Gross Domestic Product is defined as. Some say it is the sum value of all the nation's goods and services. Others say it is what the nation's consumers earned. It is in fact the former. The following is the Wikipedia definition and it is the basic definition used by both the US Bureau of Labor Statistics and Statistics Canada from whence my numbers were derived:

Gross domestic product (GDP) refers to **the market value of all final goods and services produced within a country in a given period**. GDP per capita is often considered an indicator of a country's standard of living. GDP per capita is not a measure of personal income.

Under present economic policy the gap has historically been filled in four ways:

1. Government deficit spending (i.e., public purse loans)
2. Consumer loans
3. Producer loans
4. Exports.

If Producer loans are used, interest gets buried in the cost of the next cycle of production, and this leads to a price increase on the next production cycle – inflation.

If you presume that the Gap will be met by Consumer loans (e.g., home equity line of credit, credit card, personal loan, overdraft protection, etc.), the next figure shows how this financial credit financing leads to even less effective demand because the interest claws back some of the

newly created effective demand and hands it over as profit to financiers. When effective demand is created by the issuing of financial credit, it is created at the instant the money is spent (and the interest clock starts running), and it disappears from the economy the instant it is repaid to the financier. Note also that the newly created effective demand from wages (i.e. A costs) remains in the economy. When Consumer interest is paid on goods, this is effective demand that gets siphoned off by financiers. Because this profit is largely unearned, it is a parasitic and useless drag on the economy. It would not be a drag if the loans gave real value to the process but because it is *our* full faith and credit and it is in *our* best interests to lend our money to ourselves interest free, it is a cost we need not incur. International bankers deliberately engineer booms and busts when they stop issuing money and force our consumers and businesses into bankruptcy to seize the collateral assets. This is one of the main ways the wealth of the nation is being systematically transferred into the hands of these financiers. Over time the cumulative effect of these boom-bust cycles on the transfer of the nation's wealth is dramatic. Witness the almost tripling of the size of the financial services industry in a century. Witness the bank signs on the biggest buildings in virtually every city as evidence of their obvious prosperity. The systematic wealth transfer looks like this:

### Initial Price/Effective Demand Ratio...

This is how much money is needed to Liquidate Producers' Inventories & Services...



With credit as the solution, we start off with this much purchasing power (in green) ...



### Price/Effective Demand Ratio after Credit settled with interest...

... And we end up with this (in green) – after the financier gets his cut.

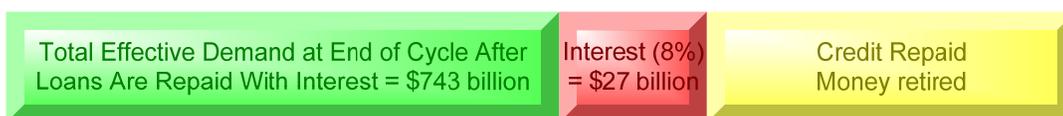
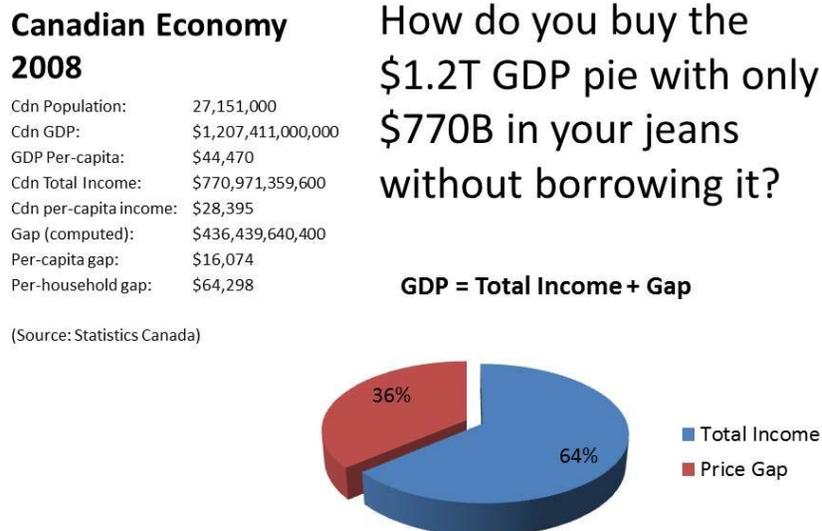


Figure 26 - Effect of Loans & Interest on Effective Demand

As this interest cycle is repeated, more and more of the available effective demand ends up getting paid out as interest; and over an extended period of time all of the wealth of a nation ends up getting transferred into the hands of the “Powers That Be.” The only way to blunt the effect of this parasitic feeding on the nation is to be an overall net exporter of merchandise to transfer the liability to our trading partners by capturing their effective demand instead. This, unfortunately, leads straight to wars because not every nation can be a net exporter. There is a loser for every winner.

The following figure is the illustration of the gap in 2008, right off Statistics Canada metrics as reported on their Internet web site:



**Figure 27 - Canadian Economy 2008 Gap Illustrated**

I was challenged to produce the metrics for the USA in 2008 to see if the same scale of problem is occurring there, so I assembled the following metrics from the Bureau of Labor Statistics. The numbers correlated and as one might with expect with the USA having a trade deficit instead of surplus as Canada does, the gap was even bigger. Here are those numbers and analysis of same:

## US Economy 2008

US Population:	302,709,873
US GDP:	\$14,093,310,000,000
GDP Per-capita:	\$46,557
US Total Income:	\$8,162,269,015,572
US per-capita income:	\$26,964
Gap (computed):	\$5,930,994,541,689
Per-capita gap:	\$19,593
Per-household gap:	\$78,372

(Source: US Bureau of Labor Statistics)

How do you buy the  
\$14T GDP pie with only  
\$8T in your jeans  
without borrowing it?

**GDP = Total Income + Gap**

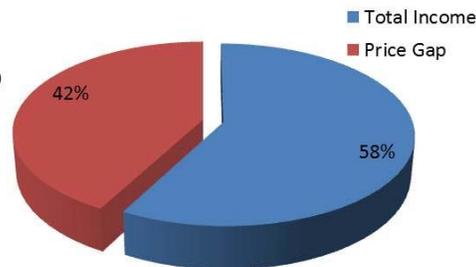


Figure 28 - US Economy 2008 Gap Illustrated

In the past century, governments and financiers have been very creative at camouflaging this gap problem by subsidizing industry with public works, sabotaging production (e.g., wars and make-work projects) and implementing “planned obsolescence” waste. All this has done is to heap up huge public, corporate and personal debts and create inflation while decimating our environment. The financiers win, and the rest of us lose. *Is it not blatantly clear that the present economic policy of allowing the “Powers That Be” to control the issue of our currency for their exclusive benefit is obviously unsustainable? It is in fact robbing all of us blind.* It’s time for us all to **WAKE UP!**

Here is the economic policy solution that will fix our economy:

1. **Shift the focus from providing enough employment to providing enough purchasing power.** This is easily accomplished by computing the “price gap” as follows:

$$\text{Price gap} = \text{total costs of production} - (\text{wage and dividend costs} + \text{profit}).$$

2. **Use Wealth Pumps to fill the price gap.** We fill the price gap by deploying new effective demand as new currency via a National Dividend and Compensated Price. This will put enough money in the hands of every man, woman and child to ensure they have enough purchasing power to meet their basic need for food, clothing and shelter. We thus share society’s Leisure Dividend by ensuring that nobody will be required to work more than their fair share in order to support national production – unless they want to. By my calculations, in Canada this leisure dividend could be as much as \$16,000 per year

per person and it is closer to \$19,000 in the USA. We can provide a money system that can effectively get the goods and services we produce into the hands of consumers who want them.

3. **Eliminate private central banking and replace it with a government-run public utility (i.e. National Credit Authority) that issues all credit and money without charging interest.** We can tune the factors of production to eliminate all waste, squeeze out inefficient Producers, and produce goods and services at a minimal cost in both human and physical resources whereby Producers are not distracted by the need to repay loans and yield a portion of their profits to pay interest in order to make that profit. Let's frame a system that can guarantee a profit to valuable Producers and at the same time, eliminate those Producers who make products that are either too expensive relative to their competitors or make products that Consumers do not want to buy.

**National Credit Authority** – This is what we chose to call the public institution we recommend putting in place to regulate the issue of the nation's money. What it is called is not as important as what it does. It must regulate the nation's money issuance per the recommendations of the Wealth Pumps and it must be conceived and administered in such a way that it is only accountable to We the People. Its structure, powers and regulation should be formalized in the Constitution as an Amendment.

**National Dividend** – A payment made to every man and woman in the nation who is eighteen or older. It should be sufficient to meet each person's basic needs of food, clothing, shelter and medical care. This eliminates the need for welfare and social security and provides everyone with basic dignity. We don't give it to children because we do not want to encourage baby breeding for income.

**Compensated Price** – This is a sales credit refunded only to the resident retail Consumer who makes purchases within our country. This provision is enforced by only allowing the credit to be deposited into personal bank accounts of resident citizens. Fraud is conceivable whereby businesses buy goods in the owner's name to get a credit but use the goods as inputs to Producer goods. Fraud is also possible where foreigners buy our goods. These potential fraud problems are easily addressed as follows:

1. The purchase receipt is either surrendered at the bank for a Compensated Price credit, or it is remitted to government by the Producer as part of his B component of pricing so that it cannot be used twice.
2. Foreigners do not have citizen or resident bank accounts and so they have no means of obtaining the sales credit. This does not mean they can't have a bank account. It

just means they can't have a bank account with the status of "resident" unless they can prove residency.

3. If the producer takes his business receipts and submits them as personal, his B cost remittance to the National Credit Authority will be smaller and his business will get less funding. That will put his business at risk and force him to pull the money out of his own pocket later to keep the business solvent. How does this get him ahead?

That's the end of the core concepts!



## The Next Level of Learning

If you are still with me, congratulations and welcome to the now at-least-partially-awakened.

I think it is fair to say that we are all tired of:

1. Being stressed out by this rat-race dysfunctional world.
2. Needing to work our butts off while barely making ends meet.
3. The prospect of facing our retirement broke.
4. Missing the good things in life because we have to work so hard.
5. Being a victim of crime because some poor desperate soul needs to rob us so that he can eat, too.
6. Putting up with corrupt politicians who are the bought men and women of big business and finance à la Enron, credit default swaps, TARP I and TARP II etc.
7. Being fleeced by the "Powers That Be" who now own and/or control all the big corporations and who have pillaged our retirement savings and gutted our pension plans.
8. Getting screwed by the "Powers That Be" who promise profitable returns on our investments while they sweep our money into their pockets during their deliberately engineered inflation and deflation booms and busts.
9. In summary, of putting up with the faulty financial system that Thomas Jefferson warned the American people would leave them homeless and broke as I quoted at the beginning of Chapter One.

Under the current financial system and monetary policy, we will ***never*** have the means of providing enough money to fully maximize production and consumption because it can be proven that for every dollar spent on producing something in our national economy, only 10-25

cents in productive wages are paid out. The rest of the purchasing power must come from either export revenue or borrowed from financiers at interest. Interest on money borrowed from bankers takes even more money out of the system and exacerbates the problem as we illustrated in the last section.

Unfortunately, the “Powers That Be” are not motivated to provide appropriate and sufficient financial credit because there is no profit for them in it. They are a monopoly – or more accurately, a cabal (i.e., secret monopoly) - and all monopolies have the singular goal of maximizing profit by minimizing the delivery of product. Under the current economic regime, we cannot properly address the above problems because the interests of the “Powers That Be” are diametrically opposed to solving them.

Even if we had full employment, we *still* would not have enough money to fill the gap, as has already been explained. With modern technology, only 10-30% of the workforce is needed to produce all of society's goods and services, so trying to achieve full employment is like pushing a string uphill. We actually have higher than the 5-10% of unemployment reported by government liar statistics because: i) most of our employment is “make work” predicated on useless regulation compliance and bureaucracy, ii) production is deliberately sabotaged by things like war, planned obsolescence and government “incentives” programs and iii) government has been “fudging” the numbers as is regularly revealed by [www.shadowstats.com](http://www.shadowstats.com). In point of fact, most of us toil for nothing of real benefit to society – like continuously digging a hole and then filling it up. We need to change our thinking about the *presumed* need for everyone to work to make money. Perhaps it is time for mankind to enjoy a technology benefit, take advantage of a leisure dividend, and avail ourselves of the productivity increment that is presently lining the pockets of financiers. What is the productivity increment? It is the increase in profit and/or lowering of costs that those incremental increases in efficiencies in the manufacturing and delivery of services have yielded mankind since the invention of the wheel.

A person of average intelligence can grasp these concepts and should intuitively know that they are truth. The solution is not that difficult to understand, but it is completely foreign to our understanding of the way our economy works today. The problems and solutions will be further expanded in the next [Questions and Answers](#) section.

We can catch a vision of a better world by studying and truly grasping the concepts in this book, and letting them inspire us to teach them to our friends, relatives and associates. Know for

a certainty that if everyone who reads this book compels five more people to read this chapter within the next week, and each of them compels five more within the following week, then the whole country will be aware of these issues in less than twelve weeks. That is the true potential of We the People who chose to work in cooperation! Do you want change? Then do your part to make it happen! The people of Alberta put a majority government in place in less than three years in 1935 with such a similar grass-roots movement as what is proposed here. When candidates put themselves up, they had no party or leader. They just offered themselves individually as Social Credit candidates and they were swept to power with a significant majority of 56 out of 63 seats! It *can* happen because it has *already* happened. America has one extra hurdle to overcome though – vote fraud perpetrated by our political party executives in collusion with media under the auspices of the National Election Pool (NEP).

If you are waiting for a politician to fix this, then here's a NEWS FLASH! Unless you are a rich politician in our present economy, you need to get your campaign money from *somewhere*. That somewhere is most often from the elaborate system of lobbies financed by the very "Powers That Be" that are the problem in the first place! If any politician has the guts to face down these "Powers That Be", they will possibly end up dead like Louis T. McFadden, Abraham Lincoln, and John Kennedy; or they will end up bankrupted like Nikola Tesla or ridiculed like Ron Paul and Bob Schultz or marginalized like Ralph Nader, Alan Keys and Pat Buchanan or told to shut up "or else" like Ross Perot, Dick Simkanin and Larken Rose. There is only strength in numbers. We must become a mob with unity of purpose to disenfranchise the "Powers that Be!"

Here's how we can rationally and dispassionately do an end-run on this corrupt political and economic system. I see only two options:

1. ***Violent revolution*** by the few and the courageous while the rest of us just watch. Maybe they win, and maybe they don't.
2. ***Peaceful revolution*** in the spirit of Mahatma Gandhi. A whole nation engaged in silent protest and the result was that the mighty British Empire was forced to leave and grant Indian Home Rule.

This revolution needs to be implemented in three stages:

1. ***Learn*** the plan. Read this book.
2. ***Teach*** the plan. All of us need to teach each other what is really going on here. That is the purpose of this book.
3. ***Implement*** the plan. We need to raise our own candidates for office at every level of government and abandon all support for existing political parties. They cannot be

trusted. The person who is affiliated with NO political party and aggressively supports Economic Democracy is the best candidate.

When our people are in office, we can amend our Constitution and laws and positively change our nation per the concepts articulated in this book.

So **choose now**. If you are not a part of the solution, you are definitely part of the problem. As the Master said, “The nation perishes for lack of knowledge.” Here’s the knowledge you need – handed to you on a silver platter. Other than [Wealth Pumps](#), I did not invent most of these concepts and cannot claim them as my own, but my part is to make this plan as clearly articulated and simplified as possible.

## **What if We Had Economic Democracy Today?**

This is an interesting prospect. If we look at the 2008 numbers presented earlier in Figure 28 for 2008 and we implemented the Wealth Pump immediately in the economy without doing any structural changes to government, what would that look like? I tried three scenarios with a spreadsheet and present the following analysis for each. What they lead me to realize is that this can be precisely how a phased implementation would proceed – with a minimum of disruption.

### Phase 1 – Mapping the Wealth Pump onto Our Present Situation

Here’s what it looks like for our present situation per Figure 25 numbers from BLS:

<b>Assumptions</b>	<b>Scenario 1</b>
We assume all income, ND and CP are spent	
National B costs avg. (ratio of GDP:incomes)	43.00%
GDP	\$14,093,310,000,000.00
Government Spending	\$5,340,000,000,000.00
Gap	\$6,060,123,300,000.00
Total Income	\$8,162,000,000,000.00
Population	302,709,873
Proposed National Dividend per person(adults only)	\$4,757.03
Proposed National Dividend	\$719,999,973,578.60
Unfilled gap available for CP	\$123,326,421.41
Consumer CP discount	0.000875%

I obtained the Government spending metrics for 2008 from this web site:

[http://www.usgovernmentspending.com/total\\_spending\\_2008USrn](http://www.usgovernmentspending.com/total_spending_2008USrn)

There are a couple of important things to note. First, the Wealth Pump is predicated on the assumption that the gap is so huge, we can eliminate all taxes and fund government directly from the gap and still have lots left for implementing a Compensated Price (CP) or National Dividend (ND) that will immediately spur our economy. That alone is absolutely huge! The problem is that the present government spending is so huge, it would fill almost the entire gap and leave very little left for the CP or ND! We still have an economy where government spending is unjustly voting for what producers make instead of putting this money in the hands of consumers so they can vote for what they want, where it properly belongs. I chose to use the remaining gap to compute the maximum ND we could pay and as you can see, there is basically nothing left for CP. Alternatively, we could also allocate it to CP instead. Clearly, we need to quickly and radically prune the bloat and waste in government!

### Phase 2 – Our Present Situation But with Pruned Government

Here is how the Government spending presently breaks down, again from BLS:

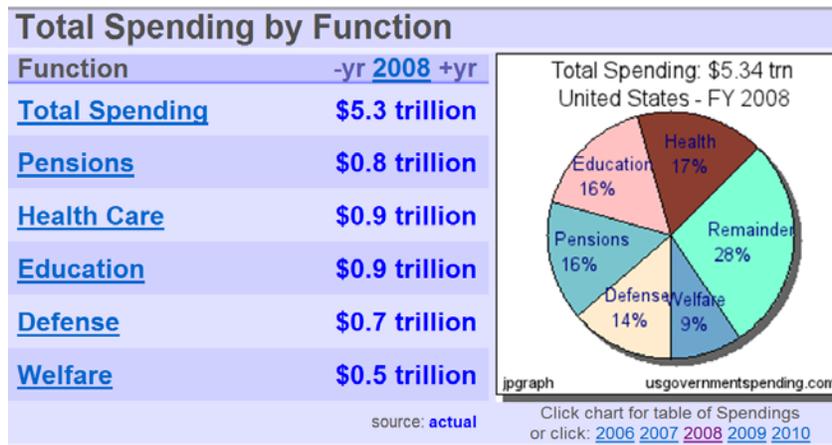


Figure 29 - US Federal Government Spending Breakdown in 2008

There are a number of these costs we can immediately trim. Since we have an ND, we can eliminate the Pension (16%) plan. Because we will radically downsize the military to meet national defense only, we could expect to save an additional 10%. We can also eliminate Welfare (9%) and by eliminating pork-barrel programs and radically scaling back on government regulatory requirements, we could easily save an additional 15% off the rest of the budget. This would cut government spending in half.

<b>Assumptions</b>	<b>Scenario 2</b>
We assume all income, ND and CP are spent	
National B costs avg. (ratio of GDP:incomes)	70.00%
GDP	\$14,093,310,000,000.00
Government Spending	\$2,670,000,000,000.00
Gap	\$7,195,317,000,000.00
Total Income	\$4,227,993,000,000.00
Population	302,709,873
Proposed National Dividend per person(adults only)	\$24,000.00
Proposed National Dividend	\$3,632,518,476,000.00
Unfilled gap available for CP	\$3,562,798,524,000.00
Consumer CP discount	25.280069%

In Phase 2, we realize a tremendous opportunity to increase every adult's standard of living with a minimum income and purchasing power equivalent to \$63,000 per year in our present economy – and even more if they are working! This will be the obvious consequence of massive government spending cutbacks that get reallocated directly into the hands of consumers and businesses. Such cutbacks will initially cause a huge decrease in earned incomes that are offset by an increased National Dividend of \$2000/month for every adult. As the private sector gears up to meet the swelling pent-up demand for consumer goods, those people will find employment in the private sector. This National Dividend will more than adequately compensate the elderly whose social security payments are eliminated and provides a better safety net to the rest of our unemployed than welfare and food stamps. When you factor in the fact that all income and personal property taxes are eliminated, peoples' money will go much farther than it does in the present economy where more than half of what we earn presently goes to taxes.

I have also scaled back the ratio of A:B costs because elimination of the myriad of regulatory requirements will drastically lower production costs and lead to efficiency/productivity gains. Businesses, however, must be made to be fully financially and legally responsible for meeting public safety.

The remaining gap in purchasing power is filled by a 25% Compensated Price. This puts purchasing power directly into the economy at the precise time that a vacuum in available goods occurs through the purchase that triggers it. This is our best tool for controlling inflation and assuring that purchasing power doesn't languish in mattresses and bank accounts as savings.

Can you see what we have done here? We have completely eliminated welfare, social security, food stamps, government retraining programs, unemployment compensation and every

social safety net program. We have replaced them with a much more generous National Dividend and Compensated Price that every adult will receive by apportionment in compliance with this established Constitutional principle.

This could be achieved within one year of the commencement of Phase 1.

### Phase 3 – What a Well-tuned Economy Will Eventually Look Like

Within a few more years, the structural changes will become so deep that the whole focus of the economy will evolve as follows:

1. People will see that government spending takes money out of their pockets so *everyone* will want government to be as small as possible.
2. With the pressure off everyone to “have a job” and the growing awareness that the greatest benefits accrue when the economy is operating at maximum efficiency with maximum leisure, the following deficiencies will be addressed in short order:
  - a. Planned obsolescence
  - b. Make-work projects
  - c. Bloated government
  - d. Military adventures abroad
  - e. Interest-free loans
  - f. Labor/management strife.
3. The ND can be increased to raise the minimum standard of living even more.
4. With so much of the nation’s productive capacity moved off shore in the past 40 years, we need to start domestic manufacturing of our own consumer electronics, textiles, vehicles and machinery again. Since we are starting from scratch, these rebuilt industries will employ state-of-the-art robotics and automation. This will halt the nation’s hemorrhaging balance of payments and restore the nation’s competitive position.
5. The total money paid out in wages nationally can be expected to decrease because of increased automation efficiencies and product innovation that lead to a shrinking work force. Yet ironically, those who are working will be paid better!
6. With these structural changes, leisure – i.e. time - will become what we will all value most. Increased automation to the greatest extent possible will be the end result. I estimate that eventually only 10% of our workforce will be needed to meet the

economy's needs and that a national average of 90% of the costs of production of goods and services will be B costs.

Here is what this phase will likely look like with only 10% of the workforce employed:

<b>Assumptions</b>	<b>Scenario 3</b>
We assume all income, ND and CP are spent	
National B costs avg.	90.00%
GDP is this	\$20,000,000,000,000.00
Government Spending is this	\$1,400,000,000,000.00
Gap is	\$16,600,000,000,000.00
Total Income	\$2,000,000,000,000.00
Population	302,709,873
Proposed National Dividend per person(adults only)	\$36,000.00
Proposed National Dividend	\$5,448,777,714,000.00
Unfilled gap available for CP	\$11,151,222,286,002.00
Consumer CP discount	55.756111%

I increased the GDP because this is what will happen when we start producing most of our own goods and services domestically. Notice that despite the fact that total incomes are way down from our present perspective, the standard of living for everyone will be so much higher. Notice the huge increase in the National Dividend! What can you invest in today that will yield an immediate 56% return on investment? What incentive is left to save money when there is obviously no shortage of anything? Poverty will be completely eradicated.

### The Transition Can Be Smooth

Here is the beautiful thing about transitioning from our present economic chaos to a Wealth Pump economy. It need not be painful. If we simply put it in place without radically altering the rest of the economy, per the first phase, the economy will be immediately primed by:

1. Elimination of taxes that will radically increase consumer spending and demand.
2. Issue of a modest National Dividend. It may be that the elimination of taxes may so aggressively stimulate consumer demand that it may be wiser to implement the \$3.8 trillion as a CP instead. That will be up to policy makers.

The first session of Congress will need to be devoted to:

1. Dismantling the social security and welfare administrations and replacing them with a more generous National Dividend so there will be no opposition.
2. Recalling our military from abroad and closing overseas bases.
3. Dismantling the DHLS, CIA and NSA spy networks. If we stop threatening the world, we have no reason to fear reprisals.

4. Eliminating all the pork-barrel and make-work programs.
5. Retreat from directing National Education and allow local governments and communities to regain control. Standards can henceforth be enforced by colleges and universities by virtue of their admission requirements and the stature they earn by virtue of the quality of their graduates and the reputation that earns them.
6. Withdraw from the healthcare field altogether and dismantle the FDA, EPA, TSA, FEMA and all alphabet bureaucracy departments that restrict trade. In their place, hold those who would introduce harmful drugs, unfit food, and unsafe products financially and personally accountable.
7. Empty the prisons and close most of them. What do we need to fear of prisoners returning to a life of crime when they will have an adequate income? What is the probability that they will return to a life of crime if the price of getting caught again is death?
8. Provide funding to perfect Coefficient of Power  $> 1$  technologies such as GEET, Tesla radiant energy technologies, the Papp/Rohner plasma engine, water fueled motors, vortex implosion technologies and others to herald in an unprecedented era of energy abundance.
9. Initiate a constitutional congress comprised of a committee of 5 members each from the House of Representatives and Senate, and two delegates appointed by the governors of each state to deliberate the proposed amendments.

In this first year, the economy will be so fired up that there will likely be a shortage of workers! It will likely take several years to put in place an automated infrastructure that will allow the kind of economic freedom envisioned in the third phase.

Over several years, the economy will gradually transform into one that resembles what I described in the third phase. The main feature to note is that though fewer and fewer people will be working as time progresses, their quality of living will be steadily improved. Products will progressively improve in quality, durability and utility and new technologies will radically transform our ability to live in an environmentally sustainable way.

I am very excited by the prospect of what I believe is our ultimate and inevitable destiny. There is no doubt that this will catch on in every other country in short order so that we can finally have peace on earth. Mankind has demonstrated repeatedly that if he is not subjected to a

constant state of stress and oppression, he is capable of great generosity of spirit. All that is needed is a financial system that allows everyone to share the fruits of the national wealth while still rewarding extraordinary achievements with superior rewards. I have no doubt that this is where society will eventually arrive.

## Questions and Answers

The following is a list of questions and answers to get you thinking more deeply about the main financial policy issues we should all be concerned with.

**Q: Why is there “Poverty in the Land of Plenty?”**

A: The root problem of our economies throughout the world is that there is not enough purchasing power in the economy to match the maximized production capacity with the unbridled demand of Consumers. There is insufficient effective demand (i.e. purchasing power) to enable Consumers to buy all the products of Producers that they desire. We call this deficiency of purchasing power the price gap.

**Q: What is THE GAP and how will the Wealth Pump fill it?**

A: If a picture is worth a thousand words, the following illustration should suffice:



What is most notable about the gap is that the money that Producers spend to bring products to market is money that is impossible to recover from the price of merchandise because of a fundamental flaw in cost accounting. Your “Ah!” moment will come when you realize that if producers retire their loans before all the stuff they produce with the loan gets sold, the money that was created by the loan is destroyed by the repayment *before* all the goods have been sold and is thus no longer available to consumers! A wages can't pay for A + B producer wage and capital costs! This is the cause of the short circuit of cost accounting. We solve the Producer's dilemma by allowing interest-free loans to cover their B costs (RED flow #1). Notice that there is no blue flow from producer to consumer. That's the short circuit where the cost accounting flaw manifests. That portion of producer costs went to RED flow #2 and is now unavailable to consumers. It literally disappears from the economy upon repayment. Giving the same amount to Consumers in the form of Compensated Price and/or National Dividend (BLUE flow #4) as is loaned to Producers will allow these Producers to pay their B costs off (BLUE flow #7). This money passes from Consumers to Producers when Consumers buy goods and services (BLUE flow #5). Please note that the money paid in wages (GREEN flow #3) is eventually returned to producers as they spend it (GREEN flow #5) and the producer can re-use this money to pay more wages.

**Q: What is the difference between “demand” and “effective demand?”**

A: Demand is “to ask for peremptorily or urgently” but effective demand is demand backed by the substance of ability to pay. We have no shortage of demand in our economy but there is a terrible shortage of effective demand.

**Q: Why is there not enough purchasing power or effective demand?**

A: Under our current system of financial credit, almost all money comes into existence by the issuance of debt. This debt-based money is in short supply because it is exclusively and closely controlled by financiers who do what all monopolies do – extract the maximum profit while delivering the minimum of product at the cheapest cost of production. They are thus motivated to maximize interest earnings by keeping their “product” of money in short supply. Banks are also primarily interested in the return of their money – and are less interested in the merits of a business venture for which the money is needed. Furthermore, if a new and innovative venture is proposed that threatens one of their existing capital “investments,” the “Powers That Be” will oppose it despite its merits to society. How has this hurt society to date? Here are some facts that prove these assertions. Tesla's proven “radiant energy” car from the 1930s was never built, and we have burned fossil fuels ever since because the Rockefeller oil interests felt threatened. Tesla's wireless free radiant energy transmission technologies from the early 1900s were squashed by JP Morgan because they threatened his bank's investment in the electrical utility companies. Amygdaline and oxygen therapies as viable cures for cancer have been suppressed for over 50 years because of their threat to the pharmaceutical industry as “unpatentable” solutions. The Pogue carburetor of the 1920s that yielded 200 MPG was sabotaged by the oil industry by putting lead in gasoline. Carburetor technologies that allowed 3-4 ton luxury “land yachts” of the 1970s to get 100 MPG were buried because of their threat to “big oil” profits. We have fuel injectors now largely because of these advances. The list goes on, and these offenses are both a huge and a heinous crime against humanity.

**Q: If government has the right to issue money on “the full faith and credit of the people of the United States” like the Constitution says, then why is the money being issued by the Federal Reserve and by other central banks throughout the world at interest to the people who must pay rent on their own property?**

A: Good question. The only reasonable answer is that inept or selfish politicians and an ignorant public failed to learn the lessons of history or heed the warnings of great leaders like Thomas Jefferson and Andrew Jackson or the arrogant boasts of men like Mayer Amschel Rothschild who said, "Let me issue and control a Nation's money and I care not who makes its laws." His descendant also said in writing to a group of international bankers in New York in 1912: "The few who could understand the system (checks, money, credits) will either be so interested in its profits, or so dependent on its favors, that there will be no opposition from that class, while on the other hand, the great body of people, mentally incapable of comprehending the tremendous advantage that capital derives from the system, will bear its burdens without complaint, and perhaps without even suspecting that the system is inimical to their interests." Once “they” got control of the issue of our money, our state-controlled education system was then rigged to ensure that future generations would not be alerted to the dangers of this faulty cost-accounting system. Our foolish fore-fathers gave our public property over to private financiers, and we have had endless cycles of boom and bust ever since. We are no different than the serfs of medieval England who had to continuously manure the fields and tend the flocks and herds of their lords in order to retain an inheritable right to live on the land. Today our “manure” is interest to financial lords. Nobody owns their property in allodium (land owned absolutely; land owned and not subject to any rent, service, or other tenurial right of an overlord); and if you think you own your house after paying your mortgage off, then stop paying your property taxes and you will soon find out who *really* owns it. Does your life make you feel like a rat on a treadmill? It is! This debt-slavery financial bondage is a great travesty of the rights of a just society and must be urgently and immediately addressed.

**Q: Isn't the Federal Reserve a government organization?**

A: It is neither Federal, nor are there any reserves. The Federal Reserve is entirely owned by member banks, and they make their money up out of thin air. The money is backed only by the “full faith and credit” of the nation’s people. This is the public property of “We the People” – not the private property of the “Powers That Be!” Ultimately, the Fed’s policies are completely driven by the interests of their owners. The Chairman of the Fed is appointed by the President, but there is no accountability, and there has only been one public audit in its entire history, performed in 2011... The highlights of that audit were reported on Senator Bernie Sander’s web site which stated:

The first top-to-bottom audit of the Federal Reserve uncovered eye-popping new details about how the U.S. provided a whopping \$16 trillion in secret loans to bail out American and foreign banks and businesses during the worst economic crisis since the Great Depression. An amendment by Sen. Bernie Sanders to the Wall Street reform law passed one year ago this week directed the Government Accountability Office to conduct the study. "As a result of this audit, we now know that the Federal Reserve provided more than \$16 trillion in total financial assistance to some of the largest financial institutions and corporations in the United States and throughout the world," said Sanders. "This is a

clear case of socialism for the rich and rugged, you're-on-your-own individualism for everyone else."

Among the investigation's key findings is that the Fed unilaterally provided trillions of dollars in financial assistance to foreign banks and corporations from South Korea to Scotland, according to the GAO report. "No agency of the United States government should be allowed to bailout a foreign bank or corporation without the direct approval of Congress and the president," Sanders said.

The non-partisan, investigative arm of Congress also determined that the Fed lacks a comprehensive system to deal with conflicts of interest, despite the serious potential for abuse. In fact, according to the report, the Fed provided conflict of interest waivers to employees and private contractors so they could keep investments in the same financial institutions and corporations that were given emergency loans.

For example, the CEO of JP Morgan Chase served on the New York Fed's board of directors at the same time that his bank received more than \$390 billion in financial assistance from the Fed. Moreover, JP Morgan Chase served as one of the clearing banks for the Fed's emergency lending programs.

In another disturbing finding, the GAO said that on Sept. 19, 2008, William Dudley, who is now the New York Fed president, was granted a waiver to let him keep investments in AIG and General Electric at the same time AIG and GE were given bailout funds. One reason the Fed did not make Dudley sell his holdings, according to the audit, was that it might have created the appearance of a conflict of interest.

To Sanders, the conclusion is simple. "No one who works for a firm receiving direct financial assistance from the Fed should be allowed to sit on the Fed's board of directors or be employed by the Fed," he said.

The investigation also revealed that the Fed outsourced most of its emergency lending programs to private contractors, many of which also were recipients of extremely low-interest and then-secret loans.

The Fed outsourced virtually all of the operations of their emergency lending programs to private contractors like JP Morgan Chase, Morgan Stanley, and Wells Fargo. The same firms also received trillions of dollars in Fed loans at near-zero interest rates. Altogether some two-thirds of the contracts that the Fed awarded to manage its emergency lending programs were no-bid contracts. Morgan Stanley was given the largest no-bid contract worth \$108.4 million to help manage the Fed bailout of AIG.

A more detailed GAO investigation into potential conflicts of interest at the Fed is due on Oct. 18, but Sanders said one thing already is abundantly clear. "The Federal Reserve must be reformed to serve the needs of working families, not just CEOs on Wall Street."

The full GAO report is available here:

<http://www.sanders.senate.gov/imo/media/doc/GAO%20Fed%20Investigation.pdf>

Check the blue government pages of your phone book and see if there is a listing for the Federal Reserve. This institution is actually in violation of the Founding Fathers' intent and wording as expressed in the US Constitution which says in Section Eight – Powers of Congress:

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

Let's be clear here; we do not want to remain in the present system of private bank corporations issuing our money and we do not want to go back to a system of money backed by bullion because he who has the gold makes the rules and the lion's share of gold is in the hands of the "Powers that Be." We want our money backed by our property – the full faith in and real credit of ourselves – and we want it to be issued interest-free by a public institution we can trust for the express purpose of facilitating the efficient consumption of the nation's production. That does *not* include the government.

**Q: What is wrong with our present economic system?**

A: The root cause of all our economic woes is that there is not enough effective demand with which Consumers can buy the desired products of Producers because of i) the gap and ii) unearned and fraudulent usury on the issue of newly created money as debt. The only effective demand presently available in our economy is credit issued by banks as debt and they issue and withhold this debt at inappropriate times within national production cycles to the nation's detriment; their sole motive being greed for gain. Unfortunately, the economic policies for its issue are entirely in the hands of the "Powers that Be" – a small group of elites of whom not one in a million people are a member. We need to put the issuance of money under the administrative oversight of we the people by way of random jury selection who will select capable professional accountants to audit and hold accountable its proper implementation for the public benefit. We need to deliberately change our economic policy with respect to money and commerce. The focus of our economy must become the efficient production of goods and services with efficient distribution of same to Consumers. We need to stop treating money as a commodity and start using it as a utility or "ticketing system" as Major Douglas expressed it. The purpose of production is consumption – not profit for the "Powers That Be."

**Q: What's the difference between real credit and financial credit?**

A: Real credit is the correct estimate of an entity's ability to produce and deliver goods *as* and *when* and *where* required by the potential Consumer. Financial credit is money issued by the "Powers That Be" based on their private agenda and their belief that the money will be returned on time and with interest. Financial credit only has an indirect relationship to goods produced via the medium of money. The purpose of production is consumption. Money is

treated by the “Powers That Be” as a commodity that they own when it really is a utility that We the People own to facilitate joining Consumers to the goods of Producers to satisfy the needs and desires of Consumers and thus reward Producers for doing so. Bankers are thus obviously at odds with that objective. From an economy’s perspective, the Gross National Product is presently the clearest available evidence of the real credit of a nation and thus the evidence to justify issuance of same. Given that this underlying wealth is the property of the Consumers and Producers jointly (since one can’t exist without the other), what legitimate claim do the “Powers That Be” have on this wealth?

**Q: How will society prevent a parasitic class from emerging again?**

A: The main mechanism of wealth accumulation for the families of elites as well as organizations such as churches has been tax-free accumulation of wealth and the charging of “rent” on that wealth. This class of people was known in England as “rentiers” a century ago. It is one thing for a man to earn a great fortune by his hard work and genius. It is another for that wealth to still be in the hands of progeny centuries later. It is also true that the businesses these people put in place are prosperous because of the employees to a great extent. An ideal solution would be for the equity (i.e. shares) of a business to pass to employees upon death of employees and business owners. This would leave the wealth of the business intact to be equitably redistributed among the living employees. It would serve as an effective pension plan for retired employees and incentive for new talented employees to join. Obviously, the proportion of dividends will be tied to the wages earned as well as the shares held by key founders and contributors. A President or significant contributor will have a significantly bigger dividend than a janitor. Merit is valuable and deserves its reward. One important provision should be that people who are married should jointly claim the pension so that if a spouse is lost, the survivor’s financial means will not change. When both spouses die, their “equity” should be distributed among the living employees and pensioners. What happens to the great estates of our most successful entrepreneurs? Their chattels can be left to beneficiaries but the business equity will revert back to their companies. Their children will have the same relative advantages and disadvantages as the rest of us. As Warren Buffett said of his estate, he intends to leave his children with enough so they can do anything they want but not enough that they can do nothing. That is a noble intention worthy of emulating.

**Q: What are the key elements of the proposed new economy?**

A: The new economy will be based on the following key principles:

1. **Compensated Price of 25-75% off** (an implementation detail to be determined as a matter of administrative analysis) retail Consumer prices as determined by the ratio of two things – Production and Consumption. The difference between cost of producing all retail goods and services (capital goods, actual goods, services, imports and their appreciation), to national consumption of same (comprised of exports, depreciation, actual goods and services consumed). C. H. Douglas formally referred to this as the Just Price mechanism. Consumers get this portion of their share of the national credit “just in time” at the point of purchase by way of Compensated Price. Only domestic Consumers get the benefit of this Compensated Price.

2. **National Dividend** gives immediate purchasing power and provides a reliable subsistence income for all citizens who reach the age of 18 as a realization of society's leisure and productivity dividends. It needs to be sufficient to meet the basic needs of food, clothing and shelter for everyone but not so generous as to destroy incentive to work or to spur inflation. It is not to be given to children because this will encourage women to become breeders for income. It actually covers some of the gap that is computed via the Just Price mechanism.
3. I propose that the National Dividend be set at a fixed rate and the Compensated price is adjustable on a quarter-annual basis to meet the liquidity requirements revealed by the Just Price calculation for each prior fiscal quarter.
4. **Prices** are of three species per the following considerations:
  - a. The **price for domestic consumption** and subject to the Compensated Price.
  - b. **Price for goods that are intermediate inputs for Production** (i.e. capital goods and services) at actual cost plus Producer profit without benefit of the Compensated Price. This **is the price foreign visitors must pay** for consumer goods and services without benefit of the Compensated Price.
  - c. **Price for export** to be set by competent administrators in a Foreign Trade Division of the National Credit Authority in the national interest of maximizing the nation's real credit per international trade agreements.
5. Prices are fixed not by the relation of money to goods, but by the relation of goods and services consumed to goods and services produced. Instead of being a function of money, Price is a function of the ration of Production and Consumption. The factors that will drive prices will be competition, demand, producer costs and innovation.
6. **Non-interest bearing loans** are issued by the National Credit Authority to Producers and additional funds are given to Consumers through Compensated Price and National Dividend to meet the price gap between what it costs Producers to bring goods to market and what they have paid in wages, earnings and dividends (i.e. B costs.) When the Producers repay their loans, the funds issued as Compensated Price and National Dividends are retired. Money paid out in wages, earnings and dividends (i.e. A costs) simply remains in circulation to facilitate part of the cost of another round of production. This benefit is only given to domestic producers so it will be a strategic advantage for the nation over foreign producers. This should bring many manufacturing concerns back home.
7. **Producer loans** are given on the basis of **real** credit instead of **financial** credit;
8. All Producers must carefully account for and have independently audited the costs of production including dividends and wages and report same periodically to the National Credit Authority so that the National Dividend and Compensated Price can be correctly computed to ensure there is sufficient effective demand in the market;

9. ***Outlaw income tax*** and replace it with a GST (Goods and Services Tax) that will survive only as long as there is a national debt to settle with foreigners – presumably not more than 3-4 years – at which point taxes will become altogether obsolete;
10. ***Outlaw fractional reserve banking and fractional reserve usury.*** This means that banks will not issue the nation's money. It also means that banks may only lend money they have on deposit and if loaned, that money must be directly put into possession of the borrower. The NCA can also advance funds to banks for loaning if deemed to be in the national interest.
11. ***The political arena is the best place to decide broad social policies,*** but it is completely unqualified to specify how to implement that policy. Implementation of policy is best left to experts in the field of endeavor. ***The political leaders who specify the policy need to appoint the best minds in the particular field of endeavor*** to recommend the best course of action and then approve and fund same. ***That implemented solution needs to be periodically reviewed*** by an independent and randomly selected jury to ensure that it appropriately implements and achieves the goals of the stated policies.
12. In ***disposing of international debt*** we need to renegotiate and potentially trade a portion of our real credit in return for the settlement of the debt so as to avoid war.
13. Multinational corporations do not operate in the best interest of the nation because their allegiance is to their bottom line and often at odds with the nation's goal of balanced trade. Only domestic corporations can be held accountable for their actions here at home. ***Foreigners must divest of their investments in our industries and our citizens must divest their foreign interests or leave the country.***
14. In rationalizing the operations of multinational corporations that reside within the nation, ***we require that all the Producer shares of domestic operations be held by our citizens.*** Division of assets between domestic and foreign shareholders will be based on the most recent public corporate report and by forensic evidence of internal accounting systems. To the furthest extent possible, the ***multi-national companies need to be broken up and equity exchanged between domestic and foreign owners.*** Where there is a deficit in ownership equity, a portion of the real credit of the nation will be traded. Where there is surplus ownership, we will sell it and apply it to reduction of foreign debt.

**Q: What do we do with the National Debt?**

A: Our national debt is really our national credit, and it has been built up exponentially over the past 100 years by demanding \$3 for the repayment of every dollar issued – the net effect of a 30 year bond at 5%. It is also caused by the cumulative B costs that have built up all this time. It was fundamentally incurred via deficit spending to fill the price gap that would otherwise bankrupt our Producers. Since there is never enough money in the economy to pay even the principal – never mind the interest – the debt is piled upon debt. Consider this simple model: If you issue a 25 year bond for \$1B at 5% interest, you will pay \$3B to settle the debt by the end of the term. The \$2B in accumulated interest does not exist, so the only remedy is to issue more bonds to cover it; and the first \$1B has long since been spent. In 25 years, the first \$1B becomes \$3B; in 50 years it becomes \$9B; in 75 years it becomes \$27B

and in 100 years it becomes \$81B. In practice the debt isn't growing that fast because bank spending benefits all of us and blunts the effect of this explosive growth. Economists call this parabolic growth in debt a "bubble." I call it a fraud. Since this debt held by banks was incurred fraudulently, we simply need to repudiate all debt owed that is and was incurred through the open market operations of the Federal Reserve and their member banks. Any attempt to deny that it was fraud with intent is easily defeated by citing the efforts of Soddy, Douglas, McFadden, Kennedy and their many advocates throughout the world that these same "Powers That Be" worked so hard to silence. This repudiation is both fair and reasonable because financial credit comes into existence when it is loaned, and it disappears when the debt is retired. We simply cancel "their" Federal Reserve Notes financial-credit money and replace them with *our* legitimate real-credit money. We substitute all currently issued debt credit with our new debt-free public credit so that all Consumers and Producers preserve their purchasing power. [Wealth Pumps](#) will do the rest. All outstanding converted loans will be interest free. Producers can examine the portion of their unsold inventory of products (i.e. wealth) that represent A and B costs. The A portion of the debts will be forgiven to come in line with Wealth Pump mechanics. That same portion will be distributed to Consumers as dividend to facilitate the purchase of this existing wealth.

**Q: What about US Savings Bonds?**

Because these bonds were purchased by citizens, they will be paid back to the lenders immediately with all owed interest by the National Credit Authority so that they get full value. Since loans are available interest free by businesses and because government now gets directly funded by the National Credit Authority, they are no longer needed by government to fund its operations and need to be settled in the best interests of all parties.

**Q: Why is this proposed new financial system presumed to be neither inflationary nor deflationary, and what assurances do we have that it will not become so?**

A: The keys to setting the correct amount of credit to issue is to accurately determine the precise A + B costs (i.e. "earnings" and "other") of production of the entire nation in aggregate, look at the ratio of production to consumption and then ensure that there is enough effective demand to meet the needs of both Producers and Consumers to fill the B costs gap – no more and no less. Because of the ingenuity of men, in all probability, ever increasing productivity will reduce costs and increase society's leisure. Witness the impact of computers on society and Moore's Law.

**Q: Why are there two tiers of domestic pricing in the proposed new economy – i) Consumer, and ii) Capital– and what is to prevent products bought for a lower compensated price in the Consumer market from being used as capital supplies or equipment?**

A: If a given product or service is an intermediate component of production of a product (i.e. capital supplies or equipment) which will ultimately be consumed by society, the Compensated Price will be deferred until that final Consumer sale. Since we need to know the real costs of Producers, no price skewing is permissible. This includes electricity, raw materials, professional services, and intermediate manufactured components and machinery. Products consumed by Consumers are the only legitimate candidates for the Compensated Price. Fraud is prevented by issuing discount receipts to Consumers at the point of purchase

and those discount receipts may only be deposited into resident Consumer – not business or foreigner – bank accounts. To prevent fraud, a public registry can capture transactions at the point of sale – an extra step in addition to the debit and credit legs of the electronic transaction. No such receipts will be issued to businesses or accepted for deposit into business accounts. In this way, fraud will be impossible. Foreign tourists do not have and cannot obtain without proof of residency a “resident” status bank account, so they do not get the Compensated Price either. Businesses obtain interest-free loans on the basis of their B costs so they need their receipts.

**Q: How is depreciation of capital equipment to be dealt with?**

A: Depreciation will be included in the B costs of production to cover equipment wearing out and/or becoming obsolete. Obviously, this will be factored into the price.

**Q: What incentive is left for Producers to produce?**

A: Producers take profit on their risk capital at the level the market will bear in a competitive economy – just like at present. This will be the primary means available in society to make money work for you and to become wealthy, so this is a sufficient incentive. Producers come into being because they recognize an unmet need, see an opportunity to improve on a product or more efficiently deliver it at lower cost. The lion's share of start-up costs will typically be obtained as an interest-free loan from the National Credit Authority if the business plan is deemed worthy. The investor's own capital investment and/or that of private investors will be seen as further evidence that their business plan is worthy, and it will provide additional financial reward for same.

**Q: How is this scheme any different than Socialism?**

A: In socialism, all means of production are owned by the state, the state directs all production and all money is obtained from and controlled by private financiers. There have been no exceptions in our modern era. With our Economic Democracy, the Consumer decides what will be produced through the “financial democracy” of his right to vote his purchase. The currency is a public “not for profit” utility. All the businesses are financed (directly or indirectly by way of bank loans) by the National Credit Authority. These businesses are owned by Producers and to a greater or lesser extent, by their employees. There is no state-planned economy. It is a Consumer-driven economy. As C. H. Douglas stated, it is a democracy of Consumers who vote with their money in cooperation with an aristocracy of Producers.

**Q: What incentive is there for inventors who lack significant personal capital?**

A: Since “stock options” and other financial derivatives are to be made illegal (i.e. because they are potentially mischievous) an investor with an idea that has significant merit has three avenues to obtain business startup capital:

1. Copyright or patent their idea to protect them as the inventor and get paid royalties for its use from existing businesses that deploy the invention to market.
2. Find an “angel” investor, Producer and/or National Credit Authority to invest in the new venture.

3. Negotiate an equitable share of investor capital in return for vending the idea into the venture.

Alternatively, the inventor is always free to introduce the process, product or technique to the company they work for since they will benefit via their Producer bank share. They may also negotiate a larger salary, royalty or equity stake.

**Q: What incentive is left for Consumers to work, with such a generous National Dividend?**

A: The primary incentive to work is the National Dividend itself and the potential to have it withheld. Everyone who collects the National Dividend is required to work a fair share of his/her life. After meeting their minimum obligation, a person need only work if they wish to. This strategy is predicated on the fact that in the worst case scenario, only 10-30% of society is needed to do all the work necessary to support our economy. A person's National Dividend will only be withheld after a certain grace period and only until he/she yields to the requirement to do his/her fair share of work. This is actually in keeping with the long-held principle of society to earn our bread and keep.

**Q: What do we do about people who willfully sabotage their jobs to avoid their duty?**

A: The only way to "fire" someone should be if a majority of co-workers vote the person terminated after an open tribunal with a jury of peers is held to discover all the facts and render judgment. A worker will be a candidate for dismissal upon the testimony of two or more fellow employees. If the tribunal rules that the person has been willfully negligent in meeting their duties, a recommendation will be made to have their names removed from the National Dividend for three months. If they are deemed simply lacking in skills or aptitude, they may be reassigned or retired from the work force.

**Q: What form(s) of investment will be available to Consumers so that they may increase their personal wealth?**

A: There is little need for bonds for public works or the raising of capital because debt-free money is available for loan from the National Credit Authority and/or private investors upon submission and approval of a viable business plan. There will be a modest stock market for the public to invest capital in riskier new or existing ventures. In addition, workers obtain a share of the corporation for whom they work and the share survives until their death. People are free to sell their shares in the open market if they so desire but their share value expires upon the original employee's death. The only investments that return a profit are equity share dividends and personal loans where the use of the money is given up or rented out if you will. If a person is unable to obtain financing for a venture, is willing to pledge personal property as collateral and he can find someone to lend money at interest, he is free to do so but the very economic framework of our society ensures that this should be unnecessary for worthy projects and will thus happen rarely.

**Q: How do we arrive at a Compensated Price of 25-75% for Consumer Pricing?**

A: There is the observation that our cost of national production is approximately four times larger than our spending as expressed by the total national consumption. In the initial phases, we need to transition people from make-work industries and inefficient production processes so a smaller discount will be available initially until efficiencies are improved. Once the

economy is operating at capacity of Consumer spending and sufficient economic metrics have been gathered, we switch to using the “just price” mechanism that measures the ratio of consumption to production. For example, if we are producing goods 20% faster than they are being consumed, we set the Compensated Price to 20% plus the gap computed for the last fiscal quarter minus the money added via the National Dividend. If we consume faster than we are producing, there is no Compensated Price because clearly there is enough money in circulation to meet demand. The gap will eventually change this. Government may need to consider reducing the National Dividend under some circumstances. Such a condition may occur, for example, if there was a national outbreak of disease that wipes out a significant proportion of the population without destroying goods or capital equipment.

**Q: What is the economic impact of producing goods that nobody wants to buy?**

A: This is a drag on the productivity of the nation. If a company produces goods that are unsellable (e.g., obsolete technology, poor quality, uncompetitive price), the price will be dropped as low as is necessary to liquidate them. If the company cannot produce a profit per the submitted business plan, the business will be forced into receivership because it will have insufficient sales and thus insufficient operating capital. The Producer capital will be lost under this circumstance. Therefore, the providers of that capital may wish to make a further investment as an alternative. The lack of sales will result in a business' inability to pay wages and inevitable resultant voluntary receivership. This will be the primary cause of early business failures. Upon going into receivership, a business' capital assets will be liquidated, and the capital will be returned to the founding investors and/or National Credit Authority in the proportion that it was capitalized. Any surplus will be distributed to the investors and finally to the employees of the company. There is thus a real incentive for employees not to be a part of losing ventures by doing all they can to make their products of the highest possible quality at the lowest possible price.

**Q: Where does the money come from to pay the National Dividend so as to be neither inflationary nor deflationary?**

A: First the difference between the gross domestic product and the gross wages paid must be calculated in aggregate for the nation from corporate returns. This will yield the A and B portions of the GDP. Then the amount of capital created by Compensated Price must be calculated, based on the just price formula. Any amount remaining will be divided equally among every citizen and will be paid in monthly increments as the National Dividend. The National Dividend and Compensated Price flow through the economy much like a pump – [Wealth Pumps](#):

1. Lending the costs of production to a Producer (i.e. domestic producers only) as an interest free loan by either the National Credit Authority as an interest-free loan or investor capital.
2. Pumping that much money into the economy as a National Dividend and/or Compensated Price on the “collateral” of the production that is coming in the future as a result of that manufacturing in progress.
3. When the goods come to market and Consumers buy this product, the Producer now pays the loan back and the money is thus destroyed. If the funds came from

- investors, they are paid dividends and the capital is retained. Alternatively, the investor may want the capital returned along with interest. In the latter scenario, the Producer can get additional capital from the National Credit Authority as needed.
- Now the Producer needs another loan from the National Credit Authority to finance another round of production so the process starts all over again.

The following Figure illustrates Wealth Pumps:

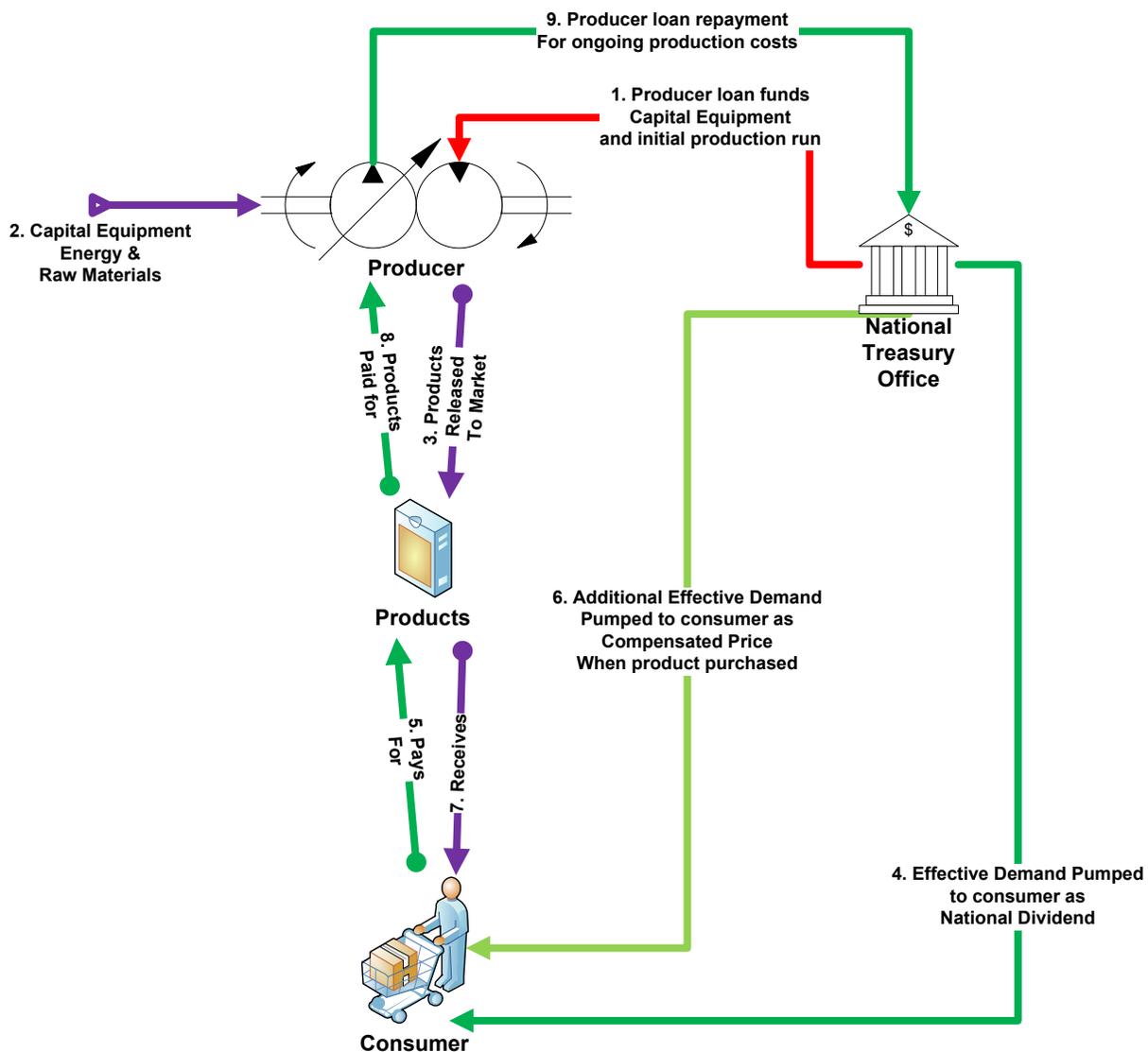


Figure 30 - Wealth Pumps

**Q: How are we to deal with imports and exports?**

A: Imports add to the available pool of goods, so they are a credit to national production. Exports are a reduction of available goods, so they are counted as consumption and thus a debit. When it comes to exports, it is not in the national interest to sell for less than cost of production plus Producers profit unless the value of the imported (traded) goods are of

greater real value than the offsetting loss. For example, there may be no platinum available as a natural resource, and it may be a vital component to our national interests. In this example we may be forced to incur a loss on an exported item to secure our needed national supply of platinum. The main point is that we must have balanced and fair trade.

**Q: How do we determine who are the most worthy of having their ideas capitalized?**

A: In a word, “merit.” Within an existing Producers business, those people who have contributed the most innovation will be promoted to positions that allow them to direct the productive resources of the business enterprise and also command a better income. When new ventures are proposed, a rigorous business plan will typically be required. That business plan may be shopped with the National Credit Authority and various investors and if found to have merit, will be suitably funded.

**Q: How do you morally justify giving the National Dividend to so many unemployed people?**

A: The first change that is needed is in our perception of the need for employment. It has been adequately demonstrated by hundreds of years of experience with our current economic system that with advances in technology, automation, and productivity there is no need for full employment to meet the human resource requirements of a fully utilized and efficient productive capacity. As a consequence, society is certainly worthy of a leisure dividend – a productivity increment that grows as efficiency improves. It has been estimated that a great deal of employment today is comprised of unproductive “make work” projects that will certainly be weeded out under our new economic policy. Major C. H. Douglas estimated in 1921 that only 30% of England’s workforce was needed to meet the requirements of Producers. Productivity has made great strides since then, and the ratio is certainly even smaller today. If technological advances would render a job obsolete, in a world where everyone gets a share of the national economy via a National Dividend, how is that a problem – unless the only way they can get money is to work a job that doesn’t exist? So what will everyone do? Must they dig holes and then fill them back in? They will do what they *want* to do once they have invested their fair share of 10-30 percent of their productive lives. Painters will paint, inventors will invent, musicians will make music, and outdoorsmen will climb mountains, shoot rapids, hike, camp and scuba-dive. Philosophers will ponder man’s greatest good, parents will nurture their children, builders will build, and travelers will explore and travel. In a world where people are fully empowered to take advantage of all of society’s production and benefits, why should they do otherwise? A breathtaking new Renaissance will soon be unleashed!

**Q: What will our workforce look like in this new economy?**

A: Since only 10-30% of the workforce is needed to perform the total required work to satisfy Production labor, each person will only be required to put in a 10-30% lifetime effort as compared to today. Perhaps a person will chose to work 16 weeks out of the year or 16 hours a week or work every third year, or work for ten consecutive years followed by retirement – as seems best by negotiation between the citizen and the needs of Producers they partner with.

**Q: Since the price gap between Producers price and total wages and dividends generated by Producers can be effectively filled by either the National Dividend or the Compensated Price to produce a sufficient effective demand, how do we determine what is the most effective mix?**

A: This is a matter of policy that will be determined and implemented by the experts who are commissioned to implement it and subsequently judged as meeting or failing to meet society's policy goals in the political arena. If we put all the effective demand power in the National Dividend, there will be less incentive for anyone to work. There will also be demand-pull inflation because effective demand will arrive before there are goods available to meet the demand. If we put all the effective demand power in the Compensated Price, the unemployed will not have their basic needs met. We need to find a balance. An appropriate balance would be to establish a National Dividend that will meet the basic needs of medical care, food, clothing and shelter. We have also explained that if inflation is to be avoided, the Compensated Price mechanism must be used so that new purchasing power is brought to market precisely at the time goods are consumed. This will allow society to dispose of all welfare and yield a wonderful social benefit where everyone in our society will have dignity. Workers' pensions will be their share of the corporate dividends. The most productive members of society will be financially rewarded by i) higher wages, ii) the increased dividends wealth from their employee shares and iii) other equity share investment dividends from well-invested surplus effective demand. When people die, their equity shares will revert back to the other shareholders so that the business always operates for the benefit of the people who work for it or invested in it without diminution. The only constraint is the case of a married couple where the surviving spouse inherits the dividend until both parties die so that the family standard of living can be preserved.

## **Basic Goods Model**

### Overview

The Basic Goods Model (below) looks at a small component of an economy – in this example, a boot-maker – that supplies a small community of Consumers. It also includes the supporting suppliers and retail sales distributors. The model looks at the components of each company's balance sheets that are of interest in the new economy. It also looks at the supporting transactions required by the National Credit Authority and by Consumers. Finally, it summarizes the economic activity from the perspective of Producers, Consumers and the overall economy.

This micro-economy is comprised of:

1. *The National Credit Authority* – our money-issuing institution that is answerable only to a properly convened oversight jury.
2. *Johnson Tanners* –supplier of the boot-maker's basic materials; supplies no Consumer goods.

3. *Mojave Bootmakers* – the boot manufacturer that produces Consumer goods but does not sell products directly to Consumers.
4. *Robinson's Shoes* – the retail shoe store that sells the Producers' goods.
5. The Consumers who buy the boots.

There are some interesting observations:

1. As long as Producers are successful in selling all their merchandise, their capital is always returned without diminution for reuse in generating more wealth.
2. There is enough money produced via the National Dividend and Compensated Price to cover the gap and thus ensure that all the produced retail goods can be purchased.
3. By doing nothing more than manipulating the National Dividend and Compensated Price percentages, the economy could be easily tuned to result in a final effective demand that meets the Producers prices. This is proof-positive that the overall economy can be easily “tuned” to manage inflation and deflation by simply adjusting these variables.
4. In a complex economy with many Producers and Consumers buying and selling many products and services with differing ratios of costs of production, the final result of the Producer A and B costs and Consumer consumption can be computed to a final number so that the same tools of National Dividend and Compensated Price rates can still be used to keep in circulation the correct amount of money.
5. Obviously, over the longer term in managing these results, we have only history to look at in “guessing” what the correct values for National Dividend and Compensated Price rates should be for the *next* fiscal period. However if the results of the most recently computed fiscal period show a deficit of effective demand (money) the economy could be brought back into balance by increasing the Compensated Price modestly to put more effective demand in each Consumer's pocket per previously discussed mechanisms. Similarly, if too much effective demand was generated, it could be clawed back by reducing the National Dividend or Compensated Price.
6. As a result of all this economic activity in our model, a total of \$3025 in new merchandise has been created to increase the national wealth.
7. A total of \$1925 in net new money wealth has been created.
8. Had the producer put no capital into the model and had the National Credit Authority loaned this additional amount as National Dividend instead, the dividend could have been much bigger than 1%. I did this model before I worked out all of the Wealth Pump details.

The next three subsections contain the following:

- A model table that was computed using a spreadsheet to illustrate the micro-economy.
- A table that summarizes the model activity.
- A narration of these two tables to make clear all of their nuances.

## The Model

	<u>Balance</u>	<u>Credit</u>	<u>Debit</u>	<u>Profit (10% of Risk)</u>	<u>Inventory Quantity</u>	<u>Unit Price</u>
<b><u>National Credit Authority</u></b>						
Opening balance	\$0.00					
Johnson Capital Loan	\$600.00	\$600.00				
Mojave Capital Loan	\$2,250.00	\$1,650.00				
Johnson Loan Repaid	\$1,650.00		\$600.00			
Robinsons Capital Loan	\$3,850.00	\$2,200.00				
Mojave Loan Repaid	\$2,200.00		\$1,650.00			
Robinsons Loan Repaid	\$1,320.00		\$880.00			
Robinsons Loan Repaid	\$440.00		\$880.00			
Robinsons Loan Repaid	\$0.00		\$440.00			
National Dividend (1% of Credit)	\$44.50	\$44.50				
Compensated Price (35% of Producers Price)	\$1,103.25	\$1,058.75				
Shortfall between Producers Price and Effective Demand generated by employment and dividends	\$3.25		\$1,100.00			
<b><u>Johnson Tanners</u></b>						
Investors Capital	\$1,000.00	\$1,000.00				
Clearing House Advance	\$1,600.00	\$600.00				
Buy hides	\$1,500.00		\$100.00			
Pay Wages (Producer Risk)	\$1,000.00		\$500.00			
Pay other Suppliers, Utilities & Professional Services	\$500.00		\$500.00		100	\$11.50
Sale to Mojave Bootmakers	\$1,650.00	\$1,150.00		\$50.00		
Pay Clearing House Advance	\$1,050.00		\$600.00			
Pay Producer Dividends	\$1,000.00		\$50.00			
<b><u>Mojave Bootmakers</u></b>						
Investors Capital	\$2,000.00	\$2,000.00				
Clearing House Advance	\$3,650.00	\$1,650.00				
Buy tanned leather	\$2,500.00		\$1,150.00		100	\$11.50
Pay Wages (Producer Risk)	\$2,000.00		\$500.00	\$50.00		
Pay other Suppliers, Utilities & Professional Services	\$1,500.00		\$500.00			
Sale to Robinsons Shoes	\$3,700.00	\$2,200.00			100	\$22.00
Pay Clearing House Advance	\$2,050.00		\$1,650.00			
Pay Producer Dividends	\$2,000.00		\$50.00			
<b><u>Robinsons Shoes</u></b>						
Investors Capital	\$2,000.00	\$2,000.00				
Clearing House Advance	\$4,200.00	\$2,200.00				
Buy 100 Pairs of Boots	\$2,000.00		\$2,200.00		100	\$22.00
Sales Commissions - mo 1 (Producer Risk)	\$1,700.00		\$300.00	\$30.00		
Sell 40% Inventory - month 1	\$2,910.00	\$1,210.00				
Pay 40% Clearing House Advance	\$2,030.00		\$880.00			
Pay Producer Dividends	\$2,000.00		\$30.00			
Sales Commissions - mo 2 (Producer Risk)	\$1,700.00		\$300.00	\$30.00		
Sell 40% Inventory - month 2	\$2,910.00	\$1,210.00				
Pay 40% Clearing House Advance	\$2,030.00		\$880.00			
Pay Producer Dividends	\$2,000.00		\$30.00			
Sales Commissions - mo 3 (Producer Risk)	\$1,850.00		\$150.00	\$15.00		
Sell 20% Inventory - month 3	\$2,455.00	\$605.00				
Pay 20% Clearing House Advance	\$2,015.00		\$440.00			
Pay Producer Dividends	\$2,000.00		\$15.00			

## The Model's Impact

	<u>Balance</u>	<u>Credit</u>	<u>Debit</u>
<b><u>Producers Economic Impact Summary</u></b>			
Effective Demand created by wages & dividends	\$1,925.00	\$1,925.00	
Goods sold at Producers cost + profit	-\$1,100.00		\$3,025.00
Producers Net Effective Demand	-\$1,100.00		
Producer Capital		\$5,000.00	
<b><u>Consumers Economic Impact Summary</u></b>			
Total Goods Purchased at Producers Cost + profit	\$3,025.00	\$3,025.00	
National Rebate (35%)	\$4,083.75	\$1,058.75	
National Dividend	\$4,128.25	\$44.50	
Consumers Net Effective Demand	\$4,128.25		
<b><u>Net Economic Activity Summary</u></b>			
Effective Demand invested as Producers capital	\$5,000.00	\$5,000.00	
Net Producer Effective Demand	\$3,900.00	-\$1,100.00	
Net Consumer Effective Demand	\$8,028.25	\$4,128.25	
Total Consumer Goods Purchased	\$5,003.25		\$3,025.00
Effective Demand Available for Producer Investment & Consumption	\$5,003.25		
Inflation (+) or Deflation (-)	\$3.25		

## The Model Narrative

1. Notice that the National Credit Authority finances all of the costs of goods needed to drive the economy. The only risk capital needed by Producers is for wages and sales commissions. By imposing some risk on Producers, we lower the probability of creating unsuccessful Producers that would be a drag on the overall economy. Note that it is not a requirement that Producers put up risk capital. The model works fine even if production is financed 100%. We just change the factors so the numbers work and we end up giving a larger dividend to help the producer clear the loans.
2. The previous year's economic activity analysis resulted in the setting of the National Dividend at 1% of all credit issued by the National Credit Authority because this produced a balanced economy. The National Dividend could have been larger with an offsetting smaller Compensated Price.
3. The same analysis determined that the optimal Compensated Price should be set at 35% to fill the rest of the price gap.
4. Starting with Johnson Tanners, notice that they start with \$1000 of Producers capital.
5. The cost of raw materials to produce finished leather is \$600 which is borrowed from the National Credit Authority.
6. The borrowed funds are then used to purchase hides and pay for other production costs – electricity, office equipment leases, chemicals, depreciation on equipment etc.
7. A total of \$500 is spent on wages to convert the hides into 100 pieces of shoe leather.
8. The Johnson Tanners price is computed as follows:
  - a.  $\$1150 \text{ (Price)} = \$500 \text{ (wages/risk A costs)} + \$50 \text{ (10\% profit on risk A cost)} + \$600 \text{ (input costs that are B costs)}$
9. A sale is made to Mojave Bootmakers, and the entire inventory is liquidated.
10. The loan from the National Credit Authority is settled.
11. A dividend of \$50 is paid out to Johnson Tanners principals.
12. A total of \$1150 in merchandise has been introduced into the economy; but with only \$550 in wages and dividends effective demand created, the economy is immediately at risk because of the price gap. That gap is met by Compensated Price and National Dividend.
13. Upon completion of the sale and settlement of all obligations, all of Johnson Tanners capital is restored and is ready to apply to further production.
14. Turning our attention to Mojave Bootmakers, they have \$2000 in seed Producers capital for wages and need an additional \$2200 in production capital to manufacture 100 pairs of boots.
15. The production capital is borrowed from the National Credit Authority and is spent to purchase the tanned leather from Johnson Tanners, to pay for other input costs such as nails, stitching thread, glue, capital equipment depreciation, utilities, office supplies, office equipment leases, etc.

16. An additional \$500 in Producers capital (risk capital) is spent on wages to produce the new boots.
17. The Mojave Bootmakers Producers price is computed as follows:
  - a.  $\$2200 \text{ (Price)} = \$500 \text{ (wages/risk)} + \$50 \text{ (10\% profit on risk)} + \$1650 \text{ (input costs)}$
18. The finished product (100 pairs of boots) is sold to Robinsons Shoes for the sale price of \$2200.
19. After all accounts are settled, loans are repaid and dividends issued, the capital of Mojave Bootmakers has been restored to the starting balance of \$2000 and is ready to be applied to new production.
20. Robinsons Shoes also has \$2000 in Producers capital. Their only production cost is inventory, so the \$2200 in capital is borrowed from the National Credit Authority.
21. It takes Robinsons three months to sell all the boots – 40% the first month, 40% the second and the final 20% in the third month. Consequently, the loan to the National Credit Authority is settled in increments.
22. Robinsons pays out wages as commissions so that they can fix their prices and lower their risk. That commission money is their risk, so a total profit of \$75 is generated and paid out in monthly increments.
23. When all of the merchandise has been sold, again all the Producers capital has been restored to finance commissions on future sales.
24. From the perspective of the national economy with respect to Producers, the price gap generated by this new economic activity has resulted in an effective demand shortfall of \$1100 with respect to the actual costs of production and must be dealt with so as to prevent economic recession.
25. The price gap was filled by the National Dividend and Compensated Price with no significant inflation or deflation. With all Producers loans settled and National Dividend and Compensated Price paid out, the National Credit Authority has essentially the same balance as it started out with, with a \$3.25 discrepancy. This can be worked out in the next cycle of production by adjusting the Compensated Price or National Dividend.

We presume that funding will be created by the National Credit Authority in response to a business plan, just as capital is raised today in the stock market or via bank loans. The essential difference is that the National Credit Authority is not concerned with the repayment of the loan or collection of interest; but rather in the viability and probable success of the business and the benefits of bringing this product to Consumers. New businesses bring wages and goods to the marketplace. The additional National Dividend and Compensated Price it spurs into creation become a reward to both Producers and Consumers.

## Is This Model Realistic?

Finally, we need to ask ourselves if this model could really work in the real world. To answer that question, I studied the Statistics Canada web site ([www.statcan.gc.ca](http://www.statcan.gc.ca)) for 2008 and came up with the following interesting findings:

Item	Amount	Percentage	Per Person (\$)
Factory sales	\$604,700,000,000.00	50.08%	\$22,271.74
GDP	\$1,207,411,000,000.00	100.00%	\$44,470.22
GDP Goods - manufacturing, resources, construction, utilities and agriculture	\$344,210,500,000.00	28.51%	\$12,677.64
GDP Services - transportation, warehousing, information services, cultural, wholesale trade, retail, finance, real estate, professional services, administration, waste management, public administration, education, health care, social assistance, arts, accommodation, food services, other	\$863,200,500,000.00	71.49%	\$31,792.59
International Trade Current Account	\$637,502,000,000.00	52.80%	\$23,479.87
Intl. Capital Account net flow in/out	-\$35,199,000,000.00	-2.92%	-\$1,296.42
Population (millions)	27,151,000	100.00%	
Workforce (millions)	18,294,000	67.38%	
Employed (workforce)	16,838,000	92.04%	
Employed (Public Sector)	3,319,517	18.15%	
Statistically Employed (population)	16,838,000	62.02%	
People collecting Unemployment Insurance	600,000	3.28%	
Capital Invested in stocks	\$5,916,482,250,000.00	490.01%	\$217,910.29
National Debt (Federal, Provincial & Territories)	\$760,743,000,000.00		\$28,018.97
Total Wages Paid (Based on National average of \$810.45/week as computed against statistics collected against 14.8 million Canadian workers)	\$770,971,359,600.00	63.853266%	\$28,395.69
Gross National Expenditures (Spending)	\$5,570,691,000,000.00	461.37%	\$205,174.43

Item	Amount	Percentage	Per Person (\$)
10 Year Productivity increase per year across all sectors(1996-2005)		8.40%	
* Productivity Price Deflator (dollar output / Real Output) 2002-2008 (over 6 years)		20.40%	
GDP \$ increase over the same 6 year period		35.60%	
Effective Demand (GDP/Income)		63.85%	
<b>* Should be distributed to</b>			
<b>Consumers as Economic Democracy</b>			
<b>Note:</b> The productivity price deflator increase of 20% means that goods and services took 20% less effort & materials in 2008 than in 2002. This means that either prices should have dropped by 20% or we should have gotten a leisure benefit of this amount. In terms of GDP, that would have yielded a National Dividend <b>per person</b> on productivity gains alone of...			
	\$8,894.04		
The National Dividend on GDP increase over the same 6 year period <b>per person</b> should have been...	\$15,831.40		
Sources: <a href="http://www.statcan.gc.ca/start-debut-eng.html">http://www.statcan.gc.ca/start-debut-eng.html</a> <a href="http://www.ndir.com/SI/education/debt">http://www.ndir.com/SI/education/debt</a>			

Notice that Factory Sales represent half of the GDP and this number would certainly include Producer profit. Yet the proportion of GDP attributed to manufacturing – and several other sectors were about half of that – representing costs. Therefore it is reasonable to assume that for manufactured goods, Canadian industry basically doubles its money against risk on average. It also accounts for a significant portion of export revenue.

The service sector is more than twice as big as the manufacturing sector. Since services represent costs in our economy, there is an enormous opportunity to increase economic efficiency and increase the Leisure Dividend. This could translate into a dramatically improved quality of life and a shorter work week for all.

## The Way Out of Social Security and Welfare

Based on the GDP, the Canadian economy could theoretically support gross purchasing power of about \$44,000 per year for every man, woman and child. Given the reported wages though, there is an Effective Demand price gap of almost \$16,500 per person. The National Dividend could initially be as high as this value at the upper limit. This approach is indeed justifiable because there would be huge financial benefits to society by dissolving and dismantling the huge social security and welfare systems. That savings could be applied to the Compensated Price at some initial value of say 25%. Practically speaking, it would be a bad idea to fill the entire price gap with a National Dividend because this would cause demand-pull inflation – too much money chasing too few goods. All the purchasing power would suddenly arrive at the market before goods and services arrive to meet the demand. It is better to use a smaller National Dividend to prime the pump of spurred consumption and then make additional effective demand available at the point of purchase via a Compensated Price.

The Productivity Price Deflator (the rate that prices fell as a result of productivity improvements) was particularly interesting. This measured the increase in national productivity of Consumer prices as being 20% over six years – or better than 3% per year. This is a realistic expectation of the minimum average increase of the productivity increment that would translate as further Leisure Dividend. An important question needs to be asked. Who benefited from this productivity gain? I would posit that it was the “Powers That Be” and corporate shareholders who are largely one and the same. It is doubtful that little if any of it trickled down to the people who were actually responsible for the gain. The increase in GDP over the same six years is likely a combination of increased costs of production (accumulated gap and interest costs) and increased economic output.

The most important number is the overall effective demand available to consume Canada's GDP at only 64%. Without exports, Producer and Consumer credit, business results in Canada would have been grim indeed. This 36% real price gap is probably a good starting point as a basis for establishing the initial National Dividend.

In conclusion, there is a compelling case supporting the viability of implementing our Wealth Pumps scheme in Canada and all countries with similarly advanced economies.

## Wealth Pump Elevator Pitch

How do you explain the wealth pump to someone for the first time in a way that is simple and straight-forward? Now that is a challenge I have wrestled with for a few years. Here is what I came up with.

Compare the Wealth Pump economy to the human body. The blood is the flow without which the body will quickly die. Money is like blood. If it doesn't flow, the economy dies. Our present economy is sick because the flow of money is terrible and there are blockages all over – like a body with blocked arteries. It also has parasites leaching the life force from the rest of the body. The body's heart is like the productive capacity – the Producers – of the nation. They are the pump which causes the money to flow. They pump new money in the form of wages, earnings and dividends and they pump the goods and services that society needs or wants. The blood carries white and red blood cells, antibodies, nutrients and more. Some of blood gets used up and needs to be replaced as cells die and some is re-oxygenated and thus reused to keep the body alive. The new cells ultimately come from an external source – nutrition. Some but not all of the blood eventually finds its way back to the heart to make another circuit and the new blood makes up the difference. The same happens with money. Some of the money is used up on the means of production and needs to be replaced with new money. Some of the money gets reused as additional wages, earnings and dividends from money that came in during the last round of sales. The money that is used up is what we call the B costs and it is basically everything that is *not* the A costs of wages, earnings and dividends. Our economy is anemic – literally. It suffers from a continuous and chronic shortage of money. To make matters worse, it has parasites sucking that money lifeblood in the form of interest on the national debt so that the body cannot recover. The Wealth Pump is like nutrition. It creates the precise quantity of interest-free money via the National Credit Authority that is needed to keep the system going and puts this new money directly into the hands Consumers so they can buy all of the goods made by Producers by way of a guaranteed dividend and sales credits as they spend.

Can you learn and tell this story?

There is only one answer to this problem of our sick economy that prevents us from living in peace and freedom; an Economic Democracy economy implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office

at every level of government by offering themselves as alternative candidates with this specific platform. Failure to do so is hazardous to our health, our families and our future generations of children.

*...it will be evident that the real antagonism which is at the root of the universal upheaval with which we are faced is one which appears under different forms in every aspect of human life. It is the age-long struggle between freedom and authority, between external compulsion and internal initiative, in which all the command of resource, information, religious dogma, educational system, political opportunity, and even apparently economic necessity, is at the disposal of the will-to-power... This antagonism does, however, appear at the present time to have reached a stage in which a definite victory for one side or the other is inevitable. It seems perfectly certain that either a pyramidal organization, having at its apex supreme power and at its base virtual subjection (however disguised by Garden Cities and Ministries of Health), will crystallize out of the centralizing process which is evident in the inter-related realms of finance, industry, and politics; or else a more complete decentralization of initiative than this civilization has ever known will be substituted for external authority. **Major C. H. Douglas***

*You can tell you have created God in your own image when it turns out that God hates all the same people you do. **Anne Lamott***

### WHERE DO WE BEGIN?

The first quote above articulates the magnitude of the task at hand and suggests as its goal, freedom from bondage for all men. The core elements of society we need to correct as pre-requisites of building a new peaceful society are these:

1. Elimination of want by implementing sound money and an efficient economy
2. Opportunity for everyone to live their own lives as they see fit without bondage
3. A sound Constitution as supreme law so that none of us need rely on any person to “save” us
4. Unobtrusive government that *serves* its people.

It is truly that simple; easier said than done though - as history clearly proves.

The second quote highlights the need for men of all religious and moral persuasions to come together and work for a common goal; peace on earth and good will towards our fellow man. We achieve this by setting aside petty differences and putting the immoral need to “be right” behind that of achieving peace. We need to invent a framework for both individuals and society that shares the above-articulated goals.

## Elimination of Want

In my opinion, there is no sin, or devil or evil in the world – only error. Error is that which violates the Golden Rule; do unto others as I would have them do unto me – which means by extension, do not do unto others that which I would not have done unto me. If none of us makes that “error” then none of us will “sin.” The root meaning of the word sin is “to miss the mark.” The only reasons anyone will violate the Golden Rule are; i) to meet one’s needs in the face of a hostile environment or ii) to satisfy selfish desires at the expense of others. Eliminate shortage and you largely eliminate the first reason. Since we live in an abundant world in which there is no shortage of anything if we use our resources wisely, all we need to fix is the mechanism by which production is put in the hands of consumers; in other words, fix the shortage of money. This draws in a whole host of things that will be dramatically altered or affected – Constitution, human rights, energy, money, police, laws, courts, economy, organizations, religion, and the list goes on; more on that later.

Of course, we are still left with selfish desires as a cause of error that manifest as violations of the Golden Rule. Virtually all selfishness is rooted in the desire to control others to “make them in our image” or to achieve personal gratification at the expense of others. For this reason, we need a sound Constitution and rule of law. There has been no greater articulation of a sound Constitution than the Constitution of The United States of America, which I will hereafter refer to as “Constitution.” Even so, I believe that this Constitution is deficient because history shows that it has failed to serve and protect the American people as the founders intended it should. There is something wrong with it. Either something (or some things) happened to break it, or some important elements are missing; in fact, both statements can be shown to be true but more on that later. The point is this. We cannot have a peaceful and just society if there are *the few* who decide the fate of *the many* since all people are capable of error in judgment. It is part of the human condition. There needs to be a set of well-thought-out rules in place that we can all agree on. The Constitution needs to be short and concise, so we can all comprehend it; it needs to be sufficiently broad to “cover all the bases;” and it needs to be the supreme law of the land that serves as the yardstick of all and any judgments and that goal must be explicitly and unambiguously declared.

Since this document is already so close to hitting the mark, I believe all that is needed is a set of appropriate amendments to buttress these weaknesses.

## Freedom from Bondage

The supreme law of the land in the United States is supposed to be the Constitution. Anything that is in agreement with the Constitution is considered lawful. A second tier of laws have been put into place to refine the meaning of the Constitution. We call them statutory laws or statutes. We are supposed to measure their Constitutionality by allowing juries to weigh not only the innocence or guilt of a person but also the Constitutionality of the law or statute they are charged with offending. Thus a law or statute may be legal but not lawful. Lawful trumps legal in the USA but a corrupted system of courts and lawyers has undermined this principle. Though the Constitution does not clearly say so, the fact that jurors can judge the Constitutionality of a statute means that jury is actually a fourth pillar of government - in fact the most important and only pillar that can constrain the powers of the other three. This principle was established at the very foundation of the United States by the first Supreme Court Chief Justice John Jay who ruled in George v Brailford (1794), *“The jury have a right to determine the law as well as the facts in criminal cases.”*

This jury process has become corrupted by a judicial system dominated by attorneys who call themselves lawyers, and a court system that fails to inform jurors of these rights and obligations. We have capitulated to the black-robed priests of the attorneys BAR. We have allowed them to interpret everything in matters of law for us. As a consequence, we have many laws in place that are legal but unlawful and we have allowed attorneys to corrupt our jury process. This travesty of justice has risen to such a level of absurdity that while being questioned by Grand Jury on August 17, 1998 over the Monica Lewinski affair, President Bill Clinton – himself an attorney and member of the BAR—answered a question with the answer, “It all depends on what the meaning of the word “is” is.” Huh? The complete context of this remark by Clinton was:

"It depends upon what the meaning of the word 'is' is. If 'is' means 'is and never has been' that's one thing - if it means 'there is none', that was a completely true statement,"

The body of statutory laws has become so huge that there are usually contradictory laws for every law in place so that we are unwittingly outlaws in our every action! These attorneys who are trained in this body of statutory law defend their clients by finding the contradiction that serves their particular interest. It is not about right and wrong. It is about “the rules” and how

one can turn them to one's advantage. It is also about having a "powerful" attorney who can use his influence to bend the rules to one's advantage.

No case in recent times made this more abundantly obvious than the trial of O. J. Simpson who received the best justice money could buy. The "system" bled him dry. This oppressive and humongous body of laws and statutes must be cast aside and replaced with the common sense interpretations of our Constitution that any sensible jury of peers can adequately decide upon.

We must forever banish all these statutes because if the Constitution is steadfastly followed, statutory laws are simply not needed. Juries are sufficient to interpret the intent and correct application of a well-crafted Constitution when the only yardstick is whether the defendant violated the Golden Rule. If the jurors themselves cannot come to agreement because of difference in interpretation of the Constitution, then there should be wise elders available to guide them on correct interpretation – and not necessarily attorneys. Jurors should be compelled to write a summary of their judgment reasoning as part of the court proceedings record and this summary should be filed in a searchable and indexed public database so future jurors can use previous summaries as "precedents" in guiding their future deliberations.

Let us consider an example to illustrate how things would work under such a system and suppose that our Constitution is the one proposed in this book's [Appendix A](#):

We have John Butler who was arrested and charged by the arresting police officer with the murder of Peter Curry after police investigation unturned a witness who saw John fleeing the scene after the report of gunshots. The Magistrate seconded the officer's charge and bound him over to trial after hearing the officer's evidence and agreeing that the charges should be sustained. This honors the thousand-year-old Magna Charta right of Habeas Corpus. During the trial, the jurors heard the following points of evidence:

- John killed Peter because he learned that Peter and his partner Bill Thompson had robbed his home the previous week.
- John's wife Julie was having an affair with Peter.
- John was an abusive husband.
- Julie told Peter of John's safe full of gold and jewelry, and the two conspired together to have Peter rob the safe while John was out of town. They then planned for Julie to leave John and marry Peter.

- Neither Julie nor Peter knew that John was aware of their affair.
- John learned of their plan when he followed Julie to Peter's home and overheard their plans through an open window.
- John killed Peter because he wanted to hurt Julie and get revenge for Peter's theft and betrayal, and he wanted his property back.

The Jury found as follows. John had a right to defend his property but he could have used the evidence he had to charge Peter and Julie with theft and have them bound over for trial. Consequently, his actions were subject to a penalty of either banishment or death. A ruling of banishment could only be appropriate if the murder was a crime of passion. John's actions were clearly premeditated. Since no person would have another kill them, he violated the Golden Rule with thought and malice so death was the appropriate verdict. Because Julie was implicated in the theft, she was arrested by the police and bound over for her own trial. Authorities consulted with the two children of John and Julie as to their wishes and, at their request, selected John's parents as guardians because the children had not reached age of majority. The matrimonial property and homestead was placed in the trust of Julie's father, pending the outcome of Julie's trial. John was executed by lethal injection seven days later. He was granted the seven days so that he could settle personal matters. Because by right of marriage, he was entitled to half the matrimonial chattels, he had his possessions inventoried. He then made up a list of what he felt was his fair share for presentment to Julie. She disputed several items. Their lists were presented to the Jury whereupon an equitable ruling was made, and that ruling was binding. John gave his chattels to his children, parents and siblings. Those chattels that neither wanted were sold at auction, and the proceeds were given to his parents for the care of their children. Because John's stolen property was tainted by the crime, the jury ruled that the disposition of this should remain subject to the jury ruling on Julie's conspiracy trial.

At Julie's trial, she was found guilty of conspiracy to commit theft. Her action was a violation of the Golden rule because no person would want to be the victim of theft and betrayal. She had a remedy available to her for John's abusive behavior and that was to exercise her right of liberty to leave him and half the stolen property was hers anyway by right of marriage. Because she had never been convicted by Jury, she was ordered banished from the community within 90 days. The stolen property was ordered to be held in trust for the benefit of the children until attaining their age of majority and their guardians were appointed joint trustees. Under the

circumstances, it was not appropriate that Julie should benefit from her crime. The jury asked the children whether they preferred to remain living with John's parents or live with their mother. They chose to remain with their grandparents because they resented their mother's betrayal. Julie's share of the chattels held in joint ownership with John – except the stolen property – reverted to her by right of matrimonial inheritance. She found another person who had been banished in a community 700 miles away; she negotiated a trade of her matrimonial homestead with theirs and moved within five weeks.

You will notice that the only real question the jurors of both trials needed to deliberate to determine guilt or innocence is, "How would I feel if someone did that to me?" Because the latitude of their punishment was constrained by the choices of forgiveness, death, banishment or restitution, they needed to construct a fair verdict within this framework as dictated by their conscience. The stolen property introduced the matter of restitution and because Julie was involved in the theft of her own property, the jury reasoned that it was only fair that the property go to those harmed most by this tragedy – her children. Because Julie has an inalienable right to her property, the rest of her matrimonial chattels remained her own. Because she had never committed a theft, banishment was an option. None of the jurors felt that it would be reasonable to have her put to death for this particular offense. Death is a hard verdict to render.

Let's consider the role of magistrates and judges. In our example above, the only mention of magistrates was for the seconding of the police officer's charge Writ. In the court proceedings, the jury had all the real authority and the only role of the judge was to serve as referee to ensure an orderly trial. Neither the prosecution nor the defense had a lawyer or attorney though either party could have had a councilor to assist. The purpose of the Supreme Court should be strictly to rule on the Constitutionality of a jury's rulings under particularly difficult circumstances and to offer advice in determining appropriate judgment. There should never be a statute put in place because then you need lawyers and the layers of bureaucracy that got us into the mess we find ourselves in now. The framework discussed above is all any sensible person needs to arrive at a fair verdict.

### Attorneys Are Not the Same as Lawyers

There is no discussion of lawyers or prosecuting attorneys in the preceding scenario because the presumption is that the jury will take the role of prosecutor by examining all of the facts as

they see fit. They will interrogate the arresting officer(s), witnesses and the accused to gain all of the facts. Defendants can speak for themselves and may hire councilors if they please.

I am about to take the profession of attorneys and politicians to task. I want to differentiate taking these professions as they are currently organized to task, as opposed to the many human beings who make their living in these professions. I would like to take a moment to speak of my perception of the intent and motives of the real people behind these two professions. I don't believe most of these people wake up in the morning with the Machiavellian thought that they will put their backs to yet another day of furthering the interests of the international "Powers That Be" or taking advantage of their fellow man. They are mostly just folks like you and me. All of us have friends in these professions. They almost all suffer from the same oppression as the rest of us are fighting the same rat race to get as many poker chips as possible like the rest of us, and the vast majority simply does not understand the root cause of our economic malaise, like the rest of us. It is my belief that if and when they do understand the fraud and deception that is afoot here, they can become our most powerful allies – these wordsmiths and persuaders. When the maker of lead cups understands that it is the lead cup that he is drinking from that is killing both him and all of his customers, he makes his cups out of something else and ceases that unsound practice. I affirm my faith in all humanity – including the current crop of "Powers That Be, and the attorneys and politicians who are at the root of the very economic problems that oppress us all. They simply need to be able to recognize precisely how they toil in vain and catch the vision of a better solution that is a win-win for all of us. Just look at what Foster Gamble is doing! I heard an interview he gave recently and he stated that members of the Rockefeller and Rothschild families had contacted him to express unity with him. If you are a lawyer or a politician or even a member of the "Powers That Be, brace yourself and try to keep an open mind. Look for the truth in these words and try to imagine how you – you personally – could be part of the solution instead of part of the problem that we must all collectively figure out how to overcome.

We need to cast aside the entire institution of attorneys as presently organized. In general, people should be expected to defend themselves. If someone wishes to hire or bring into court a counselor to assist in his/her defense, there will be no restraint against this practice; but there will be no special licensing provision or licensing body. As things presently stand, anyone who hires an attorney may not speak in court on their own behalf. The presumption is that they are

imbeciles and not capable of defending themselves so judges shut them down when they speak up for themselves. The desired goal is that our legal system should be accessible to all and at minimum financial burden.

This next quote was copied in its entirety from <http://ecclesia.org/lawgiver/weekly16.asp> since it gives a thorough discussion of some key points I would like to make about the historical practice of law. It is both succinct and concise. A word of caution about this link; I could find no evidence that BAR stands for British Accredited Registry and I am not prepared to say that attorneys have sworn an oath to a foreign government. In fact I will show the oath American lawyers swear later in this article. I do think there is merit in the assertion that attorneys have a conflict of interest that potentially puts them in treason to the Constitution as I will explain shortly. I also completely agree that land ownership under Feudal law is still practiced, for the evidence is irrefutable. Just read Sir William Blackstone's *Commentaries on the Laws of England*<sup>xiii</sup> and the definitions of "Fee Simple Title" and "Title in Allodium." This 247 year old document is cited in more legal decisions than any other reference – period – so it is widely acclaimed and respected. Furthermore, it is said that the founding fathers relied heavily on its common law principles in drafting the Constitution. The picture becomes very clear; no American owns land in allodium so we're all serfs and fee tenants (renters) at law. This is true in all Commonwealth nations and every other nation that collects property taxes also. The portion of the quote I render here is defensible, reasonable and verifiable:

In the U.S., they're collectively called everything from "attorney" to "lawyer" to "counselor." Are these terms truly equivalent, or has the identity of one been mistaken for another?

What exactly is a "**Licensed BAR?**" This credential accompanies every legal paper produced by attorneys - along with a State Bar License number. As we are about to show you, *an 'attorney' is not a 'lawyer'*, yet the average American improperly interchanges these words as if they represent the same occupation, and *the average American attorney unduly accepts the honor to be called "lawyer" when he is not.*

In order to discern the difference, and where we stand within the current court system, it's necessary to examine the British origins of our U.S. courts and the terminology that has been established from the beginning. It's important to understand the proper lawful definitions for the various titles we now give these court related occupations.

The legal profession in the U.S. is directly derived from the British system. Even the word **bar** is of British origin:

**BAR.** A particular portion of a court room. Named from the space enclosed by two bars or rails: one of which separated the judge's bench from the rest of the room; the other shuts off both the bench and the area for lawyers engaged in trials from the space allotted to suitors, witnesses, and others. Such persons as appeared as speakers (advocates, or counsel) before the court, were said to be "**called to the bar**", that is, privileged so to appear, speak and otherwise serve in the presence of the judges as "**barristers**". The corresponding phrase in the United States is "**admitted to the bar**". - *A Dictionary of Law (1893)*.

From the definition of 'bar', the title and occupation of a barrister is derived:

**BARRISTER**, English law. A counselor admitted to plead at the bar. **2.** Ouster barrister, is one who pleads ouster or without the bar. **3.** Inner barrister, a sergeant or king's counsel who pleads within the bar. **4.** Vacation barrister, a counselor newly called to the bar, who is to attend for several long vacations the exercise of the house. **5.** Barristers are called apprentices, *apprentitii ad legem*, being looked upon as learners, and not qualified until they obtain the degree of sergeant. Edmund Plowden, the author of the Commentaries, a volume of elaborate reports in the reigns of Edward VI., Mary, Philip and Mary, and Elizabeth, describes himself as an apprentice of the common law. - *A Law Dictionary by John Bouvier (Revised Sixth Edition, 1856)*.

**BARRISTER**, n. [from bar.] A counselor, learned in the laws, qualified and admitted to plead at the bar, and to take upon him the defense of clients; answering to the advocate or licentiate of other countries. Anciently, barristers were called, in England, apprentices of the law. Outer barristers are pleaders without the bar, to distinguish them from inner barristers, benchers or readers, who have been sometime admitted to plead within the bar, as the King's Counsel are. - *Webster's 1828 Dictionary*.

Overall, a barrister is one who has the privilege to plead at the courtroom bar separating the judicial from the non-judicial spectators. Currently, in U.S. courts, the **inner bar** between the bench (judge) and the **outer bar** no longer exists, and the outer bar separates the attorneys (not lawyers) from the **spectator's gallery**. This will be explained more as you read further.

As with the word 'bar', each commonly used word describing the various court officers is derived directly from root words:

**1).** From the word solicit is derived the name and occupation of a 'solicitor'; one who solicits or petitions an action in a court.

**SOLICIT**, v.t. [Latin *solicito*] **1.** To ask with some degree of earnestness; to make petition to; to apply to for obtaining something. This word implies earnestness in seeking... **2.** To ask for with some degree of earnestness; to seek by petition; as, to solicit an office; to solicit a favor. - *Webster's 1828 Dictionary*.

2). From the word **attorn** is derived the name and occupation of an ‘attorney’; one who transfers or assigns property, rights, title and allegiance to the owner of the land.

**ATTORN** / v. Me. [Origin French. atornier, aturner assign, appoint, f. a-tornier turn v.] **1.** v.t. Turn; change, transform; deck out. **2.** v.t. Turn over (goods, service, allegiance, etc.) to another; transfer, assign. **3.** v.i. Transfer one’s tenancy, or (arch.) homage or allegiance, to another; formally acknowledge such transfer. attorn tenant (to) Law formally transfer one’s tenancy (to), make legal acknowledgement of tenancy (to a new landlord). – *Oxford English Dictionary 1999.*

**ATTORN**, v.i. [Latin ad and torno.] In the feudal law, to turn, or transfer homage and service from one lord to another. This is the act of feudatories, vassals or tenants, upon the alienation of the estate. - *Webster's 1828 Dictionary.*

**ATTORNMENT**, n. The act of a feudatory, vassal or tenant, by which he consents, upon the alienation of an estate, to receive a new lord or superior, and transfers to him his homage and service. - *Webster's 1828 Dictionary.*

**ATTORNMENT** n. the transference of bailor status, tenancy, or (arch.) allegiance, service, etc., to another; formal acknowledgement of such transfer: lme. – *Oxford English Dictionary 1999.*

3). From the word **advocate** comes the meaning of the occupation by the same name; one who pleads or defends by argument in a court.

**ADVOCATE**, v.t. [Latin advocatus, from advoco, to call for, to plead for; of *ad* and *voco*, to call. See Vocal.] To plead in favor of; to defend by argument, before a tribunal; to support or vindicate. - *Webster's 1828 Dictionary.*

4). From the word **counsel** is derived the name and occupation of a ‘counselor’ or ‘lawyer’; one who is learned in the law to give advice in a court of law;

**COUNSEL**, v.t. [Latin. to consult; to ask, to assail.] **1.** To give advice or deliberate opinion to another for the government of his conduct; to advise. - *Webster's 1828 Dictionary.*

**LAWYER.** A counselor; one learned in the law. - *A Law Dictionary by John Bouvier (Revised Sixth Edition, 1856).*

Although modern usage tends to group all these descriptive occupational words as the same, the fact is that they have different and distinctive meanings when used within the context of court activities:

**Solicitor** - one who petitions (initiates) for another in a court

**Counselor** - one who advises another concerning a court matter

**Lawyer** - [see counselor] learned in the law to advise in a court

**Barrister** - one who is privileged to plead at the bar

**Advocate** - one who pleads within the bar for a defendant

**Attorney** - one who transfers or assigns, within the bar, another's rights & property acting on behalf of the ruling crown (government)

*It's very clear that an attorney is not a lawyer. The lawyer is a learned counselor who advises. The ruling government appoints an attorney as one who transfers a tenant's rights, allegiance, and title to the land owner (government).*

### Feudal Tenancy

If you think you are a landowner in America, take a close look at the **warranty deed** or **fee title** to your land. You will almost always find the words **tenant** or **tenancy**. The **title** or **deed** document establishing your right as a tenant, not that of a landowner has been prepared for transfer by a licensed BAR Attorney, just as it was carried out within the original English feudal system we presumed we had escaped from in 1776.

A **human being** is the tenant to a feudal superior. A **feudal tenant is a legal person** who pays rent or services of some sort for the use and occupation of another's land. The land has been conveyed to the tenant's use, but the actual ownership remains with the superior. If a **common person** does not own what he thought was his land (he's legally defined as a feudal tenant, not the superior owner), then a **superior person** owns the land and the feudal tenant - person pays him to occupy the land.

***This is the hidden Feudal Law in America.*** When a person (aka, human being, corporation, natural person, partnership, association, organization, etc.) pays taxes to the tax assessor of the civil county or city government (also a person), it is a payment to the superior land owner for the right to be a tenant and to occupy the land belonging to the superior. ***If this were not so, then how could a local government sell the house and land of a person for not rendering his fee services (taxes)?***

We used to think that there was no possible way feudal law could be exercised in America, but the facts have proven otherwise. It's no wonder they hid the definition of a human being behind the definition of a man. The next time you enter into an agreement or contract with another person (a legal entity), look for the keywords person, individual, and natural person describing who you are.

Are you the entity the other person claims you are? When you "appear" before their jurisdiction and courts, you have agreed that you are a legal person unless you show them otherwise. You will have to deny that you are the person and state who you really are. Is the flesh and blood standing there in that courtroom a person by their legal definition?

See the article PERSON for your role in the BAR Attorney system as a Feudal Tenant.

If the above is not true, then why is it that the only acceptable council one may hire to defend him or herself in court is a licensed BAR attorney? If there is no reasonable basis for a differentiation between a natural person and legal person, why do our laws specifically define a “person” as being of two types – natural and corporeal? The issue of land title will be dealt with at length in the chapter titled [Jobs and the Means of Our Bread](#). As for the oaths that BAR attorneys swear in America, the several I read are all fairly similar. Here is the BAR Oath for the Florida BAR; violation of which is subject to disbarment and dishonor:

I will support the Constitution of the United States and the Constitution of the State of Florida;

I will maintain the respect due to courts of justice and judicial officers;

I will not counsel or maintain any suit or proceedings *which shall appear to me to be unjust*, nor any defense *except such as I believe to be honestly debatable under the law of the land*;

I will employ for the purpose of maintaining the causes confided to me such means only as are consistent with truth and honor, and will never seek to mislead the judge or jury by any artifice or false statement of fact or law;

I will maintain the confidence and preserve inviolate the secrets of my clients, and will accept no compensation in connection with their business except from them or with their knowledge and approval;

I will abstain from all offensive personality and advance no fact prejudicial to the honor or reputation of a party or witness, *unless required by the justice of the cause with which I am charged*;

I will never reject, *from any consideration personal to myself*, the cause of the defenseless or oppressed, or delay anyone's cause for lucre or malice.

This oath contains weasel words. The oath cites what an attorney may or may not do, offers conditional acceptance and defines the boxing of circumstances around which they may be excused for violating their oath. The simple fact is that everything outside that specific box is license to do the very thing being distrained, if done under *particular* circumstances. It is a game of words – something attorneys are trained to be exceedingly good at. Let’s take a look at what these weasel words really mean. Here is the first set of weasel words:

“I will not counsel or maintain any suit or proceedings which shall appear to me to be unjust, nor any defense *except such as I believe to be honestly debatable under the law of the land*”

This can be justifiably interpreted when couched in the expressly stated conditional acceptance implied by the word “except” to mean “I **will** counsel or maintain any suit or proceedings which shall appear **to me** to be unjust and any defense **if** I believe them to be honestly debatable under the law of the land.” In other words, if an attorney, **in his sole discretion** deems a law to be debatable, he can take it upon himself to defend an embezzler, white-collar criminal, murdering thug, dope dealer or thief if he can find a twist in the law to justify it. By what yardstick is this measured? There are no further constraints specified. The literally hundreds of thousands of conflicting and contradictory state and federal statutes have effectively rendered all of us outlaws in our every action. These conflicting laws also give lawyers the contradictions that license them to break their oaths. Our laws have become a joke and our Constitution is now “just a damn piece of paper” as proclaimed by President George W. Bush while still in office. Isn’t this really what is fundamentally wrong with our legal system?

Looking at the second set of weasel words:

“I will abstain from all offensive personality and advance no fact prejudicial to the honor or reputation of a party or witness, *unless required by the justice of the cause with which I am charged*”

This can be justifiably interpreted to mean “I **will not abstain from** offensive personality and advance facts prejudicial to the honor and reputation of a party or witness, **if I am required** by the justice of the cause with which I am charged.” What the hell does that mean? Is this not a license to defame and sandbag one’s own clients if **in one’s own estimation** they are engaging in activities that are unjust? I have grave problems with that, don’t you?

Looking at the third set of weasel words:

“I will never reject, *from any consideration personal to myself*, the cause of the defenseless or oppressed, or delay anyone's cause for lucre or malice”

This can be justifiably interpreted to mean “I **will always** reject, from **every** consideration **not** personal to myself, the cause of the defenseless or oppressed, and delay **everyone's** cause for lucre or malice.” Does this not mean that as long as the matter at hand is not “personal” and is “just business” I can financially rape, pillage and plunder the defenseless and oppressed – and

anyone else for that matter - to my heart's content? Is this not exactly what many lawyers do or aspire to do? Is this not why so many people refer to lawyers as "shysters", "shylocks" and "Scum-sucking bottom feeders?"

Here is my final argument for excluding BAR attorneys from all government processes. This BAR oath is potentially in conflict with and in contradiction to our Constitution for the reasons already stated and as such, presents an irreconcilable conflict of interest. The first sentence of this Oath is "I will support the Constitution of the United States" – whatever that means - and yet the Constitution itself says that it is the supreme law of the land. Could it be more abundantly clear that on the issue of the very lifeblood of the economy – its money – the lawyers have acted in treason by drafting and supporting the unlawful Federal Reserve Act of 1913 for almost a century now, thus making this Oath a lie by putting their "legal" statutory laws ahead of the "lawful" Constitution? The Congress made this position abundantly clear when Norman Dodd sought from Congressman Carroll Reece a firm definition of "activities un-American" in his mandate to "Investigate tax-exempt foundations to determine if they are involved in activities un-American." Congress responded by defining un-American activities as "being a determination to effect changes in the country by un-Constitutional means." As such, a BAR attorney will be in treason to one or the other as soon as he/she advances a statute that is clearly in violation of our Constitution. As such, no BAR attorney is fit to hold public office or to advise government because *you cannot serve two masters!*

Now clearly, I have just taken the entire legal profession to task; but, hey, if the shoe fits, wear it! There has been inestimable damage done to our society by the law profession and there is a very strong sense among most people that unless you are in the "just us" club you will get no justice. Everyone has horror stories to tell about our broken legal system from personal experience. The blame for this falls squarely upon the BAR attorneys who:

- Gave us our multitude of conflicting laws as members of our legislatures or as advisers to same who drafted that legislation,
- Work as prosecuting attorneys to twist the law to win their cases at all costs in order to advance their political career prospects and,
- While conducting private practice, "work" their clients to extort maximum fees.

I am left with a feeling of numbness and indifference towards this profession. It hardly ranks in my mind with scientists and engineers as a profession renowned for advancing and supporting

the highest aspirations of mankind. In my opinion, the world would be much better off without this profession. They – more than any other constituency – are responsible for advancing the cause of the megalomaniacs we also refer to as the “Powers That Be.” Where politicians were once held in honor, now most of us would agree with the well-worn adage that “the only good politician is a dead politician.” We all see the seeds of truth in the joke “How do you know if a politician is lying? His lips are moving!” Since the majority of politicians are lawyers and the majority of our legislation is drafted by same, what does that say about the integrity of statutory laws in this country?

### Are American BAR Attorneys In Treason to the Constitution?

Now you know how deep the rabbit hole goes – or do you? Did you know that *just after the American Revolution there was a Thirteenth Amendment to the Constitution to banish attorneys* (i.e., people with a royal title and attorneys at that time had the royal title of Esquire – and attorneys in British Commonwealth nations still do) *from holding any government position because they have sworn an oath of allegiance to a foreign entity* (the British law societies they were members of) *and were thus potentially treasonous to the Constitution?*<sup>7</sup> **It is technically still the law of the land because this amendment was never formally repealed!** The following web site is the organization that is working to inform Americans of this important deception and I encourage you to visit it. They have irrefutable proof with scans of original documents from state and federal congressional records and other secondary documents.

<http://takebacktherepublic.net/documents/docs/The%20Original%2013th%20Amendment.pdf>

and

<http://takebacktherepublic.net/documents/docs/The%20Original%2013th%20Amendment2.pdf>

Let’s look at Article 1, Section 9 and then let’s look at this original Thirteenth Amendment to see what the legislators saw fit to change. Here is the Article 1, Section 9 excerpt of the Constitution:

No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

---

<sup>7</sup> Read chapter titled [Needed Renovations – The Constitution](#) for the complete expose.

Now here is the amendment with the differences highlighted:

If any citizen of the United States shall accept, claim, receive or retain, any title of nobility or honour, or shall, without the consent of Congress, accept and retain any present, pension, office or emolument of any kind whatever, from any emperor, king, prince or foreign power, ***such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.***

This is a huge difference which broadens the definition and scope of applicability to all citizens and lays the consequence for violation as loss of citizenship and the right to participate in government. The difference is simply huge.

Here are the essential facts as reported on this web site and then scrupulously documented to support them.

In January, 1810, Senator Reed proposed the "Title of Nobility" Amendment (History of Congress, Proceedings of the Senate, p. 529-530). On April 27, 1810, the Senate voted to pass this 13<sup>th</sup> Amendment by a vote of 26 to 1; the House resolved in the affirmative 87 to 3; and the resolve was sent to the States for ratification: *By Dec. 10, 1812, twelve of the required thirteen States had ratified as follows:* Maryland, Dec. 25, 1810; Kentucky, Jan. 31, 1811; Ohio, Jan. 31, 1811; Delaware, Feb. 2, 1811; Pennsylvania, Feb. 6, 1811; New Jersey, Feb. 13, 1811; Vermont, Oct. 24, 1811; Tennessee, Nov. 21, 1811; Georgia, Dec. 13, 1811; North Carolina, Dec. 23, 1811; Massachusetts, Feb. 27, 1812; New Hampshire, Dec. 10, 1812. Before a thirteenth State could ratify, the War of 1812 broke out and interrupted this very rapid move for ratification.

No record has been found that the State of Connecticut ever acted to either accept or reject this original Thirteenth Amendment. Yet, it was published in three separate editions of "The Public Statute Laws of the State of Connecticut" as a part of the U.S. Constitution in 1821, 1824 and 1835. Then, without record or explanation, it mysteriously disappeared from subsequent editions prior to the Civil War between the states. However, printing by a legislature is prima facie evidence of ratification, and it has been found to have been printed as part of the Constitution in this and many other states until around the Civil War period - when it mysteriously disappeared from subsequent printings. It was found to have been printed by the legislature of this State in the following: 1821 - The Public Statute Laws of the State of Connecticut, as revised and enacted by the General

Assembly in May, 1821 pg. 19 1824 - The Public Statute Laws of the State of Connecticut, as revised and enacted by the General Assembly in May, 1824 pg.18-19 1835 - The Public Statute Laws of the State of Connecticut, compiled in obedience to a resolve of the General Assembly passed May, 1835, to which is prefixed the Declaration of Independence & Constitution of the United States and the State of Connecticut, published by the authority of the State of Connecticut. The Marginal note in all three publications reads: "Citizenship forfeited by the acceptance, from a foreign power, of any title of nobility, office or emolument of any kind, &c." The prima facie evidence of ratification of this Amendment is overwhelming. Since the creditors of this bankruptcy

are foreign powers and this "unaccountable committee of lawyers" spoken of by Robert H. Bork have accepted and retained the "office of trustee" for these creditors and foreign powers, their Citizenship has been forfeited by this acceptance.

The Virginia legislature had already agreed that all "Acts" were to go into effect on the same day - the day that the "Act" to re-publish the Civil Code was enacted. Therefore, the 13th Amendment's official date of ratification would be the date of re-publication of the Virginia Civil Code: March 12, 1819.

...

The following states and/or territories have published the Titles of Nobility Thirteenth Amendment in their official publications as a ratified amendment to the Constitution of the United States in the following years:

Colorado ----- 1861, 1862, 1864, 1865, 1866, 1967, 1868  
 Connecticut --- 1821, 1824, 1835, 1839  
 Dakota ----- 1862, 1863, 1867  
 Florida ----- 1823, 1825, 1838  
 Georgia ----- 1819, 1822, 1837, 1846  
 Illinois ----- 1823, 1825, 1827, 1833, 1839, dis. 1845  
 Indiana ----- 1824, 1831, 1838  
 Iowa ----- 1839, 1842, 1843  
 Kansas ----- 1855, 1861, 1862, 1868  
 Kentucky ----- 1822  
 Louisiana ----- 1825, 1838/1838 [two separate publications]  
 Maine ----- 1825, 1831  
 Massachusetts -1823  
 Michigan ----- 1827, 1833  
 Mississippi ----- 1823, 1824, 1839  
 Missouri ----- 1825, 1835, 1840, 1841, 1845\*  
 Nebraska ----- 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1873  
 North Carolina - 1819, 1828  
 Northwestern Territories --- 1833  
 Ohio ----- 1819, 1824, 1831, 1833, 1835, 1848  
 Pennsylvania --- 1818, 1824, 1831  
 Rhode Island ---- 1822  
 Virginia ----- 1819 (ratification by 13th State)  
 Wyoming ----- 1869, 1876

Totals: 24 States in 78 separate official government publications.

This same clause is in the Articles of Confederation – America’s first Constitution. It is now clear why attorneys in the United States refrain from showcasing their royal title. Most lawyers would refute the assertion that lawyers hold royal titles; however, here is a reference to an

American lawyer named Melvin S. Schwechter, *Esquire* who claims this title - right off the web site of the International Bar Association:

 <p><b>Uruguay</b> Colegio de Abogados del Uruguay Avda. 18 de Julio 1006 Piso 4 Apto. 3 C.P. 11100 Montevideo 11100, Uruguay Tel: +598 (2) 900 2065 E-mail: <a href="mailto:colabog@adinet.com.uy">colabog@adinet.com.uy</a> <a href="#">Website</a></p>	 <p><b>USA</b> American Bar Association International Liaison Office 321 N. Clark Street Chicago IL 60610, USA Tel: +1 (312) 988 5109 E-mail: <a href="mailto:askaba@abanet.org">askaba@abanet.org</a> <a href="#">Website</a> <a href="#">Further information</a></p>
 <p><b>USA</b> Customs and International Trade Bar Association c/o <a href="#">Melvin S. Schwechter, Esq.</a>, President  LeBoeuf, Lamb, Greene &amp; MacRae LLP 1875 Connecticut Avenue, NW Washington DC 20009, USA Tel: +1 (202) 986 8011 E-mail: <a href="mailto:webmeister@citba.org">webmeister@citba.org</a> <a href="#">Website</a> <a href="#">Further information</a></p>	 <p><b>USA</b> The Florida Bar Association – International Law Section 651 E. Jefferson Street Tallahassee FL 32399-2300, USA Tel: +1 (850) 5615839 E-mail: see website <a href="#">Website</a> <a href="#">Further information</a></p>
 <p><b>USA</b> Los Angeles County Bar Association 261 South Figueroa Street Suite 300 Los Angeles CA 90012, USA Tel: 001 (213) 627 2727 E-mail: <a href="mailto:questions@lacba.org">questions@lacba.org</a> <a href="#">Website</a></p>	 <p><b>USA</b> National Association of Women Lawyers American Bar Center 15.2 321 N. Clark Street Chicago IL 60610, USA Tel: +1 (312) 988 6186 E-mail: <a href="mailto:nawlw@nawlw.org">nawlw@nawlw.org</a> <a href="#">Website</a></p>

Figure 31 - Proof American Lawyers claim Royalty titles

So just what is an Esquire? Most modern dictionaries ascribe no significance of nobility to it, but Charles Boutell wrote in his 1899 book *English Heraldry*<sup>xiii</sup> (available as a free download on our website) on page 120:

*Esquire* — A rank next below that of Knight. Besides those Esquires who are personal attendants of Knights of Orders of Knighthood, this **title** is held by all attendants on the person of the Sovereign, and all persons holding the Sovereign's commission being of military rank not below Captain; also, by general concession, by Barristers at Law, Masters of Arts and Bachelors of Law and Physics.

Say what you will, but the Declaration of Independence says all men are created equal. It cannot be separated from the Constitution because it is the very foundational document of the nation and the Constitution only served to refine its principles. American lawyers lay claim to a superior status over the common man when they assume this royal title. America has no place for that

kind of pomposity. When you find yourself in “their” courts, are you not made to feel inferior? When you watch the disgraceful condescending attitudes of Judge Judy and Judge Joe Brown, on TV, is this not exactly how you see the plaintiff and defendant treated? They’re called TV “programs” because we are being “programmed!” When you find yourself in court, is that not how *you* are treated?

I said earlier that the Articles of Confederation are America’s first Constitution. Here is what it had to say about royal titles in agreement with the original Thirteenth Amendment so it has been with America as a foundational principle from the very beginning:

Article VI. No State, without the consent of the united States in Congress assembled, shall send any embassy to, or receive any embassy from, or enter into any conference, agreement, alliance or treaty with any King, Prince or State; **nor shall any person holding any office of profit or trust under the united States, or any of them, accept any present, emolument, office or title of any kind whatever** from any King, Prince or foreign State; nor shall the United States in congress assembled, **or any of them, grant any title of nobility.**

The 1810 Thirteenth Amendment reads as follows:

If any citizen of the United States shall accept, claim, receive or retain, any title of nobility or honour, or shall, without the consent of Congress, accept and retain any present, pension, office or emolument of any kind whatever, from any emperor, king, prince or foreign power, **such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.**

There remains a great deal of controversy about this point after two centuries. I believe the truth has been lost to us along with the physical records of state legislatures that once were found and written about but now no longer exist. A stronger case could be made of Bill Benson’s book *The Law that Never Was* with his well-documented audit of all the state legislatures with respect to the fact that the Sixteenth Amendment was never ratified by the requisite number of states even though Philander Knox proclaimed it ratified. It’s a funny thing that this assertion about the 16<sup>th</sup> Amendment being fraudulently proclaimed is easier to defend than that the Thirteenth Amendment wasn’t. And yet the least plausible assertions are the ones generally accepted. Talk about doublespeak!

Nevertheless, all of the state BAR associations as well as the American Bar Association are members of the International Bar Association whose headquarters is in the City of London in the portion that is a nation/state (a separate political fiefdom whose sovereign is the Mayor as is

evidenced by the fact that the Queen of England surrenders her crown and scepter as a formality each time she enters “London Square” in honor of this fact) under grant in the *Magna Charta*<sup>xiv</sup> (available as a free download on our website) to the Merchants of London. This nation-state status for the City of London is clearly spelled out in the Magna Charta. The address for the International Bar Association (IBA) residing in this jurisdiction is:

***International BAR Association***

10th Floor, 1 Stephen Street

London W1T 1AT, England

Tel: +44 (0)20 7691 6868

Fax: +44 (0)20 7691 6544

[www.ibanet.org](http://www.ibanet.org)

The IBA web site clearly states on their Key Milestones web page in 1946 as a significant milestone (here: [http://www.ibanet.org/About\\_the\\_IBA/Key\\_milestones.aspx](http://www.ibanet.org/About_the_IBA/Key_milestones.aspx)) that:

***The primary purpose of the Association is to back the establishment of law and the administration of justice by law throughout the world; to promote the principles and aims of the United Nations***

How can you swear an oath to defend the Constitution while at the same time setting your purpose to promote the principles and aims of the United Nations? Is this not a conflict of interest? It looks like we need to dig a little deeper into the rabbit hole here! Just what does the IBA Constitution say and what American institutions are its members? First the members: they are listed on the IBA web site here:

***[http://www.ibanet.org/barassociations/BIC\\_Americas\\_USA.aspx](http://www.ibanet.org/barassociations/BIC_Americas_USA.aspx). For the purpose of expediency, the listed member BAR associations are:***

- American Bar Association
- Customs and International Trade Bar Association - **c/o Melvin S. Schwechter, Esq.**
- The Florida Bar Association – International Law Section
- Los Angeles County Bar Association
- National Association of Women Lawyers
- State Bar of Michigan
- The Association of the Bar of the City of New York
- New York State Bar Association International Section

Here are some excerpts from the IBA Constitution (2008 revision with full text available on their website) for your consideration.

On page 1...

Its objects are:

1.5 by common study of practical problems *to promote uniformity and definition* in appropriate fields of law.

1.6 to promote the administration of justice under the rule of law among *the peoples of the world*.

1.7 *to promote* in the execution of these objects *the principles and aims of the United Nations* in their legal aspects and *to cooperate with, and promote coordination among, international juridical organizations having similar purposes*.

*The Association is a non-political organization* and as such shall not entertain any matter which is political in character.

What a load of hypocrisy! On one hand they unambiguously state that they support the aims of the United Nations – unquestionably a political entity representing world government – and in the same breath they say they are non-political! They are advocates of one-world government and their stated purpose is to “promote uniformity” which simply means to implement world laws that are binding upon all member nations in contradistinction to sovereignty of nations! This is still further evidence that BAR attorneys who are members of the IBA are in treason to the Constitution. This membership includes *way* more than half the lawyers in America who are also members of the IBA.

If we dump this unjust legal system by barring attorneys from our public offices, legislative process and courts, what will we replace it with? In a single word, we replace attorneys with **Jury**. In our new society if a person is convicted by a jury of peers, he may appeal the decision to another jury of peers on the basis that the Constitution has not been correctly interpreted. With respect to court proceedings, this is the primary basis of appeal. Other possible basis of appeal includes perjured testimony, suppressed evidence or new evidentiary findings. Appeals must be agreed to by the trial judge who had no voice in the jury’s verdict, and the judge must articulate his/her line of reasoning with specific reference to the particular section(s) of the Constitution that apply. The rest of the court’s duties will be performed by people of common

sense who have demonstrated past trust-worthiness and integrity and who know they will be held to account for their words and actions. The appeal process should work as proposed in this sequence:

1. The judge, whose sole role is to act as referee, will decide if an appeal has merit and will allow another trial by jury only if he feels the first jury has ruled in error with respect to the Constitution. Other than this, the first jury's decision is final and binding. No judge may be a BAR attorney because he is potentially in treason.
2. Defendants may represent themselves or they may have a lawyer who must not be a BAR attorney because he would be potentially in treason.
3. If the appeal is allowed and a second jury cannot come to a unanimous decision, the judge must decide if the jury is erroneous in any of its reasoning and then either declare a mistrial or refer the case to the State or Supreme Court panel of judges for a ruling on a point of Constitutional law. That same jury will delay their decision until the ruling on the point of law and then render their final verdict.
4. If the jury still cannot come to a unanimous decision, the judge will declare a mistrial. If there are two consecutive mistrials on appeal, the accused shall go free. There is sufficient doubt as to guilt to justify this charge.
5. There is only one justifiable exception to the previous point. If one of the jurors becomes ill and cannot continue the trial, a mistrial shall be declared; and a new juror will be selected to replace the sick juror.
6. If the second jury convicts or acquits unanimously, the findings of a second jury will be final with no further right of appeal.
7. Justice delayed is justice denied. If there is such a backlog of cases that a court cannot hear the cases before them within 7 days, additional panels of judges must be assembled.

## **A Sound Constitution**

The Constitution of the United States is a pretty good approximation of a sound Constitution. It was written by wise guardians we affectionately refer to as the Founding Fathers. As long as they remained at the helm of government, the Constitution, as articulated, served the people well. The problem is that some unsavory characters came along who looked for weaknesses and “grey” areas to exploit, and they found a few that they continue to exploit to this day. As we have documented, there were also traitors who undermined it. *The biggest weakness in the current Constitution is that there is no check of power by “We the People” to stop a government run amok.* The right to bear arms was supposed to meet this need; but, seriously, could a citizenry armed with hand guns, rifles and shotguns overpower our modern armed forces or police? Will individuals in the armed forces or police dare challenge their superiors as the

system is currently set up? *The servant of the people has become its master, and we feel the master's boot upon our necks.* One of the lesser purposes of this book is to expose those weaknesses, and it proposes amendments for an arguably stronger Constitution. Now would be a good time to review the proposed amendments to this Constitution in the [Appendix A](#).

## Unobtrusive Government

There has never been a government in recorded history that did not eventually fall from corruption. We presumably need government to defend our borders, protect us from enemy nations and enforce our laws. Governments all eventually assume so much more than that though, don't they; and not for the betterment of society. **The only reasonable cure is for the price of corruption to be so high that none would risk offering or accepting "indulgences."**

Jesus the Christ said that for those who keep the Golden Rule., there are no laws that apply. Why is this true? Simply stated, if a man does no harm to his fellow man, what need is there of laws? Keeping the Golden Rule becomes easy to follow when the price for violating it is so severe that none dare risk it – financial ruin, banishment or even death.

Today, we have the USA and most of the governments of the world championing democracy and yet the USA was *not* founded as a *democracy*. It was founded as a *republic*. What is a republic? What is the difference? The American Heritage Dictionary defines republic as follows:

A form of government in which power is explicitly vested in the people, who in turn exercise their power through elected representatives. *Today, the terms republic and democracy are virtually interchangeable, but historically the two differed.* Democracy implied direct rule by the people, all of whom were equal, whereas *republic implied a system of government in which the will of the people was mediated by representatives, who might be wiser and better educated than the average person. In the early American republic, for example, the requirement that voters own property and the establishment of institutions such as the Electoral College were intended to cushion the government from the direct expression of the popular will.*

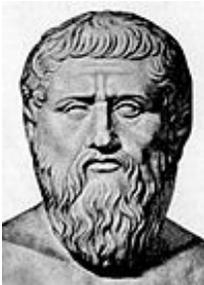


Figure 32 –  
Philosopher Plato

The form of government in America today is not what the Founding Fathers intended. The difference is absolutely critical for you to understand and yet it is not taught to Americans in its schools. Ask yourself “Why not?”

Let us state the difference clearly – here and now. It was Plato who first defined what a republic is in his book of ten parts – *The Republic*.

(<http://ebooks.adelaide.edu.au/p/plato/p71r/> or download a copy from our website). In that book, he defined several forms of government that a republican form of government could take. We have seen all of those forms of government since then: guardianship, democracy, monarchy, despotism, oligarchy, plutocracy, fascism and dictatorship. He then rendered an opinion on each one and reasoned why each was doomed to eventually fail. He clearly stated that the best form of government is one ruled by guardians. This elite group of guardians was to have a strict code of conduct, would keep themselves separate from the more corrupt citizens they rule over, could own no property and thus have no motivation to render other than just decisions upon the citizenry. With such a government, the rest of the citizens would be free to live their lives in selfish and carnal pursuits, as long as they lived within the boundaries set by the guardians. Plato acknowledged that the danger of guardianship is that it can sink into despotism or monarchy. A close read of the Protocols of the Elders of Zion shows that their proposed 'king of the world' would also own no property or take a wife so that his service to the people could be distracted. I wonder where they got that notion.

Plato also reasoned that a monarchy could be equally effective if the king was an enlightened despot. In fact, this is true of all forms of government. If the leaders are enlightened and administer the rule of law justly, the people will be content.

He described the second best choice of government as democracy. A careful reading of the Constitution reveals that America was most certainly *not* a democracy but a guardianship of the collective states by their control of the Senate. The peoples' voice was the House of Representatives – the democratic arm. Federal government Senate representatives were not elected by the people but by bodies of Electors chosen by various methods from each state. Though these people were not prevented from owning property, they were presumably wise men who would choose well. This was the first mistake made by America's early governments. These men did *not* choose well and eventually, our system of government evolved into democracy through subsequent Constitutional amendments. Plato made it clear that democracies would always fail because eventually, the people would vote themselves a free paycheck. For those of you who do not think that is the kind of democratic government America has sunk to today with endless government bailouts of special interest groups amounting in the unprecedented trillions of dollars, I have only one remark; "I WANT MY BAILOUT TOO!" Democracies are doomed to collapse in hyper-inflation that results from a whored money system

that people lose confidence in and we are on the cusp of our collapse both in America and in the Commonwealth League of Nations.

What else is wrong with democracy? Simply stated, it is two wolves (banks and corporations) and a sheep (sheeple) deciding what's for dinner. As John Kennedy in his Civil Rights Address of June 11, 1963 said,

“This Nation was founded by men of many nations and backgrounds. It was founded on the principle that all men are created equal, and that *the rights of every man are diminished when the rights of one man are threatened.*”

There must be no exceptions. So then why do we have a legal but unlawful Patriot Act II that violates our Habeas Corpus (Miranda) rights, that strikes down several Bill of Rights articles and that remains unchallenged after several years? Why do we have another traitorous president and legislative body that utterly and blatantly trashed the Constitution by passing the National Defense Authorization Act of December 2011? With these heinous laws, Habeas Corpus rights disappear and US troops are authorized to operate on American soil. Unbelievable! They swore to defend the Constitution but these acts show that thousands of legislators in the past several sessions of Congress lied and broke that oath. The wolves are eating the sheep because the sovereign rights of individuals are not being respected!

We can briefly survey other forms of government, but they all fail for the same reason. Eventually, someone or some group is put “in charge” who violates the trust of the people and the end result is conflict. Kingdoms have had kings and/or leaders who caused the very same nation to both suffer and prosper at different times in their history. For despotism, communism, fascism and other forms of government, it's all the same story.

But there is one form of government that has never been tried in recorded history. It is a government where every single citizen participates in the process of decision making, is structured in such a way that all citizens can equitably express their will, and where it is impossible for a smaller group to wrestle that control from the people. It is a form of government that does not even have a name – so let's give it one. INDIVIDUALARCHY! To date, such a government has never been practical. What House of Representatives could hold the entire 300+ million American people? What apparatus exists to take a “house vote” on a piece of proposed legislation? How would we accomplish the business of running our country and

functioning as a productive society? Thanks to modern technology, coupled with a sensible framework, such a government is now possible with the internet as the backbone.

So let us now redefine all elements of our society and re-factor them into a workable model of a new government *of* the people, *by* the people and *for* the people. What does that look like? We'll get there; but first let's take a closer look at precisely what needs fixing – the foundation – for without that the entire edifice will collapse... *again*.

There is only one answer to this need to be freed from bondage, no longer in a constant state of want and in possession of a sound Constitution with an unobtrusive servant government; an Economic Democracy economy implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office at every level of government by offering themselves as alternative candidates with this specific platform. Failure to do so is hazardous to the health of us, our families and our future generations of children.

*The root problem of civilization--not the only problem, but that which has to be disposed of before any other--is the problem of the provision of bed, board, and clothes, and this affects the ordinary man in terms of effort. If he has to work long and hard hours to obtain a precarious existence, then for him civilization fails... The plain, simple English of the reason is that his wages will not buy him the things he wants... the sum of the wages, salaries, and dividends distributed in respect of the world's production was diminishingly able to buy that production at the prices which the capitalist is by his system forced to charge... If the Producer could be imagined as making no profit at all, the difficulty would still exist, quite possibly in an exaggerated form... Because the available purchasing power would absorb a decreasing proportion of this production it must be either exported or wasted, and both of these lead straight to war, the supreme waster.*  
**Major C. H. Douglas**

## FOUNDATIONAL PRINCIPLES

The purpose of economy is to meet the material needs of society in an efficient manner and the cornerstones of the economy are:

1. The efficient and fair exchange of goods and services between Producers and Consumers.
2. A rule of law that defends the property rights of each individual owner of those goods and services.
3. The means to enforce those laws equitably and make them binding upon everyone without exception.

To have a fair exchange of goods and services, there must be a well-defined and stable medium of exchange – honest money. The problem with our current system of money has been clearly articulated by several writers but none with more humor, clarity and sound historical research than that of G. Edward Griffin in his book, *The Creature from Jekyll Island*<sup>xv</sup>.

To summarize what he taught, our financial credit money is an instrument of liability, backed by nothing, laden with interest and completely corrupted; in a word, fraudulent.

The following figure accurately depicts how we all use the “worshipping of the golden calf” to hurt each other to our personal and collective detriment. Study it well, and ask yourself if you are part of the problem. If you conclude that you are part of the problem, ask yourself how you can work from your particular position to affect change.



Figure 33 - Pyramid of the Capitalist System

When properly exposed, this true nature of banking and money creation makes it obvious as to what the solution to our present financial crisis is. Simply repudiate the debt, replace it with an honest money system as described in the chapter titled [Our Sick Economy's Prescription](#) and give everyone involved in any business or government office a fair say in the ongoing operation of that particular entity, based on merit. Several positive benefits will accrue. We have a lot more to say on these subjects later.

A just rule of law must be unambiguous, concise, easily understood, unchanging and incorruptible. In my opinion, the biggest ambiguity in the USA Constitution is that it has four pillars of government *but* only three are clearly enshrined in the Constitution and taught in its schools:

- Executive
- Legislative
- Judiciary.

*The fourth, most powerful and most important branch of government is Jury* – a Jury of 12 peers who decide on two things; i) the Constitutionality of a charge brought against a person *and* ii) upon the innocence or guilt of that person. Judges are supposed to be nothing more than referees who supervise trial proceedings. The Constitution doesn't define Jury as a pillar of government but in a properly functioning society, it can effectively regulate and constrain the other three. America's first Supreme Court Justice John Jay said as much in one of his rulings as was quoted earlier. This is the very strength of legal precedents.

In our new peaceful society, the selection of a jury will be done by random selection of people from a census database. Once a person has served on a jury, they will be removed as a candidate for jury duty from the database until everyone else in that constituency has had the opportunity to serve. On the subject of census, the only thing a household should be required to give is the following information:

1. *Names* of each resident,
2. Their *ages* for voting and jury duty purposes.
3. Their *nationality* to establish right to vote.

Obviously, imbeciles or people with either insufficient mental capacity or health cannot consider the merits of a case; and we must be careful to be fair to all. The only reasonable basis of disqualification from jury duty is if the person:

1. Knows the accused, the victim or has personal knowledge of the crime and is thus biased.
2. Has the *obvious* lack of physical and/or mental capacity to meet the challenges and responsibilities of this role. This would be defined as severe illness that would prevent a person from participating in all or part of a trial and mental retardation as evidenced by the inability to pass an accredited IQ aptitude test.

Under no other circumstance should people be denied their voice and duty to serve on a Jury.

This important fourth pillar of government – Jury - must be clearly enshrined in the Constitution as a new Article. That article must also clearly state the sovereignty and inalienable rights of the individual as expressed by Kennedy in his Civil Rights Address of 1963. It can be concisely stated thus:

The rights of man are expressly defined as their right to life, liberty, pursuit of happiness and security of private property. These rights are to be preserved *above* the rights of any group of two or more persons, provided that the Constitutional rights of that group have not been violated, in order that no democratic edict may usurp the rights of any individual. If the rights of each individual are not upheld, then none of us can be secure.

The rights of private property are not defined or enshrined in the Constitution. This is another significant flaw. Private property may be defined thus:

Private property is anything that has been purchased by an individual for lawful money and not explicitly excluded from our Constitution as ineligible for private ownership.

The Constitution vaguely reserved the right to issue the nation's money by denying the several states that right but Woodrow Wilson conspired with others in government office such as Senator Nelson Aldridge, Philander Knox and Edward Mandel House to usurp the federal government's authority to create money by allowing the creation of the Federal Reserve by the Federal Reserve Act of December 23, 1913. He then deceived the American people about what happened. The Federal Reserve Act is an example of a legal but unlawful law because the Constitution expressly forbids it. Any right not expressly delegated to the Federal government was reserved by the states or the people. Since the states were denied the right to issue money, only the federal government or the people could hold the right to regulate our money. The Federal Reserve is neither! The act of deceit was that the members of the Senate and House of Representatives rushed out of Washington on December 23 without formally closing the congressional session in order to get home for Christmas and a minority of senators and congressmen stayed back to force this agenda through the House. The rules of Congress were defined in the House Rules Manual. The rules require that the Speaker be present for all votes and that there be a quorum present with no objections to the contrary. A quorum is defined in my dictionary as "the number of members of a group or organization required to be present to transact business legally, usually a majority." The House Rules Manual does *not* specify a majority requirement for votes but any vote may be interrupted by any senator or congressman

upon a request to count for quorum. If such a request is not demanded, the Speaker may allow a vote to continue. This is clearly another flaw of the Constitution that must be addressed. Here is how the whole sordid affair of the passing of the Federal Reserve Act transpired, according to a 1995 report titled Dismantling the U.S. Federal Reserve System by Fredrich Mann<sup>8</sup>:

After the [inauguration of the President in January of] 1913, the bankers worked hard to bring the Federal Reserve Act to a vote near the Christmas holidays. They knew that some of the Congressmen would leave earlier for their Christmas vacation, therefore some would be absent at the time of voting on the bill. Secondly, with the Christmas holidays and Christmas rush, many Congressmen would not take the necessary time to study the Federal Reserve document. Thus, as the bankers planned, the House of Representatives voted on the Federal Reserve Act on December 22, 1913. The House voted on House Resolution 7837 (the Federal Reserve Act) introduced by Senator Glass.

On so important an issue, 103 empty Congressional seats meant less opposition to the passage of the Federal Reserve Act. Can you imagine 103 of our elected officials (76 Representatives and 27 Senators) were more concerned about going for their Christmas vacation than saving our country? Many of the Congressmen did not have time to read the entire bill. Many who did make an honest effort to study the legislation found themselves lost in the forest of technical banking vocabulary.

On December 23, 1913, the Day of Infamy, Congress passed the Federal Reserve Act. Keeping his campaign promise to the bankers, President Woodrow Wilson signed the document which sold our country to private bankers."

This unlawful institution has been issuing a dollar and demanding the repayment of three dollars ever since. This is approximately how much interest will accrue on a borrowed amount over 25 years at 5% per annum. The answer to restoring honest money is to issue currency in a fixed amount without debt or encumbrance as intended by the Founding Fathers and explicitly provided for in the Constitution.

The first money legislation passed by Congress was the legislation titled *An act establishing a mint, and regulating the Coins of the United States* (AKA the Coinage Act and The Mint Act) and passed on April 2, 1792. It calls for the only lawful money as being a fixed measure of gold or silver coin issued by the Treasury of the USA or redemption certificates of same. By that definition, a dollar should be able to be redeemed for a fixed amount of gold or silver upon

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<sup>8</sup> <http://www.mind-trek.com/reports/tl17a.htm>

demand, but Americans haven't had that kind of money since 1928. Here are selected excerpts from that act which defines the character of money the Founding Fathers regarded as sound:

**SECTION 1.** Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, and it is hereby enacted and declared, *That a mint for the purpose of a national coinage be, and the same is established, to be situate and carried on at the seat of the government of the United States*

**SECTION 11.** And be it further enacted, *That the proportional value of gold to silver in all coins which shall by law be current as money within the United States, shall be as fifteen to one, according to quantity in weight, of pure gold or pure silver; that is to say, every fifteen pounds weight of pure silver shall be of equal value in all payments, with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals.*

**SECTION 16.** And be it further enacted, *That all the gold and silver coins which shall have been struck at, and issued from the said mint, shall be a lawful tender in all payments whatsoever, those of full weight according to the respective values herein before described, and those of less than full weight at values proportional to their respective weights.*

**SECTION 19.** And be it further enacted, *That if any of the gold or silver coins which shall be struck or coined at the said mint shall be debased or made worse as to the proportion of fine gold or fine silver therein contained, or shall be of less weight or value than the same ought to be pursuant to the directions of this act, through the default or with the connivance of any of the officers or persons who shall be employed at the said mint, for the purpose of profit or gain, or otherwise with a fraudulent intent, and if any of the said officers or persons shall embezzle any of the metals which shall at any time be committed to their charge for the purpose of being coined, or any of the coins which shall be struck or coined at the said mint, every such officer or person who shall commit any or either of the said offences, shall be deemed guilty of felony, and shall suffer death.*

DOLLARS or UNITS – each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy one grains and four sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver.

**SECTION 20.** And be it further enacted, *That the money of account of the United States shall be expressed in dollars or units, dismes or tenths, cents or hundredths, and milles or thousandths, a disme being the tenth part of a dollar, a cent the hundredth part of a dollar, a mille the thousandth part of a dollar, and that all accounts in the public offices and all proceedings in the courts of the United States shall be kept and had in conformity to this regulation.*

From these excerpts, we learn the following about the money the founding fathers intended for the nation:

1. All currency must be backed by specific quantities of gold or silver.
2. The control of the currency issue was to be closely held by government.
3. Any attempts to corrupt the money by government employees were punishable by death; that is how important the sanctity of money was to them.
4. The ratio of the value of silver to gold was 15:1.
5. This money was to be the legal currency used for all payments whatsoever.

Money today does not look much like the above definition. The following letter was sent by Senator John Ensign on December 18, 2007 to one of his constituents who asked for a legal definition of money:

**JOHN ENSIGN**  
NEVADA  
  
COMMITTEES:  
BUDGET  
COMMERCE, SCIENCE, AND  
TRANSPORTATION  
FINANCE  
VETERANS' AFFAIRS

*United States Senate*  
WASHINGTON, DC 20510-2805

December 18, 2007

119 RUSSELL SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-2805  
(202) 224-6244  
  
333 LAS VEGAS BOULEVARD, SOUTH  
SUITE 8203  
LAS VEGAS, NV 89101  
(702) 988-6605  
  
400 SOUTH VIRGINIA STREET  
SUITE 736  
RENO, NV 89501  
(775) 696-6770  
  
600 EAST WILLIAM STREET  
SUITE 304  
CARSON CITY, NV 89701  
(775) 895-9111  
  
website: [ensign.senate.gov](http://ensign.senate.gov)

Mr. Christopher Hansen  
2657 Windmill Parkway, #107  
Henderson, Nevada 89074

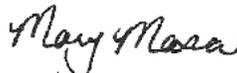
Dear Mr. Hansen:

Thank you for contacting Senator John Ensign's office with your request for the legal definition of a dollar. After contacting the Congressional Research Service with your request, they have directed me to a report that explains the definition of a dollar from the 1856 edition of the Bouvier's Law Dictionary, to the 1986 edition of Black's Law, Second Pocket Edition, and explained that the definition of a dollar is actually quite fluid. I have enclosed that report, and I hope it will be of help to you.

When we spoke on the phone, you also mentioned that your question was related to campaign contributions. CRS suggested that you study the Federal Election Campaign Act which can be found at the website, [www.fec.gov](http://www.fec.gov).

If this office can assist you with another federal matter, please do not hesitate to contact us.

Sincerely,



Mary Mason  
Special Assistant

/mm  
Enclosure

## Definition of "Dollar"

Bouvier's Law Dictionary, 1856 Edition

DOLLAR, money. A silver coin of the United States of the value of one hundred cents, or tenth part of an eagle.

2. It weighs four hundred and twelve and a half grains. Of one thousand parts, nine hundred are of pure silver and one hundred of alloy. Act of January 18, 1837, ss. 8 & 9, 4 Sharsw. Cont. of Story's L. U. S. 2523, 4; Wright, R. 162.

3. In all computations at the custom-house, the specie dollar of Sweden and Norway shall be estimated at one hundred and six cents. The specie dollar of Denmark, at one hundred and five cents. Act of May 22, 1846.

CENT, money. A copper coin of the United States of the value of ten mills; ten of them are equal to a dime, and one hundred, to one dollar. Each cent is required to contain one hundred and sixty-eight grains. Act of January 18th, 1837, 4 Sharsw. cont. of Story's L. U. S. 2524.

Blacks Law Dictionary, 1st Edition (1891)

DOLLAR. The unit employed in the United States in calculating money values. It is coined both in gold and silver, and is of the value of one hundred cents.

CENT. A coin of the United States, the least in value of those now minted. It is the hundredth part of a dollar. Its weight is 72 gr., and it is composed of copper and nickel in the ratio of 88 to 12.

Blacks Law Dictionary, 3rd Edition (1933)

DOLLAR. The unit employed in the United States in calculating money values. It is coined both in gold and silver, and is of the value of one hundred cents.

Thompson v. State, 90 Rex. Cr. R. 125, 234 S. W. 406, 408.

Blacks Law Dictionary, 4th Edition (1951)

DOLLAR. The unit employed in the United States in calculating money values. It is coined both in gold and silver, and is of the value of one hundred cents.

People v. Alba 46 Cal.App.2d 859, 117 P.2d 63. Money or currency issued by lawful authority and intended to pass and circulated as such. Neufield v. United States, 118 f.2d 375, 387, 73 App.D.C. 174. The dollar of nine-tenths fine consisting of the weight determined under the 31 U.S.C.A. Â§ 321, shall be the standard unit of value, and all forms of money issued or coined shall be maintained at a parity of value with this standard. 31 U.S.C.A. Â§ 314.

Blacks Law Dictionary, 4th Edition Revised (1957)

DOLLAR. The unit employed in the United States in calculating money values. It is of the value of 100 cents. People v. Alba, 46 Cal.App.2d 859, 117 P.2d 63.

Money or currency issued by lawful authority and intended to pass and circulated as such. Neufield v. United States, 118 f.2d 375, 387, 73 App.D.C. 174.

Blacks Law Dictionary, 5th Edition (1968)

Dollar. The money unit employed in the United States of the value of one hundred cents, or any combination of coins totalling one hundred cents.

Blacks Law Dictionary, 6th Edition (1979)

Dollar. The money unit employed in the United States of the value of one hundred cents, or any combination of coins totalling one hundred cents.

Cent. A coin of the United States, the least in value of those now minted. It is the hundredth part of a dollar.

Blacks Law Dictionary, 7th Edition (current edition)

(No definition for "dollar" or "cent" found)

Ballentines Law Dictionary, 2nd Edition (1930 & 1948)

Dollar (dol'ar). " There is no ambiguity about the word 'dollar'." If any word

has a settled meaning at law, and in the courts, it is this. It can only mean the legal currency of the United States, not dollars vested in lands. A dollar is the volume of money, and is by law made a money unit value of the value of one hundred cents. See *State v. Downs*, 148 Ind. 324, 327.

Ballentines Law Dictionary, 3rd Edition (1969)  
dollar. The legal currency of the United States; *State v Downs*, 148 Ind 324, 327; the unit of money consisting of one hundred cents. The aggregate of specific coins which add up to one dollar. 36 Am J1st Money Â§ 8. In the absence of qualifying words, it cannot mean promissory notes, bonds, or other evidences of debt. 36 AM J1st Money Â§ 8. (Emphasis Added)

American Jurisprudence, Volume 36, Â§ 8  
[The term "dollar" means money, since it is the unit of money in this country, and in the absence of qualifying words, it cannot mean promissory notes or bonds or other evidences of debt. The term also refers to specific coins of the value of one dollar. (27 Ohio Jur pp. 125, 126, Â§ 3), (*United States v. Van Auken*, 96 US 366, 24 L ed 852)

Black's Law, Second Pocket Edition (1996)  
Federal Reserve Note  
Federal reserve note. The paper currency in circulation in the United States. The notes are issued by the Federal Reserve Banks, are effectively non-interest-bearing promissory notes payable to bearer on demand, and are issued in denominations of \$1, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, and \$10,000. (Emphasis Added)

Title 18 Â§ 8. - Obligation or other security of the United States defined  
The term "obligation or other security of the United States" includes all bonds, certificates of indebtedness, national bank currency, Federal Reserve notes, Federal Reserve bank notes, coupons, United States notes, Treasury notes, gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, issued under any Act of Congress, and canceled United States stamps. (Emphasis Added)

Clearly, what the government defines as a dollar today bears no resemblance to what it was at the birth of the nation and is most definitely no longer backed by gold or silver bullion. Nevertheless, even a bullion-based system *cannot* work. You can't have stable prices if there is a finite amount of bullion-backed money (since we can only pull relatively minute amounts of gold and silver out of the ground) and at the same time have an ever-expanding economy. Furthermore, most of the bullion is in the hands of the few. We will know that for a certainty when the doors of Fort Knox are finally opened to reveal an empty warehouse. We already know as a matter of public record that the strategic reserve of silver is all gone. A better solution is desperately needed – a [Wealth Pump](#).

## A Better Currency and Economic Policy



Figure 34 - Alberta Premier William Aberhart (1935)

A better and entirely workable form of currency is social credit Economic Democracy as described by C. H. Douglas<sup>9</sup>. In Alberta, Canada and starting in 1932, a Baptist minister named William Aberhart started to champion this form of honest money and honest government. He subsequently became Premier of the Province of Alberta in September of 1935 and served until 1943 when he died suddenly. He called his party the Alberta Social Credit Party because this was their fundamental social plank. This party came to power only three years after Aberhart caught the vision, started to evangelize it and formed the Alberta Social Credit Party. This is an incredible testimonial as to how fast “We the People” can turn this entire economy around if we have an appropriate vision. Here is the Wikipedia summary of events:

William Aberhart, a Baptist pastor and evangelist in Calgary, was attracted to social credit theory while Alberta was in the depths of the Great Depression. He soon began promoting social credit via his radio program on CFCN in Calgary; adding a heavy dose of fundamentalist Christianity to C.H. Douglas' original ideology. The basic premise of social credit--that all citizens have the right to the wealth they jointly produce--was especially attractive to farmers sinking under the weight of the Depression. Several study groups devoted to the theory sprang up across the province, which united into the Social Credit League of Alberta.

*From 1932 to 1935, Aberhart tried to get the governing United Farmers of Alberta to adopt social credit. When UFA Premier Richard Reid rejected Aberhart's overtures as unconstitutional, Aberhart entered Social Credit candidates in that year's provincial election.* He reaped an unexpected windfall from widespread discontent with the overly cautious direction of the *UFA government, which was also reeling from a scandal* that had forced Reid's predecessor, John Brownlee, to resign a year earlier. The latter, in particular, *caused socially conservative Albertans to flock to Social Credit.* In some cases, local UFA chapters openly supported Social Credit candidates.

*In the August 22, 1935 election, much to its own surprise, Social Credit won a landslide victory, taking 54% of the popular vote and winning 56 of the 63 seats in the Legislative Assembly.* The only opposition came from five Liberals and two Conservatives. The UFA lost all of its seats in one of the worst defeats for a sitting provincial government in Canada.

<sup>9</sup> [http://en.wikipedia.org/wiki/Social\\_Credit](http://en.wikipedia.org/wiki/Social_Credit)

*The Socreds' expectations for the election were so low that they hadn't named an official leader during the campaign.* With the win, Social Credit had to choose a leader who would become the province's new premier. **Aberhart** was the obvious choice, but he initially didn't want the office. However, he *was finally prevailed upon to take power, and was sworn in as premier on September 3, 1935.* He entered the Legislative Assembly a year later in a by-election.

Initially, the party attempted to implement its radical populist policies, such as the issuance of prosperity certificates to Alberta residents (dubbed "funny money" by detractors) in accordance with the theories of Silvio Gesell. **Douglas, the originator of the Social Credit movement, did not like the idea of prosperity certificates** which depreciated in value the longer they were held, and openly criticized Gesell's theories.

Early in their term, the Socreds tried to pass two bills that would have placed the province's banks under government control. However, Lieutenant-Governor John C. Bowen refused to grant Royal Assent to the bills. The Supreme Court subsequently ruled the legislation unconstitutional because they asserted that only the federal government can legislate on banking and fiscal policy.

Bowen also refused Royal Assent to the Accurate News and Information Act, which would have forced newspapers to print government rebuttals to stories the Executive Council (cabinet) objected to. The government also repealed legislation allowing for the recall of members of the Legislative Assembly by petition when Aberhart himself became the target of recall efforts.

The government's relationship with Bowen became so acrimonious that in 1938, Bowen even threatened to use his reserve powers to dismiss it. In the end, Bowen chose not to take this extraordinary action, in part because the Socreds were so popular that they would have almost certainly been reelected.

Thwarted in their attempt to gain complete control of Alberta's banks, Aberhart's government eventually succeeded in gaining a foothold in the province's financial sector by creating the Alberta Treasury Board in 1938. ATB has become a lasting legacy of Social Credit Party policies in Alberta, operating as of 2009 as an orthodox financial institution and crown corporation. It also enacted several socially conservative laws, notably one restricting the sale and serving of alcohol. It was one of the strictest such laws in Canada. For many years, commercial airlines could not serve alcohol while flying over Alberta.

Social Credit was elected with a slightly reduced mandate in 1940. *"Bible Bill"* **Aberhart died in 1943 and was replaced by his Provincial Secretary and Minister of Trade and Industry, Ernest Manning.**

Manning's government was much more pragmatic. Under his leadership, *the party largely abandoned social credit monetary theories*, though it did issue prosperity certificates from oil royalties in 1957 and 1958.

A few words on Canadian political history are appropriate. It would interest most readers to know that most Canadians themselves don't know what I am about to reveal. As a child educated in Canada, I was not taught in my Canadian history books about the Statute of Westminster or the fact that the current federal Government of Canada has no authority to govern the nation because it has no international right of eminent domain. That is precisely why the King of England gave authority to the provinces – not the government of Canada – in the Statute of Westminster. Somebody – specifically the “Powers That Be” of Canada – hijacked the good ship Canada and took it as its own personal property through fraud, deception and deceit. The then Prime Minister had the audacity to issue the Governor General's letters-patent on his own authority and without any media alert! Eldon Knutson, politician, author and founder of the Confederation of Regions Party (a Canadian federal political party) wrote a book titled *A Confederation or Western Independence*.<sup>xvi</sup> It details the true history of the birth of Canada as a nation. It is an inconvenient truth that the rewriters of Canadian history would rather not be told. It is available for download at our web site. I will leave it for the reader to delve further into this interesting matter.

Until 1931, Canada was not a sovereign nation. It was known as the Dominion of Canada, and it was a dominion British colony. The Lieutenant Governor of Alberta, John C. Bowden, was granted by the King of England “letters patent” that appointed him a Corporation Sole – a Common Law corporation. In this capacity, his words and edict were the same as if they had come out of the mouth of the King; and only the King, himself, could over-rule this authority. His “no” was final. The office of Lieutenant Governor was appointed by the Governor General. After 1931, the Prime Minister of Canada seized the authority to appoint the Governor General without any legislative authority. This office had been previously appointed by the Crown of England's Privy Council. It can be legitimately argued that this was a covert act of piracy since there was no public disclosure.

With the passage of the Statute of Westminster in 1931, the legislative authority was expressly given to the provinces – not the federal government – in section 7-2 and it reads as follows, though the section is provided in its entirety:

7 Saving for British North America Acts and application of the Act to Canada.

(1) Nothing in this Act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts 1867 to 1930 or any order, rule or regulation made thereunder.

**(2) The provisions of section two of this Act shall extend to laws made by any of the Provinces of Canada and to the powers of the legislatures of such Provinces.**

(3) The powers conferred by this Act upon the Parliament of Canada or upon the legislatures of the Provinces shall be restricted to the enactment of laws in relation to matters within the competence of the Parliament of Canada or of any of the legislatures of the Provinces respectively.

You cannot understand the implications of this section without understanding what is in section two. What is noteworthy about this section though is the fact that the BNA is a British act of parliament and thus irrelevant to what was now to be a sovereign nation empowered to chart its own course. Since sovereignty was now to be in the hands of Canadians, the first subsection is basically meaningless. It is also noteworthy that the rights of the Parliament of Canada were *not* extended a Section Two provision also. It was thus *excluded* from the rights of Section Two. Now for Section 2 of the Statute of Westminster of 1931 where it is clear that the sovereign power of making laws was given to the provinces – not the Parliament of Canada:

2 Validity of laws made by Parliament of a Dominion.

(1) The Colonial Laws Validity Act 1865 shall not apply to any law made after the commencement of this Act by the Parliament of a Dominion.

(2) No law and no provision of any law made after the commencement of this Act by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the Parliament of a Dominion shall include the power to repeal or amend any such Act, order, rule or regulation in so far as the same is part of the law of the Dominion.

Section One stated that the Governor General no longer needed to give assent to the government's laws. Section Two assigned the power to make laws to the provincial governments as the Dominion powers. I believe that had Aberhart been more in tune with law

and this statute in particular, he could have made a very strong case for overturning what I am about to describe as subsequently transpiring.

Because the political uproar over the passing of Social Credit legislation in Alberta was so furious, Lieutenant Governor Bowden deflected criticism in refusing to proclaim the laws passed by the Alberta Legislative Assembly when he asked the Supreme Court of Canada to “back him up” with a ruling. That court’s appointees were given their office by appointment of the Governor General of Canada who was also a Corporation Sole appointed (as of 1931) by the Prime Minister of Canada and whose word was also final. Can you see all the pieces tumbling into place?

In 1931, the King of England cut the good ship Canada loose from the British Empire by passing the Statute of Westminster which gave sovereignty to the then-eight Dominion provinces of Canada, the Dominions of the States of Australia, South Africa, New Zealand and Newfoundland. Technically, Aberhart could have denounced the Supreme Court of Canada ruling and fired the Lieutenant Governor Bowden, proclaim his legislation himself and Ottawa couldn’t have done a damn thing about it – not legally. Unfortunately, Aberhart did not grasp the significance of the Statute of Westminster upon his vastly enhanced authority, and he failed to capitalize on this opportunity.

In 1943, Aberhart died suddenly and to everyone’s surprise. He was succeeded by Ernest T. Manning who was a cabinet minister under Aberhart. I personally wonder if there was foul play but there is no evidence to support this theory – any more than there is evidence that Louis T. McFadden was poisoned at a State banquet for introducing articles of impeachment against the Federal Reserve board and the Secretary of the Treasury in the US. There is a smoking gun. Just as McFadden died shortly after introducing articles of impeachment against the Federal Reserve Board members and the Secretary of the Treasury, so too Aberhart died suddenly just 17 days after giving the following radio speech on May 6, 1943 as was transcribed in the June 26, 1943 edition of *The Social Crediter* periodical:

A few nights ago I was listening to one of those "quiz" programmes which have become so popular with radio stations; and it struck me very forcibly that it was but another example of how people are being taught to-day to guess rather than to think for themselves. The kind of questions being asked were: "Who is the Minister of Agriculture?" "Is Moscow further North or further South than Quebec?" and so forth. The participant either knew the answers or he had to guess them. I cannot recall a single question that would have the effect of making

people think. Has it ever occurred to you that it is becoming very much the same in regard to all phases of our national life?

For example you will recall the famous plebiscite we had recently in Canada. In it the people were asked a question, the answer to which would not commit the government to any particular course of action. The government refused to indicate what they would do if the people voted either yes or no, hence the people themselves could not possibly tell what would be the result of their decision. They had to guess.

Or take election time. As a general rule the candidates of all parties came forward with their platforms all nicely dressed up to catch votes. The people are not asked, "What do you want? Do you want security in terms of more goods and better homes? Do you want these without regimentation and bureaucracy so that you may enjoy the maximum of freedom? Do you want freedom from debt and overburdening taxation?" Oh! No, no! they are not given the opportunity of voting on anything so straightforward as that. They are asked to vote on tariffs or free-trade, on compulsory unemployment insurance under one party's bureaucracy or another party's bureaucracy, or whether they want industries nationalised, or would they prefer an international police force. In this way complicated and technical questions are put before the people, without giving them the proper information upon which to form sound opinions regarding what the results would be for them if these things were done. In other words—they have to guess.

That is the kind of thing that is going on all the time. People are being discouraged from thinking. We are being drilled into becoming a nation of guessers—and as the men who manipulate the situation from behind the scenes know all of the answers, and the necessary information is carefully withheld from the people, the manipulators are always right and the people generally guess wrong.

Nowhere is this more strikingly demonstrated than in regard to the stuff that is dished up to us as news. Tonight I propose to deal with just one example, to show you the dangerous intrigue that is being perpetrated right under our noses.

Suppose that you pick up your newspaper some evening and read bold headlines such as these: "World Totalitarian Dictatorship by Finance Proposed as New Post-War Order – Confidence Expressed British Empire and American Governments Will Be Hoaxed Into Acceptance of Plan." What would be your reaction to that news? Would it make your blood boil? Would you feel indignant that anybody should dare to put forward treason like that while your son or your brother or your husband is over there risking his life for the ideals of democracy and our traditional British freedoms?

Well, my friends, let me tell you frankly, you have read that news in your papers, but it was not stated nearly so boldly. Possibly because what you read was

complicated or was couched in altruistic language, and since you had no definite information on which to form an opinion, you just had to guess what it meant. And you probably guessed that there was nothing very sinister about it. That is what you were intended to do.

A short time ago you may remember reading in your newspaper that plans for an International Monetary Reform were published on the same day in both London, England, and in Washington, by the British and the United States Governments. These two plans were presented in the newspaper reports as simple and innocent expedients for making it easier to re-establish international trade after the war—a most desirable and worthy objective.

Strange as it may seem, though, the so-called British and American plans were supposed to have been drawn up independently, they were basically similar, and both were made known to the public on the same day. This would tend to impress the people with the spontaneity of agreement and the unanimity of purpose in the whole matter. It was another of those strange coincidences like the similarity of the Beveridge, Marsh and N.R.P.B. plans of social security which were offered to the public within a few days of each other and were identical in their main features. Well, I tell you frankly I don't believe in coincidences of that kind. They are too weird to be genuine.

Let me draw to your attention some of the main features common to both the British and the American plans for an international money system. Both advocate setting up an international unit of money, based on gold. In one case the name "Bankor" is suggested; in the other the term "Unitas" is put forward. But what does the name matter anyway, since both plans involve control of the international money system by an international authority, which will likewise control international trade? You see it is all international—centralisation of power, etc. Both plans suggest that some such system should be set up in a hurry. Both plead its necessity on the grounds that it is essential for the purpose of averting confusion in world trade after the war. How plausible! How persuasive! "Will you come into my parlour said the spider to the fly," sort of manner.

Lord Keynes, a director of the Bank of England, is reputed to be the author of the British scheme. He is reported as having stated that such an international monetary system might be used to finance a World Police Force. All Totalitarian Powers evidently need a Gestapo. We are not told who the author of the American plan was.

On the face of it there seems to be nothing in those schemes to unduly alarm people, does there? But that is only because the people haven't the information which would enable them to understand what an international money system controlled by an international authority, backed up by an international Police Force, would mean to them.

Listen carefully, Ladies and Gentlemen! For the past three years—in fact ever since the outbreak of war— there has been a steady stream of propaganda, carefully organised and well financed, to win support for setting up a World Federation of Nations under an International authority, to which all Nations would surrender control of finance, international trade, their armed forces and their citizenship rights. How long is it going to take for the people to realise what is going on and what it will mean to them?

In the first place it would mean that the people of Canada would no longer be sovereign. They would no longer be the constitutionally supreme authority in their own country. By giving over control of finance to some alien dominated international dictatorship, they would be giving that authority complete control over every aspect of their national life. You see, control of finance would mean control of the money system— and that in turn controls every phase of production and distribution. Stripped of all its camouflage, the final result will be a slave state, worse than anything as yet proposed by our bombastic dictators. Is that what our brave soldiers are fighting and dying for? Do you, as a true Canadian, desire such conditions? Then I ask, what are you doing about it?

Now is the time to act. If we wait until the bonds are welded and this dreadful totalitarian order set up, the people of Canada will then be helpless to do anything about it if they do not like the harsh conditions that are imposed upon them. Remember that in addition to control over finance, the international authority would also have control over the Armed Forces and the citizenship rights. If any individual dared to challenge the authority of the international dictatorship he might find that they had deprived him of his citizenship rights. And if the people as a whole started to kick over the traces—well, they would be unarmed and helpless while the international over-lords would have control of all the Armed Forces and the World Police Force. So it would be just too bad for the people.

Do you consider it fantastic to imagine that anything like that could happen? How can you when the very idea I have outlined has been put forward seriously as the basis of our Post-War Order? Published Plans

In the first instance, two books on the subject were published. One of these was written by a man connected with a newspaper which, on the evidence of a British Ambassador to the United States, was controlled by the banking institution that is the Headquarters of International Finance. The other book was by the son of one of the founders of the Money Power on this continent. There is absolutely no question about it that this plot, this evil conspiracy—to set up an international totalitarian dictatorship with control over every aspect of our lives and armed with overwhelming forces to impose their will upon us, can be traced to that small group of men which comprise International Finance.

If ever that scheme should be put over, it would mean the end of democracy, the

end of the British Empire, the end of freedom. On the other hand, it would be the establishment of a World Slave State more ruthless and vile than anything which the evil genius of the Nazis have (sic) as yet conceived. Yet poisonous propaganda in favour of this diabolical idea is being openly scattered far and wide in Canada—and that in wartime also. I assert that it is treachery of the worst kind that, even while all the suffering and sacrifices of this present war are going on to overthrow totalitarianism, anyone should even suggest that we do away with all that our brave lads are fighting to defend.

It is most important that we realise that the proposals for inveigling us into an international dictatorship are not put forward in an obvious, above-board manner. No, indeed! They are carefully wrapped up in an attractive and subtle propaganda form. You are told that international control of money is a means for ensuring orderly world trade. You are not told that immediately you hand over constitutional control of finance to an international authority, it will be impossible for the people of Canada ever to change their unsatisfactory monetary system. That fact is kept hidden.

Again, you are told that international control of the Armed Forces is necessary to maintain world peace. The plausible term used to describe it is (sic) an "international police force." It sounds more innocent. You are not told that such a force would place the people of all nations completely at the mercy of the international authority which controlled that force.

And remember where you have a concentration of power in a few hands, all too frequently men with the mentality of gangsters get control. History has proven that. As the British peer, Lord Acton, put it so aptly:

"All power corrupts; absolute power corrupts absolutely."

I warn you, Ladies and Gentlemen, with every ounce of sincerity and vehemence I possess; for your own sake, for the sake of the brave lads who are fighting so heroically to overthrow tyranny, for the sake of your children, for the sake of the future of our country—yes—for the sake of everything you hold dear, oppose, expose and resist by every means in your power this audacious and evil conspiracy by the Money Powers to set up a World Slave State.

And now before I close, may I once again thank all of you who have written to me, and who have contributed to these broadcasts during the past week. You will be glad to hear that our radio fund is building up nicely, but we have not yet reached the point to undertake the more ambitious programme to which I referred last week.

I hope that, if these broadcasts are giving people the satisfaction which the increasing number of letters indicates, the time is not far distant when all who listen to them will be sharing in their cost. I feel with all the fibre of my being

that this question of Post-War Reconstruction is so urgent and the situation which is developing is so critical that it will require a supreme effort by us all, working together, to meet the problems we face.

I will be on the air again one week from to-night over this same Station at the same time. Until then I bid you goodnight, Ladies and Gentlemen.



Figure 36 - Ernest T. Manning, Former Premier of Alberta, Canada



Figure 35 - Preston Manning

History records that Manning promptly abandoned his Social Credit doctrinal principles and even implemented policies that C. H. Douglas had openly criticized. None of what Aberhart introduced was followed up or acted upon by the party after his death. At this point, the party became social credit in name only; another international “Powers That Be” puppet government. It is telling indeed that upon Ernest Manning’s retirement from politics, he was appointed as a director to the Canadian Imperial Bank of Commerce. His son Preston is now presumably striving to help Canadians find a solution to the economic mess we find ourselves in through Manning Centre. His vision is to train people in the political process. I find only one problem. There is no statement of economic policy articulated on his web site – [www.manningcentre.ca](http://www.manningcentre.ca) – around which we can rally. It is a ship without a rudder – like the Tea Party and Occupy movements in America. This author tried to interview Mr. Manning to solicit his views on economic policy but Manning declined.

Let Manning advocate intention to implement an Economic Democracy economic policy and I will be first in line to volunteer to the cause. And what is that cause?

Wikipedia describes Douglas’s vision of Economic Democracy as follows:

According to Douglas, the true purpose of production is consumption, and production must serve the genuine, freely expressed interests of Consumers. ***Each citizen is to have a beneficial, not direct, inheritance in the communal capital conferred by complete and dynamic access to the fruits of industry assured by the National Dividend and Compensated Price. Consumers, fully provided with adequate purchasing power, will establish the policy of production through exercise of their monetary vote.*** In this view, the term Social Credit does not mean worker control of industry. Removing the policy of production from banking institutions, government, and industry, Social Credit envisages an ***"aristocracy of Producers, serving and accredited by a democracy of Consumers."*** Assuming the only safe place for power is in many hands, Social

Credit is a distributive philosophy, and its policy is to disperse power to individuals. Social Credit philosophy is best summed by Douglas when he said, *“Systems were made for men, and not men for systems, and the interest of man which is self-development, is above all systems, whether theological, political or economic.”*

I’ll let Douglas have the last word.

## **Little Things Mean a Lot**

Let us now briefly survey several thoughts that tie in with a properly functioning Economic Democracy economy. This is my personal vision of what I think it will take to be effective.

In my opinion, the world economy’s money should be comprised of a blend of Economic Democracy for domestic currency and bullion as the medium of exchange between nations with the enforcement of balanced international trade as a key national goal. As long as there are even two nations, Economic Democracy won’t work for international trade because one nation has no say in the valuation of an artificial currency system of another. Historically, only an immutable substance like gold, silver or platinum has had a universally respected value. The measure of precious metal can be an effective universal arbitrator of the value of a nation’s currency as perceived by its neighbors. It can set a one-world price for any commodities, manufactured goods or services. If a nation’s currency is clearly quantified and transparent, then another nation might be willing to accept that nation’s money instead of bullion. If a country possesses no bullion, let it manufacture and/or export something useful to its neighbors and it will have bullion for trading soon enough. If a country possesses a great hoard of bullion but it produces nothing useful to its partners and spends that bullion on its partners’ commodities, goods and services; it will lose its bullion and its ability to buy imported goods soon enough also. What will keep each nation’s bullion reserves intact is fair and balanced trade.

In my personal opinion, interest on newly created purchasing power – money that here-to-fore did not exist - is usury and has never been a blessing on any society. If loans at interest are to be made between men, they must be made on the following basis:

1. The lender must have the entire amount of the loan in hand and must transfer it to the borrower in consideration of a loan contract, thus giving up the use of that money.
2. The lender may only secure the loan with that portion of the collateral that would be necessary to restore the lender’s property in the event the borrower defaults on the loan contract’s terms.

3. Interest will be rent on the loaned property, and it shall not exceed a legislated maximum.
4. There will be a contract spelling out the terms of a loan; specifically, the time, the repayment terms, equity stake and the borrower's pledged collateral.
5. The contract must be notarized by a publically recognized and appointed Notary Public. The duties of that Notary Public are to witness the agreement and to ensure that it is not mischievous in any way.

A notary Public must reject by courthouse-registered writ any loan contract that he deems unjust in his sole discretion; the only recourse for two parties to complete the contract will be to either amend the contract to the Notary's satisfaction or request a trial by jury to settle the matter. If a trial is initiated, it will be the duty of the jurors to decide two things:

1. Is the contract reasonable?
2. Is the Notary Public guilty of mischief?

Every 50 years, there should be a jubilee where all debts are forgiven and all property lost through transfer by debt collateral must be restored to the original owner. If the owner dies before the next jubilee, the property remains in the hands of the one who took it as collateral. Pledging collateral for loans shall not be without risk to an owner or his estate and should not be taken lightly. The concept of a jubilee is an unselfish act of supreme brotherly love for our fellow man and an effective means of ensuring that not too much wealth passes into the hands of a few people at the expense of everyone else. It is humbling to voluntarily give up a piece of our property for the restoring and building up of our fellow man. It is also humbling to be the receiver of that generosity.

We all have a unique mix of gifts and talents that bring richness to each other and to our own lives. We have evolved our society with advanced technology to a point that none of us need ever perform dangerous, tedious or mindless work. We can create robotic machines and write computer programs to perform these tasks. None of us need to live unfulfilled lives, and none of us need to perform the same task for our entire lives – unless we want to. An important focus of child rearing for parents needs to be for us to help our children discover their life purpose – what they want to do, not what we want them to do.

We do not need a divided world of *haves* and *have-nots*. We are tenants in this world, and the Creator has made us stewards of it. The Native American Indians thought our concept of land ownership was foolish, and they were correct. All land of a community should be

community property. No man should be dispossessed of a roof over his head because of a failure to pay rent or taxes. We may all use – but not abuse – the land we own in allodium. That is our God-given right and duty as human beings. That being said, we may not have evolved far enough to accept this proposition. As a minimum, people should be able to possess their property homestead without third party encumbrance. They should possess it in allodium.

The cornerstone of the economy will eventually be *Co-efficient of Power greater than one* (COP > 1) *engines* (AKA Energy from the Vacuum, radiant energy, vortex implosion, etc.) that power everything. Each home and automobile can be powered by such devices, as will every engine and power station of the community. Since none of this technology has been implemented for commercial use since Nicola Tesla invented it (he called it the work-wheel of nature) over 100 years ago, this shall serve as the very building block of a renewed economy as the rubble of our failing economy is being swept away. This is *critical* because one of the main obstacles to prosperity that has kept our society on the treadmill of the current economic policy is the need to continuously replenish our energy. With a virtually limitless supply of free energy available, food can be grown anywhere on earth in a greenhouse with intensive agriculture, waste can be burned to dust and recycled and all the power we could ever need to propel our cars, heat and cool our homes, power our farms and power our appliances can be made available without depleting our wages. Pollution will be eliminated, so the assault on our environment will finally be halted. We need only construct our machines well so they last a long time. Producers know how to do that. We as a society can then focus on doing what we *want* to do, rather than what we *have* to do to survive; there is really no shortage of anything in the world today – except effective demand to buy the things we want and need.

Before going any further on this new thought about the ideal form of government, I want to preface it with the disclaimer that it is what our world will eventually evolve to but I do not think it is even possible to propose as a next step. The next step needs to involve modifying the Constitution as outlined in the upcoming chapter titled *Fix the Constitution*. I offer it as interesting food for thought. Government will be of a new and as-yet-untested republican form – every member of society as a direct participant - individualarchy. Government will have leaders who are appointed, based on merit and a history of public service for a specific term of office. One appropriate model – pure speculation on my part and not the thrust of what I recommend but certainly interesting to consider as a possibility - could be what was used in Great Britain for

over 1000 years – the tun. Here is Bob Taft’s assessment of why America doesn’t work today and his detailed description of tuns in an email he posted on June 2, 2002. I frankly think his historical assessments may or may not be correct (I didn’t do the research) but his form-of-government proposals are certainly thought provoking. He shows that there is more than one way to structure a government.

In the matter of calling a Constitutional Convention, the very first one was the big mistake made by the politicians who controlled the political scene in 1787. It must be remembered that we had an unusual patriotic surge back in 1774 and the Continental Congress was about half and half Patriots and Politicians. The Patriots won in 1776 with the Declaration, and again in 1777 with the Articles, though as the Patriot/Politician ratio kept changing it took four years to even accept the republican structure afforded by the Articles of Confederation. By 1778 the convention called to amend the Articles had less than a handful of the original Patriots so that instead the Politician majority threw out the Articles and the Old Republic which they created, and instituted a democratic-Republic. After 1781 the Patriots had gone home to resume their productive lives, leaving the Politicians in charge of the hen house.

That was America's undoing right then.

Today you'll not find a five percent Patriot minority in any American legislative body.

I'll append hereto an article that more fully explains what we lost in 1787.

"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country... Corporations have been enthroned, an era of corruption in high places will follow, and the money-power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in a few hands and the Republic is destroyed."– Abraham Lincoln, November 12, 1864

"There are many nouveau-Patriots around today who like to throw about the useless term "Constitutional Republic." Our problem is that the U.S. Constitution under which we function as a governed people destroyed the original short-lived Republic and there is virtually no recollection of this fact today.

"Many of the "Founding Fathers" were as much scoundrels as you find in any law-making group today. The Continental Congress however was about fifty-fifty, Patriots and Politicians. The Patriots won in 1776 with the Declaration of Independence and the next year with the Articles of Confederation which created a pretty good Republic, "if you can keep it!" Ten years later, the Politicians won and reversed what the Patriots had accomplished and have been winning ever since. They converted the Old Republic into a Democratic-Republic which was ultimately discarded by the 17th Amendment.

(Wm. Howard Taft was our LAST Republican president as no Republic, even a watered-down one, existed after 1913).

History books concentrate on what they want our dumbed-down populace to dwell on and skip what they want to hide. The original colonies were commercial ventures, chartered by the Crown, merged into one big venture under the flag of the East India Company, the father of all commercial ventures. We are told today of the Declaration of Independence, and then skip to the Constitution as our founding documents.

We are told that Geo. Washington was the first president, skipping ten others before him. There is a ten year gap in the political history of America. Why?? Of the signers of the Declaration of Independence, 16 also signed the Articles of Confederation, while of the 8 who attended the Constitutional Convention, only 4 signed.

"If you read the minutes of what became the Constitutional Convention, which was called to upgrade the Articles of Confederation, you find that only 12 states participated, one state refused to send any delegates, many delegates on their own refused to attend, many who did refused to sign, even after their insisted-upon Bill of Rights was appended.

When we decry the fact that government today ignores the Constitution when it suits their purpose, we should remember that the corruptible Politicians of 1787 did just that in ignoring the Articles of Confederation when they wrote their Constitution.

Even the valiant General Benedict Arnold, who did as much or more than any others in the establishment of our so-called independence saw that we were but exchanging one bunch of corruptible politicians for another, and, unfortunately for his historical image, opted to go back to the original.

Expending his personal fortune for the support of his troops, and being slighted for promotion by the Politicians were bad enough but after watching the politicians' inability to ratify a republican form of government for three years he threw up his hands and quit.

The incorruptible and scholarly Charles Thomson, "Perpetual Secretary of the Continental Congress" who recorded every session from 1774 to ratification of the Constitution in 1789, after retirement destroyed all his personal papers regarding the creation of the "republic" and even destroyed a lengthy history of the Revolution he was writing. The Constitution of 1787 was a tragic sell-out to those who understood what was taking place.

"A Republic is a pyramidal structural affair, not just a bunch of patriotic mumblings. It keeps Responsibility at home where it belongs. It delegates very small portions of collective Responsibility to higher levels of the Republican structure. John Rutledge (not Franklin) got his notions of a Republic from that of the Iroquois Confederation (see <http://www.Constitution.org/cons/Iroquois.htm>), which in turn, I believe, got it from ancient Israel as sketched in Exodus 18, if I remember correctly, where it talks of "chiefs (or rulers, or officers, or captains, depending on version) of thousands, chiefs of hundreds, chiefs of fifties, chiefs of tens."

The basic unit was ten families, brought forward to Saxon England where political remnants exist to this day in name only. I think I've heard of Hundreds Courts still active in our southern states where their Saxon/Israel heritage is still remembered to some extent.

"Anyway, the way a real Republic is supposed to function, ten families pick one member to sit in the next higher council. (Among the Iroquois, it was the women who did the initial picking). In Saxon England the ten-family unit was called a "tun" or "tith" and ten tuns made a Hundred which existed in between a ville and a shire.

At the second level one would be picked to sit at the next level, etc. The groups must be kept small; I recall one delegate at the Constitutional Convention objecting to the possibility that what they were creating might result in more than fifty members which of course would result in the usual democratic chaos so loved by corruptible politicians.

(And ALL politicians are corruptible, that is their nature, which is why most are lawyers by profession).

From the national group members would be selected to serve limited terms as judges, as well as limited terms as President.

(The Articles may be found at <http://www.freewhitemale.com/art-con.htm>). At lower level groups, city, county and state officials should be appointed for their limited terms. One year terms are enough, with no right to succeed one's self in office. This is the way it was in colonial days. Everyone had to take their turn, and there was no need for professional law mongers as the right-and-wrong of the Common Law (Golden Rule) prevailed.

"In a real Republic there is no room for the divisiveness of political parties (even Washington warned against such) and their money-distributing conventions. No room for 20,000 registered vote-buying lobbyists, to say nothing of the unregistered ones. No need for competitive bi-cameral legislatures. No room for ego-tripping politicians and their popularity contests we call elections.

Every servant at every level is subject to the control of the 49 others at each level below him. No creation of a de-facto aristocracy, Senators, Governors and Judges in particular. No need for two-thirds of our national productivity to be stolen and re-distributed by government. Each level is autonomous at its level and nowhere else. At the top (read the Articles of Confederation) any international commerce might produce more than necessary in the way of revenue from imposts, excises and duties to support limited government.

"It used to be under our watered-down democratic-Republic prior to 1913 that the county commissions selected the state senators, and then the state bi-cameral legislatures selected the US senators. Even then the politicians screwed it up. Under the Iroquois Confederation the penalty for abuse of office was being clubbed to death, no namby-pamby impeachment silliness. I think this would be a good idea still.

"But we can go on waiving our flags and reciting our political catechisms from now until Doomsday but it won't re-institute the freedoms we have lost. Even the many who pretend to denounce the excesses of democracy really don't want a Republic. A world government would be a great idea if it were created along real republican structural lines, with 95% of the responsibility for our lives, liberties and properties left at home where it belongs. But people's egos won't tolerate it on this insane mud-ball; at least not under the present dispensation. Perhaps we'll just have to see what Nibiru brings its next time around."

The most valuable contribution Bob makes to this discussion, in my opinion, is the importance of forming a decentralized government where most decisions are made at the local level. That is what I desire. So what other foundational principles are important?

The only international crime between nations will be the buildup of military arms. Nations cannot violate borders without armies, and we must never allow things to progress that far. The consequence must be that all nations will band together to attack and disarm that aggressor nation and punish the instigators. If no nation has the ability to do any more than defend itself with the side-arms of its citizens, what nation will be strong enough to attack another? Once that misbehaving nation has been brought into submission, all armaments prepared for that purpose must be dismantled or destroyed so that peace and confidence in security may be restored. The concept of "defensive armaments" is a lie and deception. We have no place in a peaceful world for a large stockpile of weapons.

If there is a conflict between nations, let a jury of world leaders be selected from the pool of nations by lot to decide the matter and let their judgment be final. If a nation agrees by national ballot that a judgment is unfair, let a second trial of different leaders be held as an appeal and let

that decision be final. Should a military intervention be required, the entire world will unilaterally attack the intransigent aggressors and forcefully disarm them. We will then peaceably leave that nation upon completion of our task and let the will of that country's citizens decide how they shall govern themselves going forward, after sweeping their offending leaders out of power.

***There must be no income tax.*** What business does any government have looking into the private affairs of *any* person? In fact, let there be no tax. Our government can issue all the money needed to run our government, so what need is there for tax – beyond settling with foreign trading partners as part of our transition of government and its use as a tool to ensure balanced foreign trade? A careful study of [Wealth Pumps](#) verifies this assertion. Governments are simply Consumers, too, so there should be sufficient money to support public endeavors.

***Finally, we come to our most important foundational principle of a peaceful society – that our nation shall be founded on the cornerstone law of love; the Golden Rule.*** There must simply be zero tolerance for those who would willfully engage in behavior that is harmful to their fellow man. Actions have consequences, and a responsible people must bear responsibility for their actions. If one cannot govern himself in the law of love and out of true compassion for his fellow man, then let him do it out of the fear of the extreme consequences that will befall him.

To that end, there will be no prisons except for the short duration during which suspects are awaiting Habeas Corpus hearing or trial. The proposed Constitution provides only five verdicts a jury may render:

1. Innocence
2. Guilty but forgiveness – with or without prescribed community service
3. Guilty and financial restitution.
4. Guilty and banishment from the community
5. Guilty and the death penalty.

Our proposed Constitutional amendment says that we have no prisons. That is a nice concept but what do we do with those who will not stop their criminal behavior? What other choice do you have when there is a rabid dog but to kill him? This is the only truly equitable answer!

Some readers may consider the death penalty too harsh, but it *would* accomplish two things. For one, the price of harming our neighbors – of violating the Golden Rule – will be so high that few will dare risk the penalty. For another, the resource burden that prisons are upon society

would be eliminated. This form of justice is not a new concept. The Bible advocated it from the time of Moses. One might argue that capital punishment is so final that if evidence later emerges to reveal that the executed was actually innocent, there would be no opportunity to fix it. I assert that a wrongly incarcerated person would have been irreparably harmed anyway. Furthermore, though a life is precious, most people believe we have an eternal spirit. Death is not the end of the journey. In any case, this time on earth is terminal for all of us because nobody gets out alive. The prospect of a safe and peaceful society is too compelling to ignore for such Pollyanna principles.

The intent of compassionate jurors is that only those who commit heinous crimes and those who repeatedly commit crimes and thus demonstrate their inability to be reformed would suffer this fate. Since jurors live in the same community as the convicted, they will make this decision based on two significant criteria:

1. Do I believe it is safe to let this person back into our community and is thus worthy of forgiveness?
2. If I believe their crime was serious enough that it deserves punishment but not the death penalty, do I believe this person will be safe in the community they will be banished to?

If a juror cannot answer yes to these questions, then neither *guilty with forgiveness* nor *guilty with banishment* are appropriate penalties – only the death penalty is appropriate. If a person has already been banished for the same crime, it is not reasonable to assume releasing them will *not* be safe. He didn't learn his lesson the first time. What I like about this solution is that it makes us all personally responsible for our actions as criminals and for our verdicts as jurors. Let juries render a succession of poor judgments that are laid bare before the media, and the next wave of jurors will toughen up soon enough. There has not been this kind of accountability in our society for many years; nay decades and even centuries.

## **How We Get From “Here” To “There”**

This leads to the obvious question; how do we get from where we are to where we want to be – from debt slavery to Economic Democracy? The only logical answer is; one step at a time. Here are some of the steps that must occur as preconditions to achieving our economic freedom:

1. There must be a critical mass of people who catch this vision, and commit to pursue it. A people without vision shall perish. Who said that?

2. We must destroy the secret ballot by taking control of precincts – more on that later.
3. We must elect only sheriffs that will honor their Constitutional duty to arrest and kick the feds out when they trample states and citizens' rights.
4. We must stop voting for the mainstream political parties and elect only candidates who stand for Economic Democracy principles at every level of government – city, regional, state and federal.
5. When the governments are finally comprised of people of this like mind and character, they must hold a Constitutional Congress to shape our final draft for an amended Constitution and a new framework for government and then bring it to the people to be voted upon as a national referendum with due regard to State lines.
6. We must implement Economic Democracy as described earlier, after passing appropriate policy legislation and convening a group of experts to articulate the legislation and structures.
7. As much bullion as can be mustered from central banks and from the thieves who have been able to pilfer the nation's bullion (e.g. Fort Knox, etc.) should be bought or confiscated by the government for use in foreign trade. Of course, gold will be available for Producers of jewelry and other producers who have a legitimate need for it, to satisfy Consumer demand. Citizens will not be forced to sell their gold though, as long as they came by it honestly.
8. A national jubilee should be declared so that all debts are forgiven.
9. All banks should be brought under the authority of the National Credit Authority and be compelled to revise their banking policies and procedures to come in line with proposed legislative and constitutional changes once they come into effect.
10. National equity (i.e. stock, bond and futures) exchanges should be radically scaled back with absolutely no leverage allowed – only real capital from investors and physical commodities from Producers are traded. Options and derivatives contracts shall be declared null and void.
11. The speculative element of commodities exchanges shall be eliminated. Only those who take delivery of futures contracts may buy them and only Producers of those commodities may sell them. Let true supply and demand set the price.
12. The national debt must be officially repudiated. All Federal Reserve Notes (FRN) and bank balances held by our citizens and national Producers shall be exchanged for our new currency at a set equitable rate of exchange. The rest of the “casino” funny money will expire worthless.
13. All property and chattels shall remain in the hands of those who currently possess them. If property is mortgaged, we could consider having a jubilee on all loans where folks just keep their stuff as a reward for having been screwed for so long.
14. In the special case of large land owners, unless that land is being productively utilized, it will revert to public property and shall be available for others to claim per the proposed revisions of the Constitution. The days of people being fabulously rich

- are over. There is no shame or guilt in being prosperous, but there is no need or benefit for anyone to be outrageously wealthy at the expense of others. That kind of wealth corrupts.
15. We must as a nation forgive all foreign debts and give up all foreign property holdings as part of the bargain of repatriating our own foreign-held land and businesses. If there are foreign-held assets to swap, we shall do so. For all other foreign claims to our property, such as Treasury Bonds, stock securities and corporate bonds, they shall be settled by giving up a negotiated share of the fruits of our GNP that they are interested in, until the debt is settled – value for value so there is no diminution for either party.
  16. All private ownership of national industries shall remain in the hands of those who currently own the stocks. In the case of hedge and mutual funds, securities will be directly transferred to the investors who capitalized the hedge or mutual funds. In many cases, a great deal of ownership is gathered in the hands of relatively few people – the financial elites. For this reason, 75% of the equity of all corporations will be directly transferred to the employees who work for them by apportionment. Under Economic Democracy, all *new* capital shall be raised by the National Credit Authority. Over time, ownership of prosperous companies will gradually transfer into the hands of those directly responsible for that prosperity – the employees. When company founders and their spouses die, their corporate holdings shall revert to the surviving employees of those corporations. The elites of the world who currently rule through financial oligarchy shall eventually be dethroned – though not in their generation for the sake of peace. Similarly, when employees and their spouse die, their claim to their corporate share shall revert back to the surviving employees – not their progeny or estate beneficiaries.
  17. The management of these companies shall remain intact but upon the initiation of a grievance by any employee in the company who is dissatisfied with a manager of higher position and seconded by another employee, a vote may be held by all company employees to initiate proceedings which could displace that manager, after a jury hearing and written show of cause and rebuttal. This will result in the people who are most capable of leading the enterprise to be in positions of responsibility. Leadership requires two key qualities; a charismatic personality that people are willing to follow and the ability to do the job efficiently and effectively – in a word, merit.
  18. There must be a national drive to fund and perfect the production of Coefficient of Power (COP) > 1 technologies to eliminate the need to burn fossil fuels for energy and to apply those technologies to all sources of energy consumption as a national goal.
  19. A national software system must be commissioned to implement the electoral voting machinery mandated in the new Constitution.

20. All illegal drugs shall be decriminalized to eliminate the profit motive. All that will be left is to help those who are addicted to recover as is currently done with cigarettes and alcohol.
21. Those who continue to operate the drug trade in the black market will be harshly dealt with by our juries.
22. It is expected that the criminal element will attempt to retain their enterprises. As of the day our amended Constitution is proclaimed, everyone will be presumed to be law abiding. From that point onward, the actions of all will be judged by the same yardstick. A national paramilitary group of SWAT teams will be organized to rout criminals out and have them arrested if they continue operations after the proclamation. Those who insist on living by the sword will perish by it. If found guilty by our juries, banishment will not be an option; criminals should not be unleashed upon our neighbors. Capital punishment will be the only just remedy.
23. A great deal of new construction will be required to help with both downsizing and upgrading of housing and to fabricate buildings to meet new national goals. It is not economically or environmentally wise to build buildings out of wood, concrete, fired clay brick or steel. Trees are the lungs of the earth and far too many trees have already been cut down. Concrete generates too much CO<sub>2</sub> gas which contributes to global warming. We need some concrete for foundations and bond beams but not to the extent that has been used to date. Steel is expensive to acquire and precious for other more important uses. Clay fired brick is inadequate for structural block, has poor insulating qualities and requires needless energy to produce. There are better alternative building materials that are as old as mankind, and we have an inexhaustible supply of them – earth, straw, stone and lime. All new buildings shall be constructed of compressed earth block or rammed earth and made waterproof through lime stabilization. In earthquake zones, these buildings can be made safe by cladding them in geo-grid mesh. The resulting buildings will last for generations, are far stronger and significantly more energy efficient than the vast majority of buildings we have constructed in the past 100 years.
24. Many things that have been manufactured abroad (printed circuit boards, computer components, cars, appliances, electric motors, televisions and much more) will need to be made here again, and that means building new factories. We are indeed fortunate. We invented most of these products and possess all of the knowledge and know-how to make them here. By the same token, when we repudiate our national debt, we will not be able to pay to import these goods. We will need to rapidly set national priorities to make them here. Our government will need to commission a study of what and how many of each commodity and manufactured good we are net exporters and importers of and Producers must be set to work fabricating these goods as a national priority. Any goods outside of balanced trade will need to be assessed carefully so that we import only those things we can't make for ourselves as our

highest priority and we will need to fabricate the rest at home. For example, we do not have an adequate supply of platinum as a natural resource. We must trade for it. We are net importers of oil, platinum and televisions so we will need to do without, ramp up production at home or find alternatives. As for everything we can do for ourselves, if we can quickly gear up for war to defend our nation, we can gear up for our own prosperity with equal vigor.

This is by no means an exhaustive list but it does get you thinking, doesn't it?

There is only one answer to this problem of an inadequate economic foundation: an Economic Democracy economy implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office at every level of government by offering themselves as alternative candidates with this specific platform. Failure to do so is hazardous to our health, our families and our future generations of children.

*Money is Power, or shall we say, The Monopoly to Create Credit Money and charge interest is Absolute Power". **Alex James***

*Let me issue and control a Nation's money and I care not who makes its laws. **Amsel Bauer Mayer Rothschild***

*The high office of the President has been used to foment a plot to destroy the American's freedom and before I leave office, I must inform the citizen of this plight. **President John Fitzgerald Kennedy (Nov. 12, 1963 – 10 days before his assassination)***

*The condition upon which God hath given liberty to man is eternal vigilance; which condition if he breaks, servitude is at once the consequence of his crime, and the punishment of his guilt. **Thomas Jefferson***

*Money is a new form of slavery, and distinguishable from the old simply by the fact that it is impersonal - that there is no human relation between master and slave. **Nathan Rothschild***

*I sincerely believe that banking institutions having the issuing power of money are more dangerous to our liberty than standing armies. Already they have raised up a moneyed aristocracy that has set the government at defiance. The issuing power [of money] should be taken away from the banks and restored to the people to whom it properly belongs. **Thomas Jefferson***

*The world financial system is nothing but one great big Ponzi scheme. It is a total fraud. Under the current system in Canada, the law says that our banks can lend the same money to twenty different people and collect interest from each one of them. Now wouldn't you like to be able to do that? You'd be in jail in four days. **Hon Paul Hellyer, former federal Minister of National Defense***

## MONEY

Thomas Jefferson was concise in his early warning to the American people:

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

We are observing the fulfillment of this prediction in America today with the bailouts that transfer all of the liabilities of these “Powers That Be” and corporations onto the backs of the American people with the net result that tens of millions are homeless while an equal number of homes sit empty from foreclosure. How absurd. The end of it will be the bankruptcy of the

nation and a national disgrace before the world that hasn't been seen since the German Weimar Republic's collapse.

## **The National Debt is a Fraud and Theft-By-Conversion**

In the introduction, I mentioned the book *The Creature from Jekyll Island* by G. Edward Griffin. The main thread of the book can be summarized by the observation that our money system is a giant Ponzi scheme. "Powers That Be" in collusion with our Federal Government are creating money out of thin air using the Mandrake Mechanism (i.e., Mandrake the Magician) of double-entry journals and fractional reserve that Griffin humorously summarizes. It *would* be funny if it was not so tragic. The size of America's national debt is *really* evidence of the productivity of the American people – not the source of national shame "they" would have us believe. This is true of all nations with financial credit central banking and a national debt. Financial credit banking systems issue currency as evidence of debt and then demand repayment of "more" than what was issued. As a direct consequence of this flawed money system, the nations of the entire world have all become nations of debtors. Here is a simple mathematical progression that illustrates the problem.

Assume you have a 25-year Treasury Bond of a billion dollars that yields an interest of approximately 5% per annum. By the end of its life, the bond plus interest totals almost three billion dollars. Wait a minute! Where does the 2 billion in interest come from? If I have already spent the money, where does the first billion come from with which to pay it back? The solution in a financial credit monetary system is simple. You roll the bond!

Here is a 100-year progression on a single billion-dollar bond. Yes the math is not perfect but it is close enough to illustrate the point:

<b>Years from Initial Issue</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt</b>
0	\$1B	0	\$1B
25	\$1B	\$2B	\$3B
50	\$1B	\$8B	\$9B
75	\$1B	\$26B	\$27B
100	\$1B	\$80B	\$81B

Now look at the following chart that shows gross Federal spending under Demopublicans... I mean Republicrats... whatever!

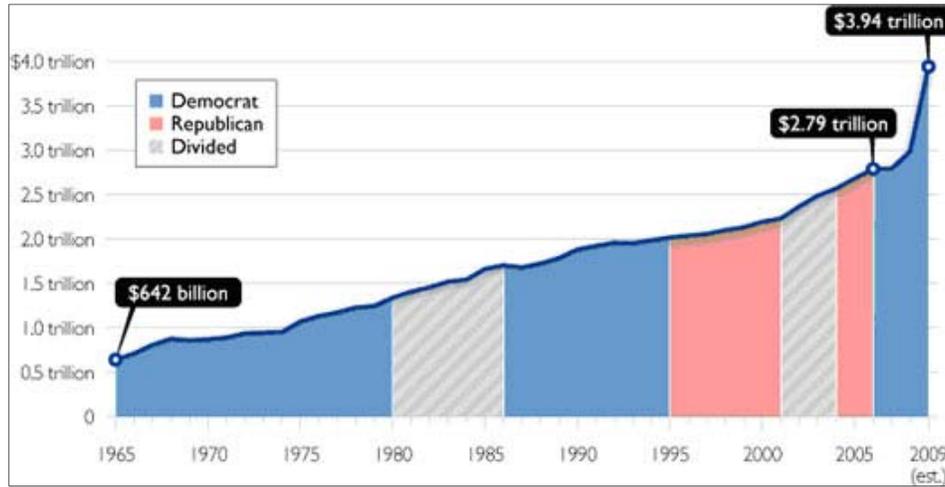


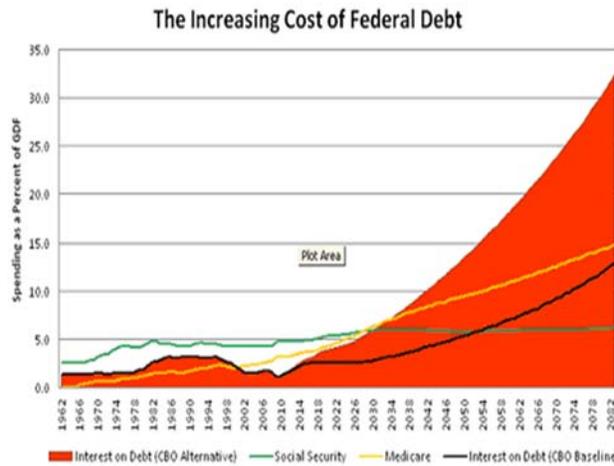
Figure 37 – Demopublican/Republicrat Federal Spending Since 1965 (Source: heritage.org)

As even a fool can see, this debt is a fraud. Now picture a government that keeps issuing these bonds every time they want to spend “the public purse” and you understand why the national debt is so huge. The portion that has not been expropriated by banks in the form of usury on the issue of newly created money as debt has been expropriated by our governments in the form of the hidden tax of inflation. The total debt to date on Federal expenditures this century is approaching \$114 trillion dollars at the end of 2011 and \$80 trillion has been spent



Figure 38 - What the US National Debt looks like as a pile of \$100 bills in 2011

since 1965 – most of it after 1971 when Nixon took America off the gold standard. Contrast that with the fact that the total federal, state and local government debt is roughly the same amount when you factor social security and other unfunded liabilities and the fact that each year, the federal government has taxed the people and businesses of the nation by roughly this same amount and a huge looming question arises. Do you realize that \$114T is one hundred-fourteen million MILLION dollars? That amounts to roughly a third of a million dollars for every man, woman and child in the United States. When are you going to pay off your fair share of this debt? Is the absurdity of our present economic structure not blatantly obvious?



Source: Congressional Budget Office: <http://www.cbo.gov/ftpdocs/102xx/doc10297/06-25-LTBO.pdf>

Figure 39 - Projected Social Security as Percentage of GDP in USA



Figure 40 - US debt as percentage of GDP and creditor nation banks it is owed to

The figure above is an image I obtained from <http://usdebt.kleptocracy.us/> depicting what a stack of \$100 bills amounting to \$114T looks like – roughly the size of the both World Trade Center twin towers.

The following table illustrates the impact on the nation’s available effective demand due to the increasing cost of government:

I found an interesting table to the left that shows what nations America owes its debt to and a couple of thoughts come to mind. First, it is not the *governments* behind these nations that are owed; it is the *banks* from those nations. Second, the fact is that each of these nations has a similar chart of their own. Nevertheless it is an interesting chart that tells a compelling story about the sad state of America’s economy. I got it from here:

<http://www.zerohedge.com/article/visualizing-americas-creditors>

Where the heck did all the money go? The answer is obvious – the “Powers That Be.” My first thoughts on this scheme were:

Why would the government allow this? What’s in it for the banks?

The government bureaucrats like this deal because it gives them unlimited access to funding without needing to rely

on taxation for revenues. It separates our elected officials from accountability to us. They get the money when they need it and do not need to rely on tax revenue to come in. All they need to do is float another Treasury bond on the strength of the nation's ability to produce as its "full faith and credit" and the Federal Reserve obliges them by issuing it - backed by nothing other than our property. The government selects a Federal Reserve member bank to bestow this corrupt paper upon and that bank obligingly honors all the checks issued, up to the bond's face value.

If the bond is backed by nothing, why the heck would the banks accept the rubber check? That's where this racket gets interesting. Because banks and government operate on double-entry journals (something we mere sheeple would go to jail for) every debit is a credit and every credit is a debit. The bank makes two journal entries: a debit against the account showing a liability to the government and a credit to the bank's reserve account.

There's another interesting component to this racket – the fractional reserve. The fractional reserve is represented to the public as that portion of a deposit that the banks are obliged to retain at all times to ensure they can honor all demands against their set of client accounts. Fractional reserve is hypothecated upon the assertion that only 10% of deposits are in circulation at any given time. This is not the whole truth. Because banks have double-entry journals, they can create ten times as much currency out of thin air for lending purposes as they hold in their reserve account and still be compliant with the fractional reserve. There is also the long-established mathematical theorem that money in circulation changes hands on an average of 28 times in its life before being removed from the system. Let's do the math. Let us start with a \$10,000 deposit from Joe Smith. The bank uses that deposit to leverage a loan of \$100,000 to Mary Dolly. Mary pays the money to the bank's customer, John Dough who then deposits it back into the bank. Let's see what happens when we follow the money:

1. The \$10,000 deposit from Joe goes into the bank's reserve account.
2. Because the bank can lend \$100,000 on the strength of that reserve, they issue a loan to Mary for 7% interest.
3. Because the bank's risk on the loan is only \$10,000, the effective rate of return on risk is actually 70% and they are holding the house as collateral.

4. When Mary signs the mortgage, John now has \$100,000 to deposit back into his account at the bank. This \$100,000 goes into the reserve account and now the bank can lend out \$1,000,000 on the strength of the first \$10,000 deposit!
5. That \$1,000,000 loaned out at 7% works out to \$70,000 plus the \$7,000 on the mortgage to Mary for a total of \$77,000 in profit on a \$10,000 liability – and this is only 2 of 28 iterations!

When you consider that this \$10,000 will circulate between 28 bank accounts before being retired from circulation, this pyramiding of money works out to a lot of hypothecation! Now we can see why *any* bank would be eager to accept the federal government's corrupted Treasury bond backed by nothing they own. It is literally a license (i.e., that which would otherwise be illegal) to print money! There are a few additional interesting observations to make.

It is intuitively obvious that the loans a bank makes will not likely be returned to that particular bank. The probability is actually proportional to the bank's market share. However, with all the banks participating in this racket, the whole game averages out so that all the banks get their fair share over time and the 28-times multiplier works equally well for all of them. As the above illustration shows, even a deposit recirculation of only twice is a huge financial benefit to a bank.

Another observation is that occasionally mortgages go into foreclosure. What would happen if Mary was to default on her \$100,000 mortgage after six months – or even worse, six months before the thirty year mortgage is paid off - because of misfortune? The bank would foreclose after about six months and take the house. They could put the house on the market for as little as \$10,000 and still make a profit – the interest Mary paid for the first 6 months! If they sell the house for the fireside sale price of \$50,000, that's an immediate windfall profit of \$40,000 that allows them to issue a new loan for \$400,000. What a deal!

If you want to more fully understand the history and motivations of government and banks behind this colossal fraud, get Griffin's book and read it or visit his web site!<sup>10</sup>

Canadians can watch a compelling documentary at the following link to get a clear picture of "Powers That Be" and politicians at work in Canada. Former Prime Minister Paul Martin is revealed for the crook he so obviously is:

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<sup>10</sup> [www.realityzone.com](http://www.realityzone.com) is G. Edward Griffin's web site. Why not buy the book from there to maximize his profit and support his work?

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

## Who Is Really In Charge? – The Banks!

Show me a nation on earth that does not owe more than it makes in GDP – there are none to be found. How can this be? If every nation is in debt, then who are they all in debt to? As with all corrupt systems, follow the money. If you can't figure it out, read Griffin's book. But I digress. We're supposed to be working on defining the solution.

This brings to mind another thought. If you put all this new money into the economy, isn't that inflationary? Heck yes! Let's look at inflation for a second. What is it? Fundamentally, inflation is simply more money chasing the same amount of goods or the same amount of money with a decreasing supply of goods so that the price of the goods is forced by demand to go up. Inflation is also caused by accumulating costs that result from our continuously unmet gap in prices so that producers are forced to add these costs to future production. The purchasing power of each dollar is undermined proportionately by the additional dollars pumped into the system. The government and banks needed a way to draw the money out of circulation. The main mechanism is repayment of loans; this effectively retires the money. Since government debt is never paid off, another mechanism is needed. That mechanism is income tax. It is more than a coincidence that both were implemented in every nation that imposes income tax and that they were implemented *together*. I'll bet most people never suspected for a second that there was a direct relationship between fractional reserve banking and income tax. As long as the government doesn't go too crazy with its spending and keeps expenditures at roughly the same level as income tax paid by corporations and tax slaves – I mean taxpayers – nobody notices. That growth in money supply can be skimmed off by the banks with nobody being the wiser as long as they only issue loans to ventures that *they* deem will increase the productivity of society at large. They are also perfectly willing to deliberately frustrate and suppress those ventures that could significantly advance the development of society but at the cost of damage to their cabals.



History is fraught with many examples of this technology suppression.

It is also worth noting that corporations have a tax advantage that tax slaves don't share. Tax slaves pay their taxes on the first fruits – the gross income. This is the prima-facie evidence that we really are slaves. The master gets the first fruits and the slave gets what the master wishes to give

him. Can you say “gross pay” and “net pay?” If the slave lies about how much the first fruits he receives are, he gets punished. Can you say “tax evasion?” Corporations are under no such constraint. They get to spend all their gross revenues; and if there is anything left at the end of the year, they can carry profit forward to the next year as retained earnings against a possible loss the following year. The government doesn’t mind letting corporations off the hook because they are performing a much-needed police action. The corporation is doing the government’s tax slave collections and remitting payment promptly – every week. There is only one unforgivable sin for a corporation that is harshly punished – failure to remit payroll taxes.

Even the “Powers That Be” themselves admit that they are entirely in control of the money system and that the money system is entirely comprised of a debt lien levied by private interests against the labor and assets of the United States. This was admitted by Robert H. Hemphill, former Credit Manager of The Federal Reserve Bank of Atlanta (see Senate Document #23, page 102, January 24, 1939):

***“...if all the bank loans were paid, no one could have a bank deposit, and there would not be a dollar of coin or currency in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash, or credit. If the banks create ample synthetic money we are prosperous; if not, we starve. We are absolutely without a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless situation is almost incredible — but there it is. It is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse, unless it becomes widely understood and the defects remedied very soon.”***

Hey here’s a sobering illumination – even a child can figure the racket out! Here’s what a child journalist who goes by the byline *greenFloyd* wrote in the Folsom Telegraph in April 2008 in an article titled *The Banking 'Crisis' ...It's a Big Club and You Ain't In It*:

The banking cartel has taken the debt to record levels because it is preparing for a record trawl. It is the vehicle for the Illuminati families to create the chaos from which they can offer their solution - a new global economic system which gives them more control than ever before. They want this eventually to be administered by a world central bank via a single world currency that would be purely electronic with no cash in circulation at all.

This would give total control (apart from barter) over if or what you purchase to a global computer system that would be programmed to decide if it would accept your electronic card or, in time, the microchip under your skin. Dissidents of the system would soon be off the computer's Christmas card list, that's for sure.

This is what the current financial mayhem is all about - another massive stepping stone to the control of every man, woman and child on the planet.

Once you know that, the apparently crazy and scandalous decisions made by the banking system to trigger the current crisis take on a new perspective. These include the high-risk sub-prime mortgage frenzy which made vast numbers of loans to people who were highly likely to default - and have.

It was a disaster waiting to happen - but only for those who lost their homes, not for the families controlling the banking system.

But wait, I can hear people say, banks are going broke and even major players like Bear Stearns have been on the brink. Surely the Illuminati families wouldn't want that? Oh, but they would because of the contribution it makes to their overall agenda.

It is important to stress the difference between running a bank within the game and owning the game itself. Take the symbolic example of the board game called Monopoly. Different people come and go, playing the game and 'winning' and 'losing'.

But the game itself can never 'lose' because it is the board on which everyone has to play, winners and losers, and it is all the houses, hotels, instruction cards and rules that they have to play with and abide by. Players of the game may use its board, money and real estate for a while, but the game always gets them back, or the owner of the game does.

Monopoly: he who creates the game controls the rules.

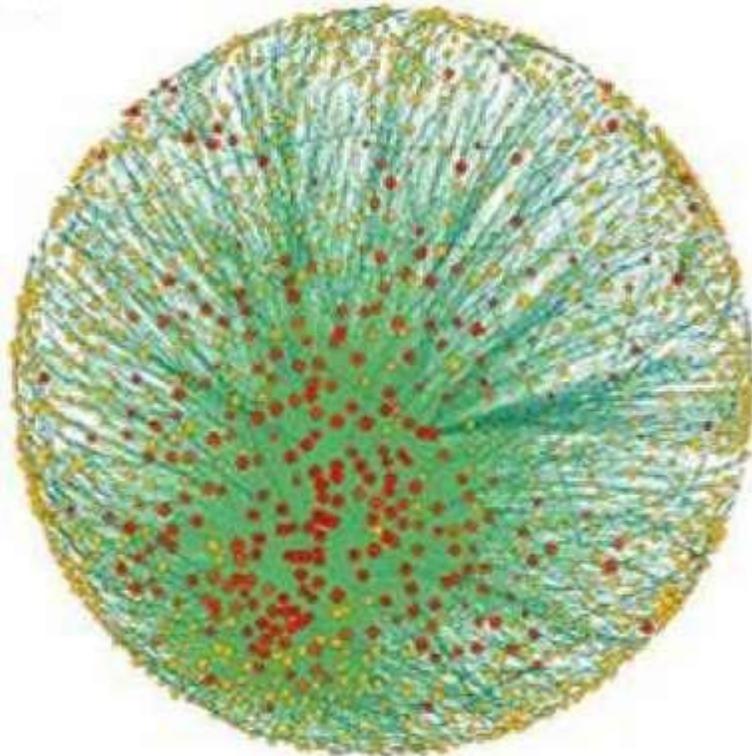
Now this is hot off the press! An article written by Michael Ricciardi and titled “Who Runs the World? – Network Analysis Reveals ‘Super Entity’ of Global Corporate Control” was posted August 28, 2011 at the following web site:

<http://planetsave.com/2011/08/28/who-runs-the-world-network-analysis-reveals-super-entity-of-global-corporate-control/>

So as to ensure this information doesn't mysteriously disappear, I have included it here in its entirety. It is the first detailed study into who owns what corporations in the world today. It is irrefutable evidence that banks own most of the world's economy. Michael followed the money. Judge for yourself:

In the first such analysis ever conducted, Swiss economic researchers have conducted a global network analysis of the most powerful transnational

corporations (TNCs). Their results have revealed a core of 737 firms with control of 80% of this network, and a “super entity” comprised of 147 corporations that have a controlling interest in 40% of the network’s TNCs.



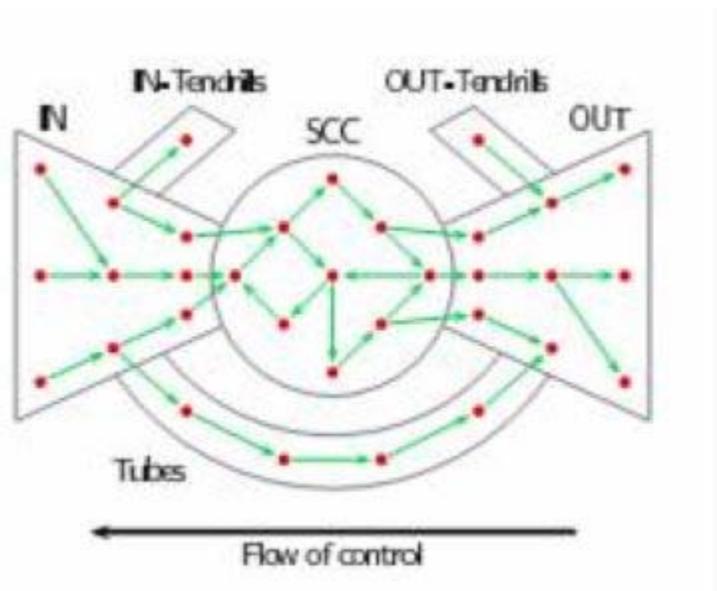
Strongly Connected Component (SCC); layout of the SCC (1318 nodes and 12,191 links). Node size scales logarithmically with operation revenue, node color with network control (from yellow to red). Link color scales with weight. [Note to the reader: see the very end of this article for a ranking of the top 50 'control holders']

When we hear conspiracy theorist talk about this or that powerful group (or alliance of said groups) “pulling strings” behind the scenes, we tend to dismiss or minimize such claims, even though, deep down, we may suspect that there’s some degree of truth to it, however distorted by the theorists’ slightly paranoid perception of the world. But perhaps our tendency to dismiss such claims as exaggerations (at best) comes from our inability to get even a slight grip on the complexity of global corporate ownership; it’s all too vast and complicated to get any clear sense of the reality.

But now we have the results of a global network analysis (Vitali, Glattfelder, Battiston) that, for the first time, lays bare the “architecture” of the global ownership network. In the paper abstract, the authors state:

“We present the first investigation of the architecture of the international ownership network, along with the computation of the control held by each global player. We find that transnational corporations form a giant bow-tie structure\* and that a large portion of control flows to a small tightly-knit core of financial institutions. This core can be seen as an economic “super-entity” that raises new important issues both for researchers and policy makers.” [emphasis added]

\* This “bow tie” structure is similar to the structure of the WWW (analyzing for most influential/most trafficked websites); see diagram below.



A bow-tie consists of in-section (IN), out-section (OUT), strongly connected component or core (SCC), and tubes and tendrils (T&T).

Data from previous studies neither fully supported nor completely disproved the idea that a small handful of powerful corporations dominate much or most of the world’s commerce. The researchers acknowledge previous attempts to analyze such networks, but note that these were limited in scope to national networks which “neglected the structure of control at a global level.”

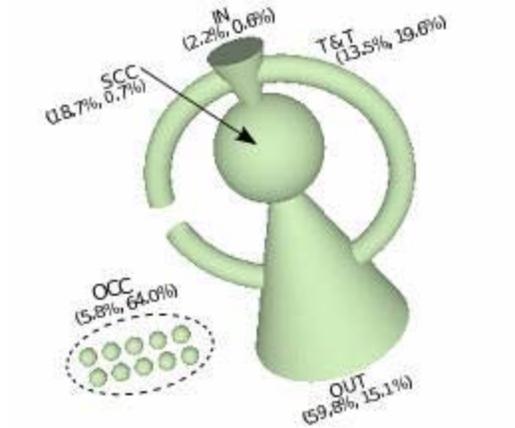
What was needed, assert the researchers, was a complex network analysis.

“A quantitative investigation is not a trivial task because firms may exert control over other firms via a web of direct and indirect ownership relations which extends over many countries. Therefore, a complex network analysis is needed in order to uncover the structure of control and its implications. “

To start their analysis, the researchers began with a list of 43,060 TNCs which were taken from a sample of 30 million “economic actors” contained in the Orbis 2007 database [see end note]. TNCs were identified according to the Organization

of Economic Co-operation and Development (OECD) definition of a transnational corporation [see end note]. They next applied a recursive search algorithm which singled out the “network of all the ownership pathways originating from and pointing to these TNCs.”

The resulting TNC network includes 600,508 nodes and 1,006,987 ownership ties.



Bow-tie structure of the largest connected component (LCC) and other connected components (OCC). Each section volume scales logarithmically with the share of its TNCs operating revenue. In parenthesis, percentage of operating revenue and number of TNCs

In terms of the connectivity of the network, the researchers found that it consists of many small connected components, but the largest one (encompassing 3/4 of all nodes) “contains all the top TNCs by economic value, accounting for 94.2% of the total TNC operating revenue.”

Two generalized characteristics were identified:

1] A strongly connected component (SCC), that is, a set of firms in which every member owns directly and/or indirectly shares in every other member. The emergence of such a structure can be explained as a means of preventing take-overs, reducing transaction costs, risk sharing and increasing trust between “groups of interest.”

and

2] The largest connect[ed] component contains only one dominant, strongly connected component (comprised of 1347 nodes). This network, like the WWW, has a bow tie structure. What’s more, they found that this component, or core, is also very densely connected; on average, members of this core have ties to 20 other members. “Top actors” occupy the center of the bow tie. In fact, a randomly chosen TNC in the core has about 50% chance of also being among the top holders, as compared to, for example, 6% for the “in” section. [emphasis added]

“As a result, about 3/4 of the ownership of firms in the core remains in the hands of firms of the core itself. In other words, this is a tightly-knit group of corporations that cumulatively hold the majority share of each other.”

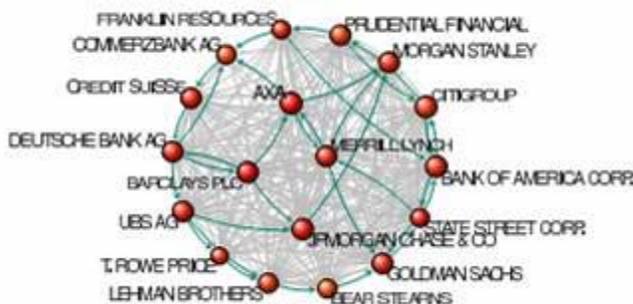
In examining the details of this core, the analysis also showed that only 737 top holders accumulate 80% of the control over the value of all TNCs (in the analyzed network). Further,

“...despite its small size, the core holds collectively a large fraction of the total network control. In detail, nearly 4/10 of the control over the economic value of TNCs in the world is held, via a complicated web of ownership relations, by a group of 147 TNCs in the core, which has almost full control over itself. The top holders within the core can thus be thought of as an economic “super-entity” in the global network of corporations.” [emphasis added]

Concerning the implications of this super entity, the researchers asked two fundamental questions: First, what are the implications for market competition, and, second, what are the implications for economic stability?

Regarding the first question, the authors assert that no matter the origin of the SCC, due to its high degree of TNC network control, “it weakens market competition”.

It is clear just from the history of anti-trust laws in this country (the U.S.) that concentrated ownership stifles free market competition and innovation, reduces over-all employment, and leads to excessive pricing.



Zoom on some major TNCs in the financial sector. Some cycles are highlighted. Note: data for this analysis comes from the 2007 Orbis database -- prior to the 2008 financial crisis, thus, firms such as Bear Stearns and Lehman Bros. are included.

In regards to the second question, the researchers note that “the existence of such a core in the global market was never documented before and thus, so far, no

scientific study demonstrates or excludes that this international ‘super-entity’ has ever acted as a bloc.“

However, there is historical data — such as within the airline, auto and steel industries — supporting this possibility.

“...top holders are at least in the position to exert considerable control, either formally (e.g., voting in shareholder and board meetings) or via informal negotiations.”

Additionally, recent studies (Stiglitz J.E., 2010, Battiston S. et al, 2009) have shown that densely connected financial networks are highly susceptible to systemic risk. Despite the fact that such networks may seem robust in good economic times, in times of crisis however, member firms tend to enter ‘distress mode’ simultaneously. This was seen recently in the 2008 (“near”) financial collapse (note: 3/4 of the network core in this analysis are financial intermediaries).

Calling their findings “remarkable”, they suggest that because “international data sets as well as methods to handle large networks became available only very recently, [this] may explain how this finding could go unnoticed for so long.”

While the researchers acknowledge that verifying whether the implications of their findings “hold true for the global economy” is beyond the scope of their current research, they assert that their unprecedented attempt to uncover the structure of corporate control is “a necessary precondition for future investigations.”

The paper, [The network of global corporate control](#) (Vitali, Glattfelder, Battiston) was published July 26, 2011, on arXiv.org

End Notes:

The [Orbis 2007 marketing database](#) comprises about 37 million economic actors, both physical persons and firms located in 194 countries, and roughly 13 million directed and weighted ownership links (equity relations). This data set is intended to track control relationships rather than patrimonial relationships. Whenever available, the percentage of ownership refers to shares associated with voting rights. Accordingly, we select those companies which hold at least 10% of shares in companies located in more than one country. Overall we obtain a list of 43,060 TNCs located in 116 different countries, with 5675 TNCs quoted in stock markets.

The definition of TNCs given by the [OECD](#) states that they “...comprise companies and other entities established in more than one country and so linked that they may coordinate their operations in various ways...”

Diagrams: (source) [The network of global corporate control](#) (Vitali, Glattfelder, Battiston)

### **Top 50 Control-Holders Ranking:**

{source: the following is quoted directly from the research paper}

This is the first time a ranking of economic actors by global control is presented. Notice that many actors belong to the financial sector (NACE codes starting with 65, 66, 67) and many of the names are well-known global players.

The interest of this ranking is not that it exposes unsuspected powerful players. Instead, it shows that many of the top actors belong to the core. This means that they do not carry out their business in isolation but, on the contrary, they are tied together in an extremely entangled web of control. This finding is extremely important since there was no prior economic theory or empirical evidence regarding whether and how top players are connected.

Shareholders are ranked by network control (according to the threshold model, TM). Columns indicate country, NACE industrial sector code, actor's position in the bow-tie sections, cumulative network control. Notice that NACE codes starting with 65, 66, or 67 belong to the financial sector.

Rank, Economic actor name, Country, NACE code, Network Cumul. Network position, control (TM, %)

1 BARCLAYS PLC GB 6512 SCC 4.05  
2 CAPITAL GROUP COMPANIES INC, THE US 6713 IN 6.66  
3 FMR CORP US 6713 IN 8.94  
4 AXA FR 6712 SCC 11.21  
5 STATE STREET CORPORATION US 6713 SCC 13.02  
6 JP MORGAN CHASE & CO. US 6512 SCC 14.55  
7 LEGAL & GENERAL GROUP PLC GB 6603 SCC 16.02  
8 VANGUARD GROUP, INC., THE US 7415 IN 17.25  
9 UBS AG CH 6512 SCC 18.46  
10 MERRILL LYNCH & CO., INC. US 6712 SCC 19.45  
11 WELLINGTON MANAGEMENT CO. L.L.P. US 6713 IN 20.33  
12 DEUTSCHE BANK AG DE 6512 SCC 21.17  
13 FRANKLIN RESOURCES, INC. US 6512 SCC 21.99  
14 CREDIT SUISSE GROUP CH 6512 SCC 22.81  
15 WALTON ENTERPRISES LLC US 2923 T&T 23.56  
16 BANK OF NEWYORKMELLON CORP. US 6512 IN 24.28  
17 NATIXIS FR 6512 SCC 24.98  
18 GOLDMAN SACHS GROUP, INC., THE US 6712 SCC 25.64  
19 T. ROWEPRICE GROUP, INC. US 6713 SCC 26.29  
20 LEGG MASON, INC. US 6712 SCC 26.92  
21 MORGAN STANLEY US 6712 SCC 27.56  
22 MITSUBISHI UFJ FINANCIAL GROUP, INC. JP 6512 SCC 28.16  
23 NORTHERN TRUST CORPORATION US 6512 SCC 28.72  
24 SOCIÉTÉ GÉNÉRALE FR 6512 SCC 29.26  
25 BANK OF AMERICA CORPORATION US 6512 SCC 29.79  
26 LLOYDS TSB GROUPLCGB 6512 SCC 30.30  
27 INVESCOPLCGB 6523 SCC 30.82  
28 ALLIANZSE DE 7415 SCC 31.32  
29 TIAA US 6601 IN 32.24  
30 OLD MUTUAL PUBLIC LIMITED COMPANY GB 6601 SCC 32.69  
31 AVIVAPLC GB 6601 SCC 33.14  
32 SCHRODERSPLC GB 6712 SCC 33.57  
33 DODGE & COX US 7415 IN 34.00  
34 LEHMAN BROTHERS HOLDINGS, INC. US 6712 SCC 34.43  
35 SUN LIFE FINANCIAL, INC. CA 6601 SCC 34.82  
36 STANDARDLIFEPLCGB 6601 SCC 35.2  
37 CNCE FR 6512 SCC 35.57  
38 NOMURA HOLDINGS, INC. JP 6512 SCC 35.92  
39 THE DEPOSITORY TRUST COMPANY US 6512 IN 36.28  
40 MASSACHUSETTS MUTUAL LIFE INSUR. US 6601 IN 36.63  
41 INGGROEP N.V. NL 6603 SCC 36.96  
42 BRANDES INVESTMENT PARTNERS, L.P. US 6713 IN 37.29  
43 UNICREDITO ITALIANO SPA IT 6512 SCC 37.61  
44 DEPOSIT INSURANCE CORPORATION OF JP JP 6511 IN 37.93  
45 VERENIGING AEGON NL 6512 IN 38.25  
46 BNPPARIBAS FR 6512 SCC 38.56  
47 AFFILIATED MANAGERS GROUP, INC. US 6713 SCC 38.88  
48 RESONA HOLDINGS, INC. JP 6512 SCC 39.18  
49 CAPITAL GROUP INTERNATIONAL, INC. US 7414 IN 39.48  
50 CHINA PETROCHEMICAL GROUP CO. CN 6511 T&T 39.78

So now that we've fully revealed the international banking corporatocracy scam for what it really is, what are our options?

As we saw with the quote from Jefferson at the beginning of this chapter (go read it again) the Founding Fathers were well aware of what a financial credit bank that controls the issue of money can do to an economy because they had been victims of it themselves. It is the root cause of economic booms and busts.

That is why the Constitution demanded that the issue of money was to be controlled by the only entity that they imagined could be trusted – a constitutionally constrained federal government. They understood this because the real reason the American Revolution occurred in the first place is that the King of England debauched the colonial currency by counterfeit printing of excess worthless currency and raised taxes to keep a lid on inflation. Then the newly formed United States of America was foolish enough to set up its own reserve bank under President George Washington's Treasury Secretary Alexander Hamilton. President Thomas Jefferson was forced to shut it down a decade later by refusing to renew its charter. There is sound reasoning and first-hand experience behind Jefferson's warnings; not mere academic reasoning. America had a second dose of abuse under the *Second Reserve Bank of the United States* and Andrew Jackson (another one of America's

greatest Presidents) squashed it after only 20 years of existence and abuse. At the time he said:

The bold effort the present bank (Second National Bank of the U.S.) had made to control government, the distress it has wantonly produced...are but premonitions of the fate that awaits the American people should they be deluded into a perpetuation of this institution or the establishment of another like it.

Jackson also said of this bank:

The Bank, Mr. Van Buren, is trying to kill me but I will kill it.

Jackson set this objective in 1829 in his address of Congress

You [International Bankers] are a den of vipers and thieves. I intend to rout you out, and by the Eternal God, I will rout you out. **If the American people only understood the rank injustice of our money and banking system, there would be a revolution before morning.**

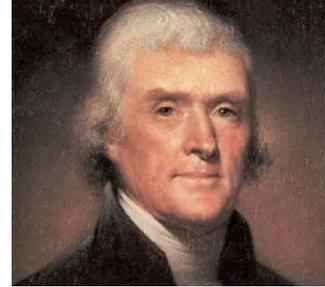


Figure 41 - President Thomas Jefferson, slayer of the first Reserve Bank of the United States

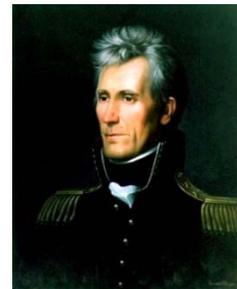


Figure 42 - President Andrew Jackson, slayer of the Second Reserve Bank of the United States

Jefferson and Jackson had only one failing. They failed to implement a proper solution to the problem. They tore down the house but failed to design and erect something in its place. They failed to understand the gap and all the implications that flow from that understanding. It was only a short time before the economy was back in chaos. The people in leadership were left with no choice but to let the bankers take control again. There is not much of a choice when your options are starvation or subsistence, is there?

After the Civil War, the “Powers That Be” redoubled their efforts to get a reserve bank in place. A book titled *The Coming Battle*<sup>11</sup> was written by Paul and Lorraine Walter and published in 1899. It chronicled what they could see as an inevitable return to private financial credit banking in a generation that had forgotten the mistakes of the past. Here’s the book’s synopsis:

First published in 1899, republished for the first time in 100 years! *The Coming Battle*<sup>xvii</sup> documents from congressional records, newspaper reports and writings by the Founding Fathers and others a chronology of events long forgotten that shaped our fledgling nation from 1776 to 1899. Read about the manipulation of our money and its supply, the intentional creation of recessions, depressions and panics. The manipulation of the stock markets. The demonetization of silver. A breathtaking history told in the words of a contemporary witness to these events.

For a free download of this book, visit our website.

In 1913, the plans of the “Powers That Be” finally came together in collusion with their bought men, Nelson Aldridge (grandfather of the current generation of Rockefellers), Edward House, Paul Warburg, Philander Knox and Woodrow Wilson – a dark day indeed for the American people that will live in infamy – when the Federal Reserve Act was passed.

Kennedy recognized that the reason America’s economy was stalled was that the nation’s money was sitting in European banks in storage – exercising their redemption value for gold as established at Bretton-Woods in 1948. He knew that there was a shortage of money and because of Bretton-Woods, his hands were tied to issue more money when the gold in Fort Knox and other national reserves was already fully leveraged. Kennedy tried to solve the “lack of money” problem by reinstating silver as money and pledging the



Figure 43 -  
Philander Knox,  
Portrait of a Traitor

<sup>11</sup> <http://www.newswithviews.com/books/TheComingBattle.htm>

strategic reserves as backing, revoking the previous Executive Orders that had undermined its Constitutional status as lawful money, and then issuing new currency against it by way of Executive Order 11110 which he issued on June 4, 1963 and reads as follows:

AMENDMENT OF EXECUTIVE ORDER NO. 10289 AS AMENDED,  
RELATING TO THE PERFORMANCE OF CERTAIN FUNCTIONS  
AFFECTING THE DEPARTMENT OF THE TREASURY

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, it is ordered as follows:

SECTION 1. Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended (a) By adding at the end of paragraph 1 thereof the following subparagraph (j):

"(j) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C. 821 (b)), *to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denominations of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption,*" and (b) By revoking *subparagraphs (b) and (c) of paragraph 2 thereof.*

SECTION 2. The amendment made by this Order shall not affect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.

JOHN F. KENNEDY  
THE WHITE HOUSE,  
June 4, 1963

With the stroke of the pen, Kennedy took back the power surrendered by Wilson to the Federal Reserve and restored the Treasury's authority as mandated by the Constitution. That power was wrestled back with the ring of assassins' bullets. Why doesn't every American know this? What forces conspired to keep this vital information out of America's schools? I sincerely believe the reason Kennedy was killed is because he understood what was and still is wrong with the economy, and he tried to fix it. Look at what he said on the public record at Columbia University just 10 days before he was killed:

*The high office of the President has been used to foment a plot to destroy the Americans freedom and before I leave office I must inform the Citizen of his plight.*

As has often been said, if you want to get to the bottom of a crime, follow the money.

## **Why Gold and Silver Backed Money Won't Work**

Here's the kicker though. Fractional reserve banking clearly *won't* work, *but* neither will a return to a gold and/or silver backed currency standard. The economy of the USA has a GDP of \$14 trillion dollars a year (2008) and the world's total economy probably approached \$100 trillion dollars that year. All of the gold in existence is only 145,000 tons and at \$900/oz. that comes to a nominal value of \$4.176 trillion dollars. If we assume that all in existence has a similar nominal value, we come up far short of enough bullion to adequately represent the actual wealth of the world for even one year.

There is another problem with a bullion-based currency. The economy grows at a rate much faster than the amount of gold and silver we mine each year. It is inevitable, that the currency would be forced to deflate over time. That is why William Jennings Bryant said at the 1895 Democratic National Convention:

Shall you crucify us on a cross of gold?

As we have all seen recently, deflation is even more harmful to the economy than inflation. We need a *third* option.

## **A Better Money**

We need a better monetary system. I have looked long and hard and have never seen a better economic policy – one that appears to have a better chance of meeting mankind's needs – than that of social credit as proposed by C. H. Douglas. I have referred to social credit throughout this book as “Economic Democracy” for three reasons:

1. Economic Democracy more accurately defines the underlying holistic monetary system and suggests the breadth of its effects in this name.
2. In the past Social Credit has been confused with Socialism and nothing could be farther from the truth.
3. Douglas's theories had only one flaw and that was a failure to recognize what Frederick Soddy taught us about the consequences of permitting usury by private banks on public

loans where the money is made up out of thin air and backed by the collateral of the full faith and credit of We the People.

Economic Democracy meets all the critical requirements that solve the afore-mentioned problems of monetary systems to date because it:

1. Neither causes inflation nor deflation as long as the A + B components of production are carefully reported, measured and used to ensure that the correct quantity of currency is issued in an apportioned way. In fact, as the cost of producing goods goes down due to productivity improvements, prices can be expected to drop.
2. Is an incorruptible system because there is absolutely no benefit accruing to anyone to print too much or too little money.
3. Ensures that *all* of the production of industry that the public desires is actually consumed by Consumers.
4. Is a true financial democracy because the Consumers ultimately determine what will be produced as they vote with their purchases.
5. Encourages maximum benefits and productivity of society and is the only model ever conceived that ensures equitable distribution of a nation's wealth to all citizens while not prospering one person at the expense of another.
6. Discourages shoddy production quality, poor productivity, planned obsolescence, price gouging and the making of goods people do not want; because the entire system is a democracy of Consumers who vote for what they want with their purchases. The price of goods is not the issue – it is the quality that matters. With this model, the highest priced item would dominate – if it has the best value proposition – because enough currency is guaranteed to be available to meet Consumer demand and Consumers ultimately want only the best products.

If someone knows of a more promising monetary policy than that of the [Wealth Pumps](#) to implement Economic Democracy, do please share it with us!

There is only one answer to this problem of fixing our flawed money system; an Economic Democracy economy implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office at every level of government by offering

themselves as alternative candidates with this specific platform. Failure to do so is hazardous to the health of us, our families and our future generations of children.

*For even when we were with you, we commanded you this: If anyone will not work, neither shall he eat. 2 Thessalonians 3:10*

*...with wages at their present level the cost of living ought to be one-fifth or less of what it is. The essential facts on which this statement is based are that production is overwhelmingly dependent on tool power and process; that tool power and process are a cultural inheritance belonging not to individuals but to the community, being largely the result of work done by persons now dead; and that in consequence the equitable return for effort includes a dividend on this inheritance which is immeasurably larger than the direct payment. Major C. H Douglas*

### JOBS AND THE MEANS OF OUR BREAD

Man should be useful and should not be a burden upon his fellow man. We all have the obligation to society to pull our own weight. But what if that fair share only constitutes 10-20% of our productive lives to meet our full obligation? I postulate that this is exactly the situation at this present point in the development of mankind. We all have different gifts, and some of us are more gifted than others in certain areas. Everything in nature is in obvious balance. Shall it be any different with us? I am thankful to know that every one of us has a calling and a role to play in our world – including the megalomaniac elites! One of the most important roles of parents is to help their children find their place in the world. A properly motivated parent should not impose what he/she thinks the child should do. The properly motivated parent must help the child figure out what the child's heart's desire is.

It also seems to me that welfare is harmful. It is the duty of all able-bodied people to work, and to refrain from doing so is a decision worthy of hunger and exclusion. What does that say about our society when there are so many able-bodied workers who *cannot* find work? What kind of society do we have where we have poverty in the land of plenty? What kind of society do we have when 90% of the world's wealth is held in the hands of less than 1% of its people? What's wrong with this picture?

Here's my main thought on the matter of how every man should earn his sustenance. It ties the two quotes at the beginning of this chapter into agreement. It may be that all of us need to pull our weight, but if the leisure dividend yielded by technology means that we only need to work 5-10 years of our lives to fulfill this obligation, then so be it. How blessed are we if we should be able to work at our heart's desire instead of being forced to toil at a job we despise just to earn a subsistence living? How blessed are we if we have the opportunity to pursue our

dreams and have both the time and financial means to do so? How much better off are we all if each of us – husbands and wives - has both the time and resources to raise our children properly? How well are we blessing our fellow man if out of that pursuit, we should come up with something that further enriches all our collective lives – a great painting, an invention, a beautiful garden, a book, a symphony, an illuminated leader?

## **Link between Land and Prosperity**

In the industrial society, people who had formerly worked the land for the means of their bread have now moved to cities. We have lost our connection with the land. Coincidentally, we have also now graduated from being serfs to being a different kind of slave; debt slaves. How did that happen? It seems to me that the economic model of a life well lived that was practiced by Native American Indians before the white man came, made a heck of a lot more sense than ours does. The notion that any man could *own* land was foolish to these Native Americans. They lived in community and everyone made a contribution. When Europeans came and offered them beads for “their” land, the Europeans thought Natives were fools for giving up something so precious for so little. To the Natives, Europeans were the fools because how could we possibly think that we could possess what only the Creator owned? If the general happiness of a society is the best yardstick for measuring who was right and who was wrong, few today would choose the white man’s model. Even the white man’s Bible agrees with the Native Americans when it teaches that men are only stewards of God’s creation.

It may seem that I digress into property ownership when we’re supposed to be discussing work. Bear with me and the inextricable link between the two will become obvious. If people truly understood property ownership, we would all realize that even in our modern civilization, nobody truly owns their land or significant assets anyway. Sir William Blackstone wrote in *Commentaries on the Laws of England* that our Fee Simple Title ownership (the property title that most of the world uses as evidence of alleged “ownership”) is simply an inheritable right to possess a property for our use upon condition that we pay our fees (property tax) to the King or his appointed nobleman. Fee Title means that *Title in Allodium* ownership of the property is never transferred to the buyer. Failure to pay the annual fees was and continues to be grounds for eviction. Blackstone also explained that this had been the practice in England since William the Conqueror claimed allodial title to all of the land of England by right of conquest. He

divided the kingdom amongst his noblemen in a hierarchy to serve as his tax collectors who would retain a portion for themselves for their own use in return for their oath of allegiance. Blackstone defined land title with no encumbrance by any third party as Title in *Allodium*.

Allodium – what’s that? Most people have never even heard that word. The only entity that owns property in allodium in America is the government! This is evidenced by the fact that no government pays property tax. We certainly do not learn the word allodium in our schools; and just *who* controls what “we” learn in schools? Maybe that’s why “they” don’t teach it. Property ownership is all really just a grand deception where we think we’re free but do not know enough about how things *really* work to see our own bondage. The most contented slave is the one who doesn’t even know he is in bondage. Sir William Blackstone gives us a synopsis of the whole process that as of 1769 was already in place for a dozen centuries since the fall of the Roman Empire. It is recorded in volume 2, chapter 4 of Commentaries on the Laws of England as follows:

*It is impossible to understand, with any degree of accuracy, either the civil Constitution of the kingdom, or the laws which regulate its landed property, without some general acquaintance with the nature and doctrine of feuds, or the feudal law: a system so universally received throughout Europe , upwards of twelve centuries ago, that Sir Henry Spellman does not scruple to call the laws of nations in our western world... the obsolete doctrines of our laws are frequently the foundation, upon which what remains is erected: and that it is impractical to comprehend many rules of modern law, in a scholar like scientific manner, without having recourse to the ancient...*

The Constitution of feuds had its original from the military policy of the northern Celtic nations, the Goths, the Hunns, the Franks, the Vandals, and the Lombards, who all migrating from the same officina gentium, as Crag very justly entitles it, poured themselves in vast quantities into all the regions of Europe, at the declension of the Roman empire. It was brought by them from their own countries, and continued in their respective colonies as the most likely means to secure their new acquisitions: and to that end, *large districts or parcels of land were allotted by the conquering general to the superior officers of the army, and by them dealt out again in smaller parcels or allotments to the inferior officers and most deserving soldiers. These allotments were called feoda, feuds, fiefs, or fees; which last appellation in the northern languages signifies a conditional stipend or reward. Rewards or stipends they evidently were; and the condition annexed to them was, that the possessor should do service faithfully, both at home and in the wars, to him who they were given; for which purpose he took the juramentum fidelitatis, or oath of fealty: the case of the breach of this condition and oath, by not performing the stipulated service, or by deserting the lord in battle, the lands were again to revert to him who granted them...*

Scarce had these northern conquerors established themselves in their new dominions, when the wisdom of their Constitutions, as well as their personal valor, alarmed the princes of Europe; that is of those countries which had formerly been Roman provinces, but had revolted, or were deserted by their old masters, in the general wreck of the empire. Wherefore most, if not all, of them thought it necessary to enter into the same or similar plan of policy. *For whereas before, the possessions of their subjects were perfectly **allodial; (that is, wholly independent, and held of no superior at all)** now they parceled out their royal territories, or persuaded their subjects to surrender up and retake their own landed property, under the like of foedal obligation of military fealty. And thus, in the compass of a very few years, the foedal Constitution, or the doctrine of tenure, extended itself over all the western world...*

*But this foedal polity, which was thus by degrees established over all the continent of Europe, seems not to have been received in this part of our island [Great Britain] at least not universally and as a part of the natural Constitution, til the reign of William the Norman [i.e. William the Conqueror, King of France and Normandy]... For the Saxons were firmly settled in this island, at least as early as the year 600: and it was not til two centuries after, that feuds arrived to their full vigour and maturity, even on the continent of Europe...*

*This new polity therefore seems not to have been imposed by the conqueror, but nationally and freely accepted by the general assembly of the whole realm, in the same manner as other nations of Europe had before adopted it, upon the same principle of self-security. And, in particular, they had the recent example of the French nation before their eyes; which had gradually surrendered up all its allodial or free lands into the king's hands, who restored them to the owners as a benefictum or feud, to be held by them and such of their heirs as they previously nominated to the king: and thus by degrees all the allodial estates of France were converted into feuds, and the freemen became the vasals [slaves] of the crown...*

*And indeed by thus consenting to the introduction of foedal tenures, our English ancestors probably meant no more than to put the kingdom into a state of defense by establishing a military system; and to oblige themselves (in respect of their lands) to maintain the king's title and territories, with equal vigour and fealty, as if they had received their lands from his bounty upon the express conditions, as pure, proper, beneficiary feudatories. But whatever their meaning was, the Norman interpreters, skilled in the niceties of foedal Constitutions, and well understanding the extent of the foedal terms, gave a very different construction to this proceeding, and thereupon took a handle to introduce not only rigorous doctrines, which prevailed in the duchy of Normandy, but also such fruits and dependencies, such hardships and services, as were never known to other nations; as if the English had in fact, as well as theory, owed everything they had to the bounty of their sovereign lord...*

*The grand and fundamental maxim of all foedal tenure is this; that all lands were originally granted out by the sovereign, and are therefore holden, either mediately or immediately, of the crown. The grantor was called the proprietor or lord; being he who retained the dominion or ultimate property of the feud or fee: and the grantee, who had only the use and possession, according to the terms of the grant, was styled the feudatory or vassal opprobriously, as synonymous to slave or bondman...*

*Almost all the real property of this kingdom is by the policy of our laws supposed to be granted by, dependent upon, and holden of some superior lord, by and in consideration of certain services to be rendered to the lord by the tenant or possessor of this property. The thing holden therefore is styled a tenement and the possessors thereof tenants, and the manner of their possession and tenure. Thus all the land of the kingdom is supposed to be holden, mediately or immediately, of the king; who is styled the lord paramount, or above all.*

So what evidence of property ownership do we have today? No man may own his property in freehold – in allodium. Furthermore, through fraud and deception, very few people own their personal labor. Are you paid what the master gets – the gross pay – or what the slave gets – the net pay? I assert that if a man cannot own property or labor, that makes him a slave. A slave is defined as “One bound in servitude as the property of a person or household.” I would assert that a slave is someone who is not allowed to own property and is obliged to give the fruit of his labor to his master. The master then gives the slave the means of his bread. Get a clue here. Gross pay (first fruits) goes to the master and Net pay (table scraps) goes to the slave. With the pay you get, you can’t buy your land or car with allodial title so even if you pay the last dollar off on your mortgage or car loan, just stop paying your fees (property taxes) and you’ll find out soon enough who the real owner of your property is. Maybe this is why life seems like such a treadmill and so few of us seem to be able to get ahead.

Finally, here is what Nathan Rothschild himself said on the subject of our then-new form of debt slavery over 200 years ago:

Money is a new form of slavery, and distinguishable from the old simply by the fact that it is impersonal - that there is no human relation between master and slave.

We just can’t go on like this anymore! The people perish for lack of knowledge? Then help spread the knowledge! You can’t expect your neighbors to help you fix a wrong if they don’t even know *what* is wrong.

## Proposal on Land Ownership

This brings up an interesting conundrum; consider these land ownership options:

1. Buy and own all property in allodium.
2. Have none of us own property and have it all in the state's hands.
3. Have all of us own all the land of our nation as a commonwealth and then establish guidelines by which all of us may possess a little bit for our personal use with allodial title.
4. Have all of us recognize that we are just stewards of the land that is really owned by a Creator. We simply share its use amongst ourselves as a true commonwealth with reasonable restrictions.

The first option suffers from the potential that all property will eventually fall into the hands of a shrewd minority. The second option is basically what we have today where the vast majority of land is “public” but it is controlled by politicians who are bought men of elites.

The last two options are preferred and similar in my view, but the difference in focus is simply whether a nation of people owns the land or the nation recognizes the Creator as the rightful owner. If I had to choose, I'd pick the last option because it is the more humble perception of us as temporary residents of this planet and because nations would be an obsolete notion in a world where nobody owns land in allodium and all land is held in commonwealth. The first three options will be necessary only as long as there are nations and artificial divisions between peoples. I don't believe society is ready for the fourth option yet. We're too selfish.

But there is a problem. We already have many people today who *perceive* that they own land and if we are to have a peaceful transition into an Economic Democracy economy, there needs to be some equitable accommodation. I propose that if we are to have an economy where all debts are to be forgiven and the national debt is to be repudiated, then there needs to be something in it for those who stand to otherwise lose – predominantly those who are currently very wealthy. Let us presuppose that we can modify the meaning of allodial title and then let's allow it as follows:

Allodial title is the right to possess property without third party encumbrance or claim, unless forfeit by legal contract pledge of collateral and subsequent failure to perform.

Allodial title survives as inheritable and assignable; but only as long as:

- The land is occupied.

- The land is used for the purpose it was originally acquired for, if acquired by claim and subsequent community agreement.
- If the land is abandoned for seven years or longer, third parties may make claim; and if the original title holder cannot show cause to the satisfaction of a jury as to why it should not be reassigned, the land will pass into the hands of the third party and a new allodial title shall be granted.
- No taxation may ever be levied against allodial title property so that it will be impossible for people to be dispossessed of their homes.

If all debts are to be forgiven as part of our Economic Democracy solution, then all real estate property currently held by natural persons will pass debt-free into their hands with a grant of title in allodium. Since the wealthiest people own the most property today, then their property will remain in their own hands. This is a significant benefit to the elite as an incentive to go along peaceably with the program. They will only be able to retain after seven years what they can make practical use of. At the same time, anyone who needs some land can stake a claim on what is currently crown land and benefit as well.

## **Land Reform Proposal of C. H Douglas**

This proposed form of property ownership is not unlike that proposed by C. H. Douglas in his paper titled *Land for the People*<sup>xviii</sup> (available as a free download on our website) and written in 1943. He made some interesting observations about what is wrong with land ownership as it exists today. Here is his thought on the subject of Title in Fee Simple – what he referred to as Crown-lease:

The effect on the character and independence of the people, of a nation-wide 'Crown-lease' system (a Sword of Damocles over the home!) can only produce an abject, timid, and servile race... *The system of private ownership and administration has been strangled, consciously and purposely, by international finance, in order to obtain control of the land, and every land agitation, from Henry George to Lloyd George and after, has been financed by bankers—not the kind of people commonly called bankers, who are mostly technicians, but international gangsters using bond issues in place of firearms.*

Here is his line of reasoning behind this assertion:

At bottom, there is little doubt that *there are two irreconcilable ideas in conflict.* *The first* of these is that the world in which we live is an organism and that men

and animals have intricate relationships with the earth—not amorphous but specific and infinitely varied, which can only be disregarded at the peril both of men and the earth they live on. I do not mean in the least by this that a universal back-to-the-land movement is either necessary or even desirable, but I do think that the idea that the earth is merely something to be exploited and “lived on” is quite fatal. *The second* and antithetic idea, is that the world is merely the raw material for a factory; that the nearer agriculture approximates to Mr. Ford's conveyor-belt principles, and towns emulate Stalingrad, the better we shall be... *It is this unresolved antithesis which makes the Planners so dangerous.*

But they recognize that land, the money system, and the police are the raw material of control, and control they are determined to have. They also recognize that a majority is always ruled by a minority, and it is therefore essential that the legal title to these things shall be taken from a minority and vested in a majority—the “Public.”

...there is no fundamental difference between an economic monopoly relying on Finance for its sanctions and a State Monopoly relying on Police, other than the relative unpleasantness of being starved to death on the one hand, and “liquidated” by the OGPU on the other... and *the primary characteristic of the slave is not bad treatment. It is that he is without any say in his own policy.* The steps by which this situation has been produced are easy enough to enumerate. By the tricks of the money system, an obviously inequitable distribution system has been installed and perpetuated. The control of this system has given control of the Press and other reading matter, supplemented more recently by broadcasting and the cinema. *Skillfully injected propaganda, always avoiding Finance, has fostered attacks on the 'haves' by the 'have nots' so that any economic independents, not the servants of Finance, might be stripped of their independence, under the name of Socialism.* That is to say, *Big Business and Socialism is the same thing*, though some Socialists may not know it, and the present state of servitude could never have been brought about by Big Business alone. *We owe our present position to brains in Big Business, and votes in Socialism.*

If, in the main, the land situation is being mishandled, *the cause lies in the realm of policy, and the cure must also begin in that realm.* Big Business, Monopoly, Socialism, State Capitalism, call it what you like, is in control and *it is the Policy of Big Business with which we have to reckon.*

So now we come to his proposed remedy:

But if we are to escape final destruction, then *the firm drastic, and early elimination of land administration* from Whitehall, or through disguised Trusts, Commissions, and other corporations interlocked with Whitehall, *is primary.* Stripped of all the abstractions, “rights,” moralities, and other complications which make any problem permanently insoluble, I do not believe that the land question is unduly difficult. I should say that *the essentials of the solution are:*

1. ***Absolute security of tenure for life***, including complete ***abolition of land taxation*** of every description. The imposition of a land tax shall be ultra vires.
2. ***Abolition of land sales between individuals as of right***. Registration of sale to take place five years after payment of purchase price, on petition by purchaser supported by six adjacent neighbors, who are landowners.
3. ***County Council Authority to be obliged to purchase at valuation (see 6 infra) all land offered for sale***, and to advertise for re-sale only to approved purchasers who must obtain support of six adjacent landowners.
4. ***No State or Public Body to hold land*** for which a properly supported application from a private individual is made at the valuation price.
5. ***Where a legatee is non-resident on land which he inherits, he shall be given twelve months to take up the occupation of it***. If he decides to reside, his title shall be confirmed after five years. If not, his land shall be acquired by the County Authority for re-sale as in (3) supra.
6. All land to be classed as A, Amenity Land. B, Agricultural Land. C, Industrial Land. ***All land titles shall restrict the land to which title is given, to the class in which it was placed on the grant of first title***. No change of Class shall be permitted without the offer of sale as in (3) supra.
7. The initial valuation of land to be that shown in the last conveyance as consideration. ***Every five years, a landowner shall be entitled to make a claim***, properly substantiated by accounts, in which his own activities shall be included as manager, ***for increased value***. On the admission of this claim by a properly constituted County Authority against whose adverse decision appeal to a Committee appointed by the Land Agents Society shall lie, ***seventy-five percent of the cost of this increased value shall be refunded to the landowner in County Bonds bearing interest at three per cent., and twenty-five percent of the increased valuation shall be added to the transfer value of the land***.
8. No public official shall have any right of entry whatsoever, without a magistrate's Warrant.

I don't personally support all of these recommendations but I do understand the reasoning behind them and see their merits. The thoughts behind these recommendations can be summarized as follows:

1. A person may hold his land for life and there ***shall be no taxation of any kind permitted*** so that he cannot be dislodged from his home.
2. ***If someone wishes to sell his land, his neighbors must approve of the new purchaser*** so as to ensure the land will not be used for a purpose that would diminish the value of the neighboring properties.
3. To this end, ***sales can be overturned by neighbors for five years***.

4. *Land must be occupied by owners* so the property does not go into disrepair and adversely affect the value of neighbors' properties.
5. All land will have one of three zonings, and *zoning cannot be changed without the consent of neighbors.*
6. Any *property improvements made by a landowner* can be submitted for reassessment and upon agreement from an appointed public body, *75% of that increased value shall be given to the landowner as a reward and the rest will be added to the assessed value of the property.*
7. *Because landowners are encumbered by constraints to the sale of their land, there should be an authority that will guarantee its expeditious sale at a fair price.* In my view, that can ideally be the National Credit Authority because the person who sells land at one place will inevitably buy another later or invest it in a business. Either action inevitably results in a balanced economic activity.
8. Finally, landowners shall be *absolutely secure in their right to enjoy their property without search, wiretap, surveillance or seizure.*

## How the Lemurians Did It

America's most well-known prophet, healer and seer, Edgar Cayce outlined how the ancient Lemurian society lived in one of his books of which the following is an excerpt:

... this group or this nation or this people... first made what would be called coin, which was of gold. It was almost square but with a hole in same, smooth but edged so that it might be known from other groups... Holes in same and strung to be worn about the neck or the waist. These – as the exchange then – were as so much daily labor or exercise. There were no individuals that did not work if they were above the age of twelve, unless they were ill, lame or blind or with child – others all labored. There were no individuals that did nothing! ... They were all those that spoke and would be called a forum... who spoke when they were moved not by anxiety, not by wrath but by the spirit of thoughtfulness – or the recognizing of Mind, the Builder. But the laborer was heard as well as those that were of every trade as would be termed in the present... There was equality between the sexes during that experience. There was only, as has been indicated, monogamy; not polygamy ever practiced among these peoples. The rights of each were the rights of the other. When by injury, wrath, anger the mate was destroyed or killed, by death, then the choice was made by the individual and seconded by those that were in authority by judgments. But those that judged were as the common people, as those in authority. For only the Prince, those who were of the household of the Prince were the last word – but they never as lords, priests, presidents or dictators, but as interpreters of the law between man and man. And all interpreters were moved to speech, or were moved in spirit in that ye call religion... There was no taxation. All labored, hence not necessary for taxation. *For they were all the government, for all were as one. A common storehouse, a common bank, common activity throughout in each; each giving*

*as it were the day for that of a piece of gold.* A piece of gold then was a day's labor, and the women and children were the same as the men – for each represented their ability to give that they could in their respective activity, and each – *for it was all for the one and one for the all.*

Could such a society exist and actually work today? Let's clearly identify the principles of that society:

- The only money was gold coin - substance.
- The measure of every man's work-day was a common fixed measure of gold and there were no exceptions.
- Everyone thirteen and older worked for a day's wage – no matter what that work was.
- Everyone's work was held to be of equal value.
- The blind, infirm, sick and pregnant were excused from work, and the community cared for them as an act of love and mercy.
- The very old whose quality of life was severely diminished were euthanized and it was regarded by all – including the old themselves - as mercy.
- Everyone had equal say – no matter what their place in society – and their voice was heard.
- Women and men had equal rights.
- The institution of monogamous marriage was honored.
- In legal matters, all citizens had the right to lay a charge. That charge needed to be seconded by another citizen. If a charge was laid, only a jury of peers could decide their fate.
- If there was a question of law, the final decision would be made by the "Prince" who was also the religious leader.
- There was no taxation!
- Everyone in society was a member of government and had some civic responsibility as part of their work.
- There were no government institutions unless there were people who had a heart to serve that institution and there was no general objection to that office. Thus there was no government oppression.
- There was no private land ownership.

- There was a public storehouse containing all merchandise and everyone was free to draw from it for their personal needs.
- The treasury from which wages were drawn was owned by all. Thus all profit produced by the community went here but only the day's wage was drawn from it. In this way the commonwealth could amass wealth that was for the benefit of all.
- Every person put the good of others first. All for one and one for all could also be expressed as the Golden Rule. This principle was the cornerstone of their society.

With respect to work within our peaceful Economic Democracy society, this model has some attractive benefits for it solves some significant problems:

- You can't have one man oppressing another when everyone has an equal say and every man's work is held by all to be of equal value.
- You don't have a motive of greed for gain when you have the right to take whatever you want from a common storehouse and there is no lack in your life.
- You have no dissatisfaction when you are not compelled to perform a work task that you despise.
- You have no reason to learn hate when all you have ever known is the love of neighbors who live by the Golden Rule.
- There can be no constraint on one's mobility as long as one is willing to work in whatever community one cares to move to.
- There is no government oppression if there is nobody to work that office and/or object to its presence and no tax base to support it.
- There are no wars if there are none willing to fight. None will fight if there is nothing to gain but much to lose. Defending of one's homeland and freedom are the only justifiable reasons to fight. Want and starvation are the only reason to attack. When all are free to move from a place of lack and join a community of more, what reason is there to attack?

When all men are truly free and are taught from birth the various traps that men may fall into that would rob them of their freedoms, what control can another man exert upon him to wrest his freedoms? If there are such men who would control another for personal gain, such a person will

simply be banished from the community. Such an attitude cannot flourish in a community that is guided by the Golden Rule.

Skeptics would say that these are wonderful notions but are completely impractical in our society, and one could fill a bookcase with reasons, but where there is a will, there is always a way. If history teaches anything, it is that what the mind conceives, it eventually achieves.

Many of the notions of Cayce's "idealistic" society of Lemurians will tend to manifest in the Economic Democracy solution described in this book. A journey starts with a first step. These ideals can be achieved within a few generations if we can only take that first step.

## **Taking the Best and Leaving the Rest**

Our proposal to implement an Economic Democracy economy and a just society whose cornerstone is the Golden Rule. can effectively give us a society much like that of the Lemurians that Cayce described. Many of the principles Douglas and Soddy called for are also incorporated. All of the synthesized concepts are articulated in the proposed Constitution in our appendix but for the sake of focus on this chapter and the subject of our personal livelihoods, here is the bottom line as to what I propose we implement:

1. There is nothing more important to the general welfare of a nation than that everyone can live their lives in peace, prosperity and contentment.
2. No person is content if they don't have a decent place to live. The proposed revised Constitution provides for everyone to have their own homestead that is big enough for them to be self-sufficient and able to enjoy privacy without being crowded.
3. No person will be content if they don't have means of acquiring a fair share of all that society is capable of providing. The core principles of Economic Democracy economy are explicitly built into the Constitution to ensure this end.
4. No person will be happy if they must live in fear of oppression of their fellow man. This is assured by making the Constitution's cornerstone the Law of Love, the Golden Rule. It is backed up by a Jury pillar that gives a fair voice to all and severe consequences to deter anti-social behavior.
5. No person will be happy if they have the boot of their government on their necks. The revised Constitution provides severe penalties for a huge array of abuses that we have seen in our history and properly places the real power in the hands of a Jury that could convict public servants for malfeasance and hold them accountable for misfeasance. It can even drive from office the nation's President and/or Congressional members when they betray the Public's trust.

6. No person will be happy if they do not have both the opportunity to live their highest calling and enjoy the fruits of their labor. The revised Constitution provides an economic model that preserves our purchasing power and provides sufficient capital for all of us to have the chance to live our dreams if we're prepared to do the work to prove their merit to the rest of society.
7. No person will be happy if they feel powerless to affect change when an element of their society seems to have run amuck. The revised Constitution provides the right for any citizen to lay a charge that is seconded by another citizen and to hold anyone in society accountable for their actions, as the vehicle for just remedy. The structure of voting and national on-line access and participation in the legislative process ensures that we all have a direct say and impact on how legislation unfolds. It also provides an immediate remedy for a constituency that is not pleased with the performance of their elected representative.

With so much accountability built into the system, there is strong incentive for everyone to “do the right thing” in every circumstance because the cost of not doing so will bear a significant consequence.

There is no room for special interest groups to usurp the rights of the individual and indeed the consequence for even attempting to do so is the penalty of treason against the nation – a strong deterrent indeed.

Everyone is encouraged to contribute their best to society according to their ability while being guaranteed a fair share of society's prosperity by way of the National Dividend and Compensated Price. In this way, poverty is eliminated without suppressing individual responsibility and accountability; there is no “free ride.” Indeed, the person who will not contribute will suffer the consequence of losing their National Dividend. Hunger and homelessness are strong motivators to each of us to pull our weight!

The only real danger of the nation failing again will be result of a general apathy of citizens to be vigilant to defend their freedoms. As Edmund Burke allegedly said, "All that is necessary for the triumph of evil is for good men to do nothing." That is exactly why we are in crisis today. As has often been repeated, “Those who fail to be vigilant to defend their freedom are destined to lose it.” The key to prevent this societal breakdown is for each of us to teach our children early and often the perils and pitfalls that we have made as a society to date so they don't repeat those mistakes.

The reader will note that not a great deal of time has been put into the subject of work and jobs. That is because that is not the root problem as we have demonstrated. The real focus is on

allowing each person to express the full measure of their creativity while compelling them to contribute their fair share. This will ensure the continuity and smooth operation of our economy and consequent prosperity. The point is that society has become sufficiently advanced that there is a leisure benefit already built in to ensure a stress-free and prosperous life for all – if we can only marry the wants of everyone with society’s technical ability to fulfill those wants.

There is only one answer to this problem of a society of people who cannot be availed of a home, share of land by which to obtain the means of their bread and an equitable share of society’s prosperity in the face of such abundant resources; an Economic Democracy economy implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office at every level of government by offering themselves as alternative candidates with this specific platform. Failure to do so is hazardous to the health of us, our families and our future generations of children.



*Stop throwing the Constitution in my face! It's just a goddamned piece of paper!*  
**President George W. Bush**

And at the same occasion over the issue of the House passing Patriot Act II without a reading...

*I don't give a goddam. I'm the President and the Commander-in-Chief. Do it my way.* **President George W. Bush**



## FIX THE CONSTITUTION

Without a set of laws that we can all agree upon and commit to live by, there is no possibility that a peaceful society can be built – just the tyranny of force. The Constitution of the United States is the most perfect Constitution that has been conceived to date. A great nation emerged as a result, but it clearly still has faults. If it can be said that the quality of a tree may be judged by the fruit it bears, then unquestionably, the Constitution as it stands is *not* good enough because the USA can hardly be described as a peaceful society today. Our country is in a pitiful state when our President who has sworn an oath to defend the Constitution, refers to it as “just a goddamn piece of paper.”<sup>12</sup> Newspaper reporter Doug Thompson of Capitol Hill Blue wrote that he had these verbal statements by Bush confirmed by three attendees of a meeting with GOP congressional leaders at the occasion of their White House briefing on the Patriot Act before it was voted on. Bush commanded them to sign it without reading it. Here is what reporter Doug Thompson who broke the story wrote:

GOP leaders told Bush that his hardcore push to renew the more onerous provisions of the act could further alienate conservatives still mad at the President from his botched attempt to nominate White House Counsel Harriet Miers to the Supreme Court.

“I don’t give a goddamn,” Bush retorted. “I’m the President and the Commander-in-Chief. Do it my way.”

“Mr. President,” one aide in the meeting said. “There is a valid case that the provisions in this law undermine the Constitution.”

“Stop throwing the Constitution in my face,” Bush screamed back. “It’s just a goddamned piece of paper!”

<sup>12</sup> <http://911review.org/Media/Constitution>

I've talked to three people present for the meeting that day and they all confirm that the President of the United States called the Constitution "a goddamned piece of paper."

And, to the Bush Administration, the Constitution of the United States is little more than toilet paper stained from all the shit that this group of power-mad despots have dumped on the freedoms that "goddamned piece of paper" used to guarantee.

The gutless editors of Capitol Hill Blue now have this posted on their web site:

This article was based on sources that we thought, at the time, were reliable. We have since discovered reasons to doubt their veracity. For that reason, this article has been removed from our database.

How do you go from three witnesses to this? Somebody either caved into threats or took the bribe. I don't buy it. We all saw this fool Bush reading the storybook to the school children upside-down on national TV on September 11 – not because he's retarded but because he knew what was going on and was extremely unnerved. We all saw him talking about "nuclear" devices. We all heard him lie to our faces about the Weapons of Mass Destruction that we're still awaiting evidence of. History will color him a buffoon and a traitor. I personally believe he really said this. It fits in well with his demonstrated character, words and actions.

To the disgrace of Congress, this Patriot Act, which single-handedly overturned several clauses of the Bill of Rights, was voted on without them even reading it! What evidence do we have for this assertion? In Michael Moore's movie Fahrenheit 9/11 Moore caught Congressman Jim McDermott on film saying that no Senator had read the bill. Congressman John Conyers, Jr. said in the same movie:

"We don't read most of the bills. Do you really know what that would entail if we read every bill that we passed?"

Congressman Conyers then answered his own rhetorical question, asserting that if they did, it would "slow down the legislative process". What has gone wrong with this country?

Now insult is added to injury with Obama's signing of the National Defense Authorization Act of 2012 with the unbelievable endorsement of 93 of 100 traitors – I mean Senators – and the 243 traitors – I mean Congressmen - who voted for this bill and who have joined Obama in violating their Oaths of office to defend the Constitution. I guess it all depends on the meaning of the words "preserve", "protect", "uphold", "support", "bear true faith and allegiance" and

“defend” then doesn’t it? The end result is that anyone on government payroll and carrying a gun can arrest you and have you indefinitely detained without trial or charges on their mere say-so and only released on the President’s direct say-so. If some sleazy cop decides he wants to rape your beautiful wife, he can have his way with her and then throw her into a dark pit from which she will never emerge on the assertion that she is an enemy combatant. What is to stop this from happening to any of us? That is fascism and tyranny if I ever saw it. Sections 1021-1033 are the specific sections that authorize this. It also authorizes the military to operate within the borders of the United States, granting the military the unchecked power to arrest, detain, interrogate and even assassinate U.S. citizens with impunity. These are both direct violations of the Constitution and thus no law we need respect.

The biggest problem with the Constitution was identified by Benjamin Franklin the very day the Constitution was completed in Philadelphia at the close of the Constitutional Convention as he left Independence Hall. A woman is alleged to have asked him what form of government had been formed. His reply to the woman on that auspicious day was “A Republic... *if you can keep it.*”<sup>13</sup> If America is a Republic, then why do its government and people champion democracy? What exactly is the difference? The major problem has been the failure of the American people to remain vigilant in protecting their country’s freedoms and wealth – primarily out of ignorance. General Douglas McArthur said,

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<sup>13</sup>

AUTHOR: Benjamin Franklin (1706–90)

QUOTATION: “Well, Doctor, what have we got—a Republic or a Monarchy?”

“A Republic, if you can keep it.”

ATTRIBUTION: The response is attributed to BENJAMIN FRANKLIN—at the close of the Constitutional Convention of 1787, when queried as he left Independence Hall on the final day of deliberation—in the notes of Dr. James McHenry, one of Maryland’s delegates to the Convention.

McHenry’s notes were first published in *The American Historical Review*, vol. 11, 1906, and the anecdote on p. 618 reads: “A lady asked Dr. Franklin: Well Doctor what have we got; a republic or a monarchy? “A republic” replied the Doctor “if you can keep it.” When McHenry’s notes were included in *The Records of the Federal Convention of 1787*, ed. Max Farrand, vol. 3, appendix A, p. 85 (1911, reprinted 1934), a footnote stated that the date this anecdote was written is uncertain.

"No man is entitled to the blessings of freedom unless he be vigilant in its preservation."

Thomas Jefferson made this point even clearer when he said:

"If a nation expects to be ignorant and free... it expects what never was and never will be."

The author of the concept of a republic was Plato who in 380 BC wrote a book titled *The Republic*<sup>xix</sup> (available as a free download on our website). It was a philosophical dialogue by Plato dealing with the composition and structure of the ideal state. It was comprised of ten books.

When you look at the preferred Republican form of government proposed by Plato, it was to be comprised of unelected Guardians – masters of philosophy who were of the highest moral character and who lived in community with no property rights and thus no motivations to usurp the rights of their fellow man – and who gave up all personal rights for the benefit of the ruled who would be free to enjoy their constrained gratifications. In point of fact, the Founding Fathers acted as Guardians over the republic of the United States. Plato went on to point out that if the Guardians should lose control of the republic, it would decay into a succession of oligarchy or rule of the rich (i.e., Robber Barons and the Gilded Age) followed by plutocracy or the rule of wealth (as America was throughout most of the 20<sup>th</sup> century and whose influence has been implemented quietly through lobbyists) followed by political democracy (which occurred simultaneously as a delusion of the masses.) Plato grudgingly acknowledged democracy as the preferred form of government – second only to Guardianship – but saw in it a fatal flaw. Democracies fail when the masses attempt to vote themselves wealth. This is exactly what is happening in the halls of Congress right now as I write this. We call them “bailouts,” but this time the script is a bit different. Instead of voting ourselves a raise, we gave it as bailouts to the “Powers That Be!” How foolish! Is there any wonder that as Kevin Trudeau told us during an Alex Jones interview about the Bilderbergers meeting in Greece in 2009, the world’s financial elites call Americans “suckers?” If the shoe fits, wear it!

Out of the chaos that eventually ensues, we may get a tyrant to quiet things down. If this happens, the desires of the state will be capitulated and what we end up with is fulfillment of the desires of the tyrant – tyranny. Eventually, the tyrant is overthrown and the cycle begins again. We have the opportunity to break this cycle by implementing an Economic Democracy economy

and anchoring our laws on the cornerstone of the Golden Rule. We *must* not fail because future generations depend on us.

Franklin gave his reservations about our ability to hold onto the republic because he knew that it was only as strong as the moral character of the republic's guardians – those who would *not* put their own interests before those of the people. Nobody today is so deluded as to think we have anyone in office that fits the bill. I will assert that there is one *possible* exception as of this writing, and that is Republican Congressman Ron Paul. I'll characterize my reservations shortly. He gives his vision of a restored America in his book *The Revolution*<sup>xx</sup>.



Figure 44 - Congressman Dr. Ron Paul

There is an important lesson to take from this warning and the evidence of how history subsequently evolved. The lesson is that if the entire population will not be vigilant to honor and defend their Constitution – to each serve as its guardians – then in a period of weakness, it will become vulnerable to being regarded again as simply a “dead letter.” Many today have called the Constitution a “dead letter” including President George Bush who referred to it as “just a God-damned piece of paper” after swearing an oath to defend it. In point of fact, it *is* just a dead letter to all who believe it to be so. Our willingness to defend it is the extent to which it has life.

I recently spoke with a friend and business associate who I regard as a very intelligent man; he loves his country, fought in the armed forces, has a daughter who is currently serving and he is informed about the Constitution. I pointed out that the Constitution and the freedoms of all Americans are under attack because of the Patriot Act II and it's violation of the 1000 year old Habeas Corpus that was enshrined in the Constitution's Fifth and Sixth Amendments; thus making this act an unlawful but not illegal document. I then pointed out how several Hollywood programs have come out that shows our “hero” arresting an American citizen and simply by declaring him an enemy combatant, informs him that he has *no* Miranda rights. What gives any citizen the right to outlaw another at the point of a gun – merely on his say-so? What propaganda is this TV trash that is offered to us to “soften” us into accepting this tyranny by portraying “good guys” trashing our rights? The consequence of this tyranny is that a citizen may be indefinitely locked up in prison without trial! My friend defended this act by saying that because there are so many animals in the world that would attack America this may at times be

justified. I then quoted John Kennedy in his Civil Rights Address of June 11, 1963 when he said:

“This Nation was founded by men of many nations and backgrounds. It was founded on the principle that all men are created equal, and that the rights of every man are diminished when the rights of one man are threatened.”

I also cited Benjamin Franklin who said:

“They who can give up essential liberty to obtain a little temporary safety, deserve neither liberty nor safety.”

He still didn't back down on his position and posited another example of a “justifiable circumstance,” and I pointed out that the laws that existed before suppression of the Fifth and Sixth Amendment were sufficient to deal with this because they could still be arrested, brought before a magistrate to show cause for further detainment and if cause is sufficient, to be bound over for trial. He then brought up the subject of terrorists. I asked him if these were American citizens, and he said no. I asked him if they were protected by the Constitution, and he correctly answered no. So I asked again why the Patriot Acts I and II should continue to stand as law and unfortunately he had to end our conversation to deal with business issues without answering. He did say that though we don't always see eye to eye, he found our conversation compelling and enjoyable. As much as I love this man, I am compelled to believe that this kind of weak thinking is dangerous for America and for the freedoms of all. I am more compelled by Franklin's and Kennedy's warnings.

America of today can best be described as a mix of political democracy and oligarchy and is presently in the process of morphing into tyranny. Patriot Act I, II and the National Defense Authorization Act of 2011 are clear examples of vehicles that may be used by a tyrant at some point, and it will simply be too late to stop it. Didn't Hitler do this to the Jews? Didn't Stalin do this to millions of his own countrymen? This is exactly as described and predicted by Plato in book 8 of *The Republic* Well over 2000 years ago.

Plato started out in book 1 with the premises that all men will be happiest in a just society and that nobody can see the soul of a man to measure the happiness of a man, but that the happiness of a collection of souls – the state – can be examined. He believed that the root of all trouble is “unlimited desire.” A friend of mine recently labeled it as greed and selfishness. Jesus

further refined this concept and put it in a proper balance by constraining our desires only by the Golden Rule.

This leads me to concrete proposals as to just how we can fix this mess; now, before it's too late.

## **Honor the Original 'Title of Nobility' Thirteenth Amendment**

As already documented in the section titled "[Are American BAR Attorneys in Treason to the Constitution?](#)" we cited clear evidence that this is a legitimate, properly ratified and enforceable Constitutional amendment that has never been proclaimed by any Secretary of State. That does not deny it the status of law. With this mighty tool, the bought men and women of our three pillars of government that have turned it into a den of thieves can be driven out. Just as William Benson has unarguably proven that the 16<sup>th</sup> Amendment was not properly ratified by the several states in his book titled *The Law that Never Was* as I explain in the section titled [Make Income Tax Unconstitutional](#), the 'Title of Nobility' Thirteenth Amendment is since 1819, what can properly be called *the law that never wasn't*. It reads as follows:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honour, or shall without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

We must restore this critical amendment to full status and enforce it.

## The Cornerstone Law of Love

The following is the most important change to the Constitution and to the national thinking that is needed if we are to have peaceful society – our first proposed amendment.

### Section 1.

All laws must be in agreement with the principle to do unto others that which we would have done unto us and to not do unto others that which we would not have done unto us. All of this Constitution and all statutory laws, rulings and judgments that flow from it must be consistent with and abide by this cornerstone law of love.

### Section 2.

The rights of man are expressly defined as their right to life, liberty, pursuit of happiness and security of private property. These rights are to be preserved above the rights of any group of two or more persons, provided that the Constitutional rights of that group have not been violated, in order that no democratic edict may usurp the rights of any individual. If the rights of each individual are not upheld, then none of us can be secure.

Private property is anything that has been purchased by an individual for lawful money and not explicitly excluded from our Constitution as ineligible for private ownership.

When you look at Plato's choices of government, you may despair because there does not appear to be any form of government that will work. I disagree; he simply couldn't think of a better one given the limitations of his time. What must happen is that all citizens must themselves become guardians and subjugate all property rights to the Golden Rule so as not to be tempted by greed. Think about it. If we put the rights and considerations of others before our own – if we all do this – then there will be none of us who will be oppressed, taken advantage of, abused, victimized, forced into bondage, made to do that which we find unpleasant, be bribed, be rich enough to bribe, or be prevented from expressing our highest calling in life. We will become an enlightened people. Is there a better description of peaceful society than this?

The great American sculptor, artist, philosopher, scientist and author, Walter Russell, had this to say on the subject of the law of love and we will do well to heed his warning and apprehend the blessing with this amendment. It was stated in lesson 34 of his life course *Universal Law, Natural Science and Philosophy*<sup>xxi</sup>:

An unequally balanced and disunited civilization is impossible to sustain. We cannot have a unified civilization because we have never had a balanced system of human relations, which alone will unify man. Man can never be unified if the universal brotherhood of man principle is violated by unbalanced relationships between men.

Mankind has always been divided between two unequal classes in which the essential values of life are taken by one class from the other. Disunity exists in all departments of life because of that division.

Discontent, enmity and hatred of all humans which make up the structure of our civilization also exist because of it. Mankind is now being destroyed by the very empires which he built for his glorification. The slave will always become the master. The commoner will always overthrow the throne.

It would be enlightening to read the law in this respect, as given to man in *The Message of the Divine Iliad*: Love of self or nation of selves turns neighbor against neighbor, and nation against nation. Wherefore say I, love of neighbor for neighbor or nation for nation unites all men as one...

***A UNITED civilization is possible only when human relations are balanced in all transactions which have to do with the distribution of the values of life, which all men persistently and constantly seek...***

Where in this outline of world policy can we find any trace of the GOLDEN RULE. which says; "Do unto others what you would have them do unto you?" Can you reasonably expect the God of Love to look down upon such fiendish cruelty and bless it? Or, could you expect Him to take the oppressors' side as against the side of the oppressed?

Why then, these constant prayers to ask God to help us kill our fellow men – who are all children of the One God? Why instead do we not learn that if we give love, we will be given love? When will we ever learn that the way to peace, happiness and prosperity is through love alone, and that the practice of hate will destroy us? Why not acknowledge now that we are barbarians, with a desire in us to unfold our spiritual natures in our personal search for peace and happiness?

Man's spiritual nature is essentially GOOD. He has not yet found his spiritual nature. For ages he has been living in the material body, fulfilling the demands of his sensed physical body. It is time that man becomes illumined with the Light of his spiritual unity with God. The renaissance of man is dawning. Let us seek the light of man's new day by living in that Light.

What better reason for enshrining the Law of Love could I possibly add to that?

## **Enshrine Jury as the Fourth Pillar of Government**

We need an amendment that defines Jury as the fourth pillar of government and ensures that no evidence presented to a jury may be ruled inadmissible. Are our jurors presumed to be so stupid that they cannot sort out the merits of a case? Lawyers and courts of today apparently presume so, but I think otherwise. If the only law against which to weigh the merits of a case is the Constitution, then there is little doubt every jury will consistently arrive at a fair and just verdict. Consider this statement from an unknown author; "Men fight for freedom, then they begin to accumulate [statutory] laws to take it away from themselves, a little bit at a time." There must be a "second chance" or right of appeal for a convicted felon if the ground for appeal is a weakness in ruling that violates any one of his Constitutional rights. A second trial by another jury of peers is the remedy to that appeal and its ruling shall be final. The decision as to whether an appeal will be granted shall rest with the judge who referees the trial.

We need an amendment that requires anyone who wishes to lay a civil charge against a third party to bear the costs in the event they lose. This will eliminate frivolous lawsuits. On the other hand, if an accused should lose his defense, his estate will be at risk to settle those costs.

This is all articulated in the following proposed amendment:

### **Section 1.**

A Jury of twelve peers is now the supreme pillar of government that supersedes the authority of the Judicial, Executive and Legislative branches. This amendment is intended to ensure accountability of all elected officials and government employees. Jurors shall be of at least the age of twenty-five, randomly selected from census and are not to be excused for any reason other than poor physical or mental health with supporting medical certification, or first-hand knowledge of the matter before the courts. Jurors shall be paid what they earn at their present employment. No elected official or private citizen shall be immune from standing trial by jury to answer to a sustained charge.

### **Section 2.**

The juror's duty is to vote on the innocence or guilt of the charged person and on the Constitutional legitimacy of the charge itself. Jurors shall be the sole arbiters of what evidence will be ruled admissible or inadmissible and may directly question any plaintiff or defendant, the purpose being to arrive at the full truth.

### **Section 3.**

The role of a judge in jury trials is to referee and impose order upon the proceedings, to ensure that the jury decisions and rationale are permanently recorded for judicial review in the public record, and to advise the jury when asked by any member of the jury.

### **Section 4.**

Lawyers are not required by either the plaintiff or defendant but either party may retain any councilor they so choose. If they desire but can't afford council, the state will cover costs. The losing party must bear court costs and financial judgments awarded by the jury where applicable. This will serve as incentive to avoid litigation.

**Section 5.**

Juries will have only six basic verdicts; innocence, guilty but forgiven, guilty and financial restitution of twice the loss a plaintiff suffers, guilty and banishment from the community to at least two federal congressional electoral districts away, guilty and lifetime banishment to a penal colony with no opportunity for release or guilty and death. If a person is charged and convicted a second time for substantially the same crime whose previous punishment was banishment or restitution, guilty and lifetime banishment or death shall be the only verdicts. Prisons are a breeding ground for criminality and are a form of punishment and are thus to be abolished. Our society desires rehabilitation instead. Criminal records will only be revealed to jurors in the event of a trial so that no citizen will be tainted in the eyes of his fellow man. Let it be known that our mercy is great but our tolerance is low.

**Section 6.**

All juries must submit a written verdict that articulates their reasoning per the requirements of the Constitution and any statutory law that further refines its meaning. If a statute is found by the jury to be in contradiction to the Constitution, the jury will find the defendant innocent, the statute will be struck down and no restitution will be awarded to any party.

## **Extend Treason to Undermining the Constitution**

We have had two centuries of members of the Executive, Legislative and Judicial arms of government systematically dismantling our Constitution. Reining them in by Jury is not enough. We must make the price of undermining the Constitution so high that none dare do it. The following amendment shows how:

**Section 1.**

Anyone who swears an oath of office and then uses that office to undermine this Constitution of the United States is guilty of Treason.

**Section 2.**

Anyone who acts in collusion with any party described in Section 1 herein is also guilty of Treason.

**Section 3.**

Any charge of Treason will be heard by a Jury of twelve. The power of Impeachment will have no authority or jurisdiction over crimes of Treason.

## **Eliminate Vote Fraud**

The primary responsibility for vote fraud in America and indeed throughout the world lies in the constrained and highly compromised system of political parties and the rigid discipline they place upon elected representatives to do other than serve the best interests of the constituents that place their trust in them. For this reason, political parties must be outlawed and the right for elected representatives to free association must be enshrined.

If We the People cannot get our duly elected officials into office, then we have been effectively disenfranchised. There are two types of vote fraud that occur today:

1. The vote that is cast but not counted or the illegitimate votes that were counted but never cast by secret software. This fraud occurs as a result of ballot box tampering.

2. The vote that is illegally cast by those who have no right to vote, voting in the name of another, or voting more than once.

The first type of vote fraud can easily be solved by returning to a system where paper voter registration cards are mailed to a constituent in advance, brought to the voting station and then validated by an election officer with appropriate proof of identification. Anyone who fails to obtain a voter registration card that will be mailed to their listed residence is a voter who will disenfranchise him or herself. All votes will be by paper ballot so as to provide a permanent and verifiable vote. Each ballot will have a unique identification number and a carbon copy receipt that voters keep. When votes are cast, the ballot boxes must never leave the room until counted and verified by at least three people. Those counts shall be written on a tally sheet and then notarized. A photograph of all of the notarized tally sheets shall be published in a county newspaper and posted on the internet. This same process must be followed in all primary runoffs as well. Electronic voting must not be allowed because it is secret counting and thus fraught with risk. To ensure the integrity of a recount, all ballots shall remain separated by voting station and recounted in every precinct. Counts will be checked against each tally sheet and any errors will be documented, notarized and published in a county newspaper and posted on the internet. Every person's vote ID number will be registered in a national database. Constituents can validate that their vote was properly registered by querying the database via the internet and inquiring who their vote was cast to. Alternatively, they can go to any government office and have a government employee look it up for them or go to a library and use a public computer. The web site will be indicated on the ballot receipt.

The second type of vote fraud is easily prevented by the above prescription. A voter who presents him or herself without a voter registration card and valid identification will not be given a ballot. This is our next proposed amendment:

**Section 1.**

Political parties are hereby ordered disbanded and outlawed. The right of elected representatives of all government offices to freely associate is hereby established as an enshrined right. Elected representatives have the obligation to their constituents and the moral duty to freely associate with any number of other legislators without constraint in fulfillment of their mandate.

**Section 2.**

To prevent election fraud, all election balloting is to be conducted as follows:

Voters must obtain a voter registration card that must be mailed in advance to the voter's registered address to ensure the vote is applied in the correct constituency;

Each voter may only register in one constituency and administrative steps must be taken to ensure the principle of one person, one vote across the entire nation;

When a voter presents him or herself to vote, they must present valid photo identification and their voter registration card. An elections officer will validate the card against the voter list and confirm the voter's identification with an indicated address that is in agreement with the voter registration card;

Confirmed voters will be given a ballot which contains the names of all eligible candidates, their political affiliation, any propositions, a unique ballot identification number and a carbon copy of the original ballot that shall serve as a receipt and proof of their voting decision;

All ballots shall be hand-counted at the voting station by at least three persons and at least two other persons shall witness the proceedings; if any count is in disagreement, there shall be a recount. The results of each ballot shall be entered into a national public database that is accessible by anyone via the internet;

Ballot boxes must not leave the room until they have all been counted, results entered into the national database or local computers for later upload if necessary, tally sheets for each candidate filled out and notarized by the chief elections officer at that voting station, scanned or photographed for later upload to a public database and then gathered into a container that clearly marks the voting station precinct information in indelible ink; the container to be locked with a tamper-proof seal;

Ballots and tally sheets will be sent to a central storage facility and retained for at least three months after the term of office commences, unless the vote is challenged; in which case they shall be retained for one year;

If there is suspicion of vote fraud, challengers must file a notarized Writ of Election Challenge to the county clerk which states the grounds for challenge. A county clerk filing notice must be presented to the county sheriff. The sheriff and challenger shall attend to the central storage facility to secure the premises and verify the integrity of precinct box seals, and commence the recount of each precinct with the chief election officers of each precinct in attendance;

Upon a recount, all precincts shall be recounted and any tally sheets in discrepancy with the originals will be filed on the national database just as the original counts were. If there are irregularities, the sheriff shall undertake an investigation and press any charges for election tampering if warranted.

## **Level the Playing Field**

We need an amendment that clearly opens up the Electoral College so that any political party or independent may have a voice that is heard equally in the nation. Never again should presidential candidates be barred from participating in national debates. Pat Buchanan in his press release to resign from the Republican Party and lead the Reform Party in October of 1999, stated “Today, candor compels us to admit that our vaunted two-party system is a snare and a delusion; a fraud upon the nation.” he said. “Our two parties have become nothing but two wings of the same bird of prey.” This needs to change. We have had great alternative presidential candidates in our last several elections – namely Ross Perot, Pat Buchanan and Ralph Nader – but their voices were largely unheard in the national media. Who today could correctly articulate what they stood for? I, personally, refer to Democrats and Republicans as Republicrats and Demopublicans – in honor of Buchanan’s bold statement. I had the pleasure of shaking his hand and congratulating him on his resignation speech at the Chicago Hilton and Towers in December of 1999.

We need a mechanism whereby an elected representative who violates trust with constituents can be swiftly tried, judged, recalled and replaced by the runner-up.

We need more equitable distribution of seats in the House of Representatives.

We need to force politicians to live in the real world by limiting their terms of office and thus being forced to live under the rules they create.

We need to outlaw lobbyists and eliminate influence peddling.

All candidates must receive equal campaign contributions on a level playing field and with equal access to media. Elected officials must not be compelled to vote for special interests. Evidence that any elected official receives contributions outside this mechanism should be treated as bribery and both parties to the crime must be held accountable. Any attempt to bribe an elected representative should be dealt with harshly as an act of treason. Elected representatives should be free to vote their conscience without undue influence from third parties. This corruption is at the very heart of why our Constitution has failed us. The following proposed amendment deals with these issues of lobbying and influence peddling:

**Section 1.**

The seventeenth article of amendment to the Constitution of the United States is hereby repealed.

**Section 2.**

To ensure fair elections and honorable conduct in legislatures, all elections and seating in office must adhere to the following rules and procedures:

No candidate in any federal, state or local election may receive more than \$10,000 from any one contributor, whether private or corporate and all contributions must be publicly disclosed;

No contributor may contribute to more than one particular candidate per election;

All candidates will be afforded campaign funding in their electoral district as follows on a daily basis: One quarter-page advertisement in every district newspaper, four one-minute television spots on every district television station with two in prime time and two in the next best time slot, One sixty-second spot per hour on each radio station;

Advertisements will commence sixty days prior to an election;

An invitation to every publicized debate established for candidates running for that particular office.

Candidates are free to use the internet to campaign any way they see fit and the costs of hosting that campaign on a web server to a maximum of \$100,000 will be borne by the state with the provision that only one domain name will be supported and advertising their site on other sites will be constrained to \$10,000;

Any act of bribery, unreported campaign contribution or unreported coercion will be considered an act of Treason and all parties to it will face the same punishment;

No political candidate may serve more than one consecutive term of office in any federal, state or local government;

The electoral districts for the House of Representatives shall be evenly divided according to population within one percent, based on the last 10 year census and reallocated within a year of the completion of that census; first with regard to state boundaries and then with states immediately adjacent so that where possible the electoral district will be contained within a single border.

Furthermore, the Senate must be restored to its original method of appointment so that more authority can be returned to the several states. This can be achieved by ordering the repeal of the 17<sup>th</sup> amendment.

**Hold Government Employees Accountable to the Public**

Any government employee who abuses their position by engaging in an act of malfeasance (the performance by a public official of an act that is legally unjustified, harmful, or contrary to law; wrongdoing, used especially of an act in violation of a public trust) may be charged by any wronged party and brought to answer in a trial by jury. Upon conviction, they shall be dismissed from their job.

Any government employee who abuses their position by engaging in an act of misfeasance (the wrongful performance of a normally lawful act; the wrongful and injurious exercise of lawful authority) and is accused of same shall be brought before their immediate superior for

disciplinary action. Persistence in such behavior shall be grounds for dismissal. We the People must not be made to feel like we serve our government.

The President will not be allowed to commute sentences or issue pardons. This is a tool to reward bad behavior and there is no good reason to keep it.

The following is our proposed amendment:

**Section 1.**

Any government civil servant or elected official who engages in an act of malfeasance shall not be immune to prosecution. Any offended party may lay a charge and have them brought to answer at trial before a jury of peers.

**Section 2.**

Any government civil servant or elected official who engages in an act of misfeasance shall not be immune to sanction or prosecution. Any offended party may report the employee to the employee's supervisor or to their elected representative and that employee will be advised of the complaint. Repeated offenses will be grounds for termination. The intent of this clause is that our government employees are to be servants and not abusers of the people they were hired to serve.

**Section 3.**

No person shall have the Power to grant Reprieves and Pardons for Offences against the United States for any reason whatsoever.

## **Give We the People Some Teeth**

The First Amendment freedom to petition for redress of grievance must be further clarified to ensure that petitions brought before the House must pre-empt all government business and be dealt with so that the people may have a remedy without the need to resort to arms to obtain satisfaction. We have the clear and recent example of tens of thousands of Americans who assembled in Washington on November 14, 2002 under the organization of the *We the People Foundation* to serve all members of the two houses of Congress, The President and all his Secretaries, all Supreme Court justices with a Petition for Redress of Grievances and to demand a public forum on the legality of Income Tax in America and to demand that Congress formally declare war against Iraq or return our troops home within 60 days as the Constitution requires. The government's answer was to ignore them. The implied message from our so-called "servant" government was "*You may have the right to petition for redress of grievance but we are not compelled by the Constitution to answer.*" Not one of those elected representatives who were served even attended the very public rally that was staged on The Mall, though all were invited – not even Ron Paul. This is one of the reservations I have about supporting Ron Paul that I spoke of earlier. Another is the fact that his economic policy supports a return to the gold standard. That would be absolute disaster because consumer spending will utterly collapse.

Look who has all the gold? Winston Churchill was sucked into returning to the gold standard by so-called experts in 1925. This is what he had to say about that decision in the House of Commons in 1932 after the damage of this bad decision had played out:

***When I was moved by many arguments and forces in 1925 to return to the gold standard, I was assured by the highest experts, and our experts are men of great ability and of indisputable integrity and sincerity, that we were anchoring ourselves to reality and stability, and I accepted their advice. I take for myself and my colleagues of other days whatever degree of blame and burden for having accepted their advice. But what happened? We have had no reality, no stability. The price of gold has risen since then by more than 70 per cent. That is as if a 12-inch foot rule had been stretched to 19 or 20 inches, as if the pound avoirdupois had suddenly become 23 or 24 ounces instead of 16. Look at what this has meant to everybody who has been compelled to execute their contracts upon this irrationally enhanced scale. Look at the gross unfairness of such distortion to all producers of new wealth, and to all that labour and science and enterprise can give us. Look at the enormously increased volume of commodities which have to be created in order to pay off the same mortgage debt or loan. Minor fluctuation might well be ignored, but I say quite seriously that this monetary convulsion has now reached a pitch where I am persuaded that the producers of new wealth will not tolerate indefinitely so hideous an oppression. . . . I therefore point to this evil and to the search for the methods of remedying it as the first, second and third of all the problems which should command and rivet our thoughts.***

Did something change in the way economies operate since then that should compel us that this time will be different? I'm not falling for the "banana in the tailpipe" trick again thanks. How about you?

As of this writing, the Supreme Court case filed by the *We the People Foundation* has yet to be scheduled or heard. Justice delayed is justice denied. That kind of response from King George III prompted the Boston Tea Party and led to the American Revolution and birth of The United States of America. This lack of response is a disgrace that surely must have the Founding Fathers turning in their graves. Our proposed amendment is as follows:

**Section 1.**

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; Congress shall make no law or engage in any act abridging the freedom of speech, or of the press;

**Section 2.**

The people hereby have the right to peaceably assemble in any public place and for any reasonable duration of time as long as it does not effectively block a thoroughfare and such assembly does not lead to the permanent defacing or destruction of public or private property; the people may petition the Government for a redress of grievances and Congress must publicly respond within one business day to any petition containing five thousand signatures or more and begin proceedings to resolve the grievances. Such petitions shall preempt any government business at hand so that the will of the people is not frustrated by an

unresponsive government. If a second petition must be presented by the people for substantially the same grievance, a Jury shall be assembled and those elected officials in government responsible for acting in bad faith will be held accountable; the Jury's ruling shall be final.

### Section 3.

No legislation will be voted on within either the Senate or House of Representatives without there being at least two thirds of the representatives of each respective House being present. All legislators present must vote Yea or Nay. Abstentions are not permissible.

## Make Income Tax Unconstitutional

We need to repeal the Sixteenth Amendment. William J. Benson clearly proved that the Sixteenth Amendment was not properly ratified per the amendment rules of the Constitution. Benson provided documented evidence in his meticulous research that was subsequently compiled in his book *The Law That Never Was*<sup>xxii</sup>. This information has never been acted upon by any federal or state government or allowed as admissible evidence in court cases, to the disgrace of The United States. This is clear documentary evidence that proves Woodrow Wilson and his Secretary of State, Philander Knox, knowingly and in treason to their oath of office, proclaimed this Sixteenth Amendment as approved when it was not. The cited documents still exist for all to examine in the National Archives. The following summary of the book was copied from the internet<sup>14</sup>:

### The Discovery

Article V of the U.S. Constitution specifies the ratification process, and requires 3/4 of the States to ratify any amendment proposed by Congress. There were 48 States in the American Union in 1913, meaning that affirmative action of 36 states was required for ratification. In February, 1913, Secretary of State Philander Knox issued a proclamation claiming that 38 states had ratified the amendment.

In 1984, William J. Benson began a research project, never before performed, to investigate the process of ratification of the 16th Amendment. After traveling to the capitals of the New England states, and reviewing the journals of the state legislative bodies, he saw that many states had not ratified the Amendment. Continuing his research at the National Archives in Washington, DC, Bill Benson



Figure 45 - William J. Benson

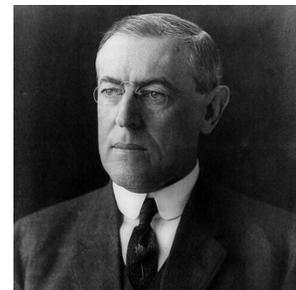


Figure 46 - President Woodrow Wilson

<sup>14</sup> <http://www.thelawthatneverwas.com/new/home.asp> and <http://www.thelawthatneverwas.com/new/goldenkey.asp>

discovered his Golden Key. This damning piece of evidence is a 16 page memorandum from the Solicitor of the Department of State, whose duty is the provision of legal opinions for the use of the Secretary of State. In this memorandum sent to the Secretary of State, the Solicitor of the Department of State lists the many errors he found in the ratification process!

The 4 states listed below are among the 38 states that Philander Knox claimed ratification from.

The Kentucky Senate voted upon the resolution, but rejected it by a vote of 9 in favor and 22 opposed.

The Oklahoma Senate amended the language of the 16th Amendment to have a precisely opposite meaning.

The California legislative assembly never recorded any vote upon any proposal to adopt the amendment proposed by Congress.

The State of Minnesota sent nothing to the Secretary of State in Washington.

When his year-long project was finished at the end of 1984, Bill had visited every state capitol and knew that not a single state had actually and legally ratified the proposal to amend the Constitution. Thirty-three states engaged in the unauthorized activity of amending the language of the amendment proposed by congress, a power the states do not possess. Since 36 states were needed for ratification, the failure of 13 to ratify would be fatal to the amendment, and this occurs within the major (first three) defects tabulated in Defects in Ratification of the 16th Amendment<sup>15</sup>. Even if we were to ignore defects of spelling, capitalization, and punctuation, we would still have only 2 states which successfully ratified.

This proves that Wilson and Knox were in violation of the Oath they took to defend the Constitution and are thus traitors. Indeed Wilson admitted as much in his memoirs. Our history books should record it so. All government funding – federal, state and local – should be issued debt-free under the authority of Economic Democracy. Under no circumstance must the will of one group compel another to act contrary to their will. Let those who want a thing done be its doers.

The true reason for its advocates adding this fraudulent amendment in the first place was to provide a source of revenue to pay interest on the bonds that the unlawful Federal Reserve intended to charge Americans as rent on their own money. Let's recognize these two intricately

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<sup>15</sup> <http://www.thelawthatneverwas.com/new/ratification.asp>

intertwined pieces of legislation for what they are. Let us repeal the 16<sup>th</sup> Amendment and eliminate Income Tax:

**Section 1.**

The sixteenth article of amendment to the Constitution of the United States is hereby repealed.

**Section 2.**

The Internal Revenue Service and all tax courts are hereby dissolved, effective immediately.

**Section 3.**

Section 4 of the fourteenth article of amendment to the Constitution of the United States is hereby repealed.

## **Enshrine Allodial Title to Private Property**

No American has ever really owned land in this country throughout its entire history; nor has anyone in the British Commonwealth of nations since 1066 when William the Conqueror seized the British Islands as his own personal property by right of conquest. This subject is dealt with in detail in the section titled [Link between Land and Prosperity](#).

Our right to private chattel property must be inviolate and enshrined in the Constitution. That right must be so strong that we are free to defend it to the death. No person's property will be allowed to be expropriated without their consent.

At the point the amended Constitution is implemented, all residents of their homes will have the inalienable right to inhabit them from that point forward as their personal chattel in allodium. If one does not like their home, they are free to leave it and rely on their right to sell it and buy a new one or have a new home built at the location of their choice and at their own expense, as will be discussed later. Slums will thus likely become abandoned and that land can be reclaimed by anyone for other purposes.

I would like to take a moment to discuss the word "inalienable" because it is often misinterpreted out of ignorance. Many think the root word is "alien" when it is actually "lien." The difference in meaning is significant. Lien is defined as "the legal claim of one person upon the property of another person to secure the payment of a debt or the satisfaction of an obligation." Alien is defined as "a resident born in or belonging to another country who has not acquired citizenship by naturalization." Inalienable is defined as "not alienable; not transferable to another or capable of being repudiated." In other words, an inalienable right is a right that no third party may make any claim against. It should thus be pronounced with five – not six – syllables and the emphasis should be on the "lien" syllable to make the meaning clear.

Here is our proposed amendment to right this obscene injustice in property ownership:

**Section 1.**

No person shall be required to pay property or use tax on any possessions. Any real property purchased in consideration of full payment or acquired by any other lawful means shall be deemed held in allodium by such person and titled accordingly. If a real property has been pledged as collateral for a loan and misfortune should befall the owner so that the real property must be surrendered to satisfy the loan, the real property shall revert back to the owner on the jubilee year that shall fall at the turn of each century and the start of the 50th year of each century. In the event of foreclosure and until the next jubilee, the creditor shall have unencumbered use of the collateral real property.

**Section 2.**

All sales of real property must be approved by abutting neighbors, as a concession, so as to preserve their property values if the real property is to be rezoned for any purpose other than as used by the present owner. In the event a property is abandoned as unoccupied for a period of seven years or more, any third party may file a petition with the county to acquire the property and after filing appropriate notice to the present titled owner, the county will issue a quit-claim deed and affect the transfer of ownership. If land is owned, it must be put to the use for which it was acquired within seven years or it must revert back to county stewardship.

**Section 3.**

It is explicitly delegated as the county's duty as administrator of public lands to ensure that all those residents who desire property for a homestead shall be satisfied but that such decision to allocate particular tracts of land will be weighed in the best interests of the county at large and for the preservation of nature. Any administrator who accepts any bribe and any person who offers such bribe with respect to land homesteading will be guilty of Treason.

**Section 4.**

All property presently titled with a perfected title in fee simple in the name of any government jurisdiction that claims trustee jurisdiction over that property hereby reverts to the beneficial owner as a perfected title in allodium.

**Section 5.**

No private property may be expropriated by any government authority for any reason whatsoever, unless by the full consent and satisfaction of terms which are to be dictated solely by the lawful owner. Furthermore, the same consent and satisfaction of terms must be granted and received by all the abutting property owners lest their property values be diminished by the use for which it is being expropriated without receiving just compensation.

**Section 6.**

All land presently deemed federal or state public land is hereby acceded to be held in trust by the counties in which each tract of land presently resides. If there be no county interest, the land shall be evenly partitioned and granted to the abutting counties within state lines. Each county government shall administer the land and decide its best use in consideration of the best interests of its immediate residents.

**Section 7.**

A person's labor is that person's private property and held in allodium.

**Section 8.**

All fictitious persons, also known as *nom de guerre* or natural persons attributable to flesh-and-blood human beings are hereby declared null and void. All legislation that presently refers to persons or natural persons shall be deemed to refer to a human being.

**Section 9.**

The Fourteenth Amendment Section 1 is hereby rescinded in its entirety as a violation of the previous section amendment. There is only one form of citizenship in the United States of America and that is the citizen of the State in which they are born who is also by extension a citizen of these several United States. Any person who becomes a naturalized citizen will become a citizen of the state in which they reside at the time they take their oath of allegiance, and who will also by extension be a citizen of these several United States.

**Section 10.**

All District of Columbia jurisdictions are hereby granted statehood. The federal capital of Washington is a state that has the special distinction of being the seat of the federal government.

**Section 11.**

All Native American Indian treaties that have ever been entered into shall be brought forth by surviving tribe members who can prove their heritage and the treaties will be honored to the fullest extent possible. If they cannot be honored for practical interests that meet the greater good of all affected parties, an alternate treaty will be renegotiated that meets the spirit and intent of the original treaty. Public lands are appropriate negotiable lands for treaty settlement purposes. Treaty lands will be in the same states of the original grant and be of a character and quality that was originally granted.

## **Enshrine Economic Policy**

We need a Constitutional provision to ensure that a private central bank is never again permitted to issue money that bears interest to the detriment of the nation. Another proof that Woodrow Wilson betrayed his oath to defend the Constitution was his failure to uphold Article 1, section 8 fifth clause when he signed the Federal Reserve Act into law. In Wilson's memoirs of 1919 – just before he died, he admitted as much when he wrote:

“I fear I have caused the ruination of our great country by allowing the bankers to control our money supply.”

Currency must be issued only by the Federal Government per the original Constitution. The only reasonable model will be the implementation of a non-interest-bearing Economic Democracy currency as has already been discussed. This has a potential risk though. If the currency is the henhouse and the fox is the government, then who will be ensuring that the government does not manufacture too much currency to the detriment of all of us? This aspect must be clearly and carefully defined and hedged in. I believe that an appropriate model would be an independent non-profit organization which is entirely under the administrative oversight of an annually appointed Jury. This committee of jurors must appoint independent auditors to review the activities of this organization on an annual basis and if there is evidence of malfeasance or misfeasance, appropriate measures should be taken. The following is our proposed amendment:

**Section 1.**

The National Credit Authority is hereby established and commissioned as follows:

- Regulate the issuing and retiring of all of the nation's supply of money with the express goal of optimizing the efficiency of the nation's consumption of its own production.
- Pay for its own operations out of funding issued by itself based upon an approved budget.
- Provide all funding necessary for the operation of all federal, state and local governments; to be issued to same upon ratification of their budgets by their duly elected legislative assemblies.

- Operate autonomously from all other branches of government so as not to be under any external corrupting influences. Any officer or employee of the National Credit Authority who is found guilty of committing any act of misfeasance shall be terminated immediately. Any officer or employee, along with any external accomplices found guilty of engaging in any act of malfeasance shall be guilty of treason.
- Establish a Bureau of Economic Statistics that shall measure on a quarter-annual basis:
  - The costs of production attributable to wages, earnings, dividends and any other expenditures that put purchasing power directly into the hands of domestic consumers
  - All other costs of production which by definition do not add consumer purchasing power
  - The cost of all goods and services produced which presumably add up to the sum of the first two statistical items and thus the amount of effective demand needed in the economy
  - The price of all goods and services consumed by the nation
  - The price of all goods and services imported and exported
  - The ratio of production to consumption to assist in regulating the issue of effective demand
  - The ratio of imports to exports to assess the balance of trade
- Establish a Bureau of Imports and Exports whose mandate is to ensure that the nation's trade with partner nations is balanced and fair. This bureau is empowered with the ability to levy import and export taxes to enforce fair trade policy.
- Establish a bureau of bank regulation to audit and monitor the nation's banks to ensure that they lend money at interest only in equal proportion with funds on hand. These allocated funds shall originate from the time deposits of bank customers, the profits retained by banks and funds loaned by the National Credit Authority
- Issue interest-free loans to domestic producers and consumers with the express mandate of maximizing the nation's self-sufficiency in every industry, by optimizing the efficiency of the nation's production of goods and services and encouraging domestic production of all of the nation's wealth so as not to be beholden to any foreign nation. Nominal service charges to cover costs and a modest profit markup of 20% will be allowed.

### **Section 2.**

The National Credit Authority shall be reviewed annually by a random Jury of twelve people who:

- Appoint independent auditors at their complete discretion who will be empowered to fully scrutinize all of the computers, records, contracts, documents and any information they deem necessary to conduct a thorough review.
- Approve the next year's funding budget as submitted by the National Credit Authority.
- File criminal charges against any person or persons found engaged in any acts of malfeasance with respect to the integrity of the nation's money supply.
- Fire any person or persons found engaged in any acts of misfeasance.
- Review the accounting firm's findings and recommendations and release a public report summarizing all of their collective findings.
- Authorize the issue of any shortfall in effective demand needed by consumers to meet the price of producers; to be paid into circulation as a National Dividend to every citizen over the age of eighteen and as a national sales credit payable only to residents of the nation for the purchase of consumer goods and services. National dividends shall be credited directly to the domestic bank accounts of residents as so directed by them. National sales credits shall be credited directly to consumers at the point of purchase. Administrative steps must be taken to prevent fraud. Any conviction for fraud will result in the suspension of the National Dividend of the guilty party or parties for not less than one year for the first conviction and an additional year added for every conviction thereafter, in addition to restitution judgment as the jury sees fit.

### **Section 3.**

The Federal Reserve Act and all subsequent revisions are hereby repealed and the Federal Reserve is hereby ordered dissolved. All currency issued as Federal Reserve Notes will be converted to money issued on par by the National Credit Authority, as will all bank deposits of US citizens.

Fractional reserves are hereby outlawed. Money may only be loaned at interest which is actually on hand by the lender and whose use of same has been given up to the borrower.

## **Make It Treason to Serve Two Masters**

The BAR must be outlawed. Most people don't realize it but the Queen of England has no jurisdiction over a square portion of the City of London. The Magna Charta clearly gave this jurisdiction over to the "merchants" of London; as it has remained to this day. Attorneys who were practicing in America at the time the *first and original* Thirteenth Amendment was written, had obtained their law degree in England and had sworn an oath to a British BAR. They were pledging allegiance to a foreign power and thus they had no place in the affairs of the American nation. In return for this oath, they were granted the Nobleman's title of Esquire. The already ratified but never-revoked original Thirteenth Amendment that prevented nobility from holding any government job or public office on the grounds that they would be in treason to their oath of office, must be brought to the attention of American citizens. The original Thirteenth Amendment which was ratified in March 12, 1819 was surreptitiously removed after the Civil War but it reads as follows:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honour, or shall without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.<sup>16</sup>

The existence of this Thirteenth Amendment seems utterly preposterous to the average American. How could such a thing happen right before our very eyes? Here's how. We as a people have failed to be vigilant in defending our Constitution! The fact of its existence had been lost to memory until, by chance, researchers discovered in the public library in Belfast, Maine an 1825 copy of the U. S. Constitution. Subsequent research shows that it was in the records of the ratifying states and territories up until 1876. The last to drop it from record was the Territory of Wyoming after 1876. The most intriguing discovery was the 1867 Colorado Territory edition which includes both the "missing" Thirteenth Amendment and the current

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<sup>16</sup> The following web site <http://www.barefootsworld.net/consti12.html#167-1> offers scans of several state constitutions that clearly reference this amendment and they can be verified in their respective state archives to this day.

Thirteenth Amendment, on the same page. The current Thirteenth Amendment is listed as the Fourteenth Amendment in the 1867 Colorado edition. There is a web site that contains scans of these documents and of course, anyone is free to visit these states and check their archives for themselves.<sup>17</sup> In the Civil War tumult of 1865, the original Thirteenth Amendment was removed from our Constitution. In a Congressional Resolve to amend dated December 5, 1864, approved and signed by President Lincoln on February 1, 1865, another Amendment numbered XIII (which prohibited slavery in Sect. 1 and gave congress the right to enforce it in Sect. 2) was proposed. When, on January 13, 1865, a two-thirds vote was taken in the House of Representatives for proposing the currently presented Thirteenth Amendment "in honor of the immortal and sublime event" the House adjourned. It was then presented to the States for ratification. Two months later, April 9, 1865, the Civil War ended with General Lee's surrender. On April 14, President Lincoln was assassinated, dying on April 15th.

On December 18, 1865, the "new" Thirteenth Amendment loudly prohibiting and abolishing slavery was proclaimed adopted by Secretary of State Seward, replacing and effectively erasing the original Thirteenth Amendment that had prohibited acceptance of "titles of nobility" and "honors" and "emoluments." Dishonest politicians have been bought and bribed and have treasonously accepted graft from external sources ever since, with no thought of penalty.

Per our proposed revival of this amendment, all of our politicians and public officials – including judges - who are BAR attorneys, must be forced to resign on the grounds that they are judged ineligible to even hold office because they swore an oath potentially in treason to their oath of public office! This portion of the Constitution should deal with the very subject of Oaths of Office in a very clear manner. This shall allow all people the reasonable freedom to change their minds, allegiances and duties in a transparent, reasonable and public way. It shall also heighten our sensitivity and vigilance about these other alliances to ensure these elected officials remain true to their new oath of office.

The Twenty-second Amendment should be modified to limit the terms for all elected representatives and members of the Supreme Court to one consecutive term of office. In this way, no person shall make a career of holding a public office and thus amass undue advantage to the detriment of his or her fellow citizens. Here is our proposed amendment:

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<sup>17</sup> <http://www.barefootsworld.net/consti12.html#167-1>

**Section 1.**

The following sentence shall be added to all oaths of office; “I hereby renounce all oaths I have previously taken and the benefits afforded by them in favor of this higher office and higher cause. I hereby declare those previous oaths to be <then specify>.” A violation of the oath of office is an act of Treason and shall be dealt with accordingly.

**Section 2.**

Any person serving in the military or working in any public institution under a chain of command who is presented with an order that they know in full conscience to be a violation of their oath of office, may disregard that order by advising their superior of the grounds for disobeying it and at the earliest convenience, by informing that superior’s superior of the incident. That person shall be held harmless for such disregard of unlawful orders under protest. The superior who issued an order that violates the oath of office shall be brought to trial to face a jury of 12 for the charge of treason.

**Section 3.**

The 22nd amendment Section 1 shall be further amended to allow only one term of office for the President and Vice President. All Congressmen, Senators and Supreme Court justices are also to only serve a single six-year term of office and will be ineligible to hold that office for a second consecutive term.

**Outlaw “Edict of the King” Executive Orders**

Executive Orders should be outlawed and all existing executive orders should be declared null and void. These confer the power of a monarch upon our Presidents. In July of 1998, Paul Begala, President Clinton’s White House communications counsel, was quoted as saying, “Stroke of the pen, law of the land; kind of cool.” He was talking about the ease with which President Clinton was able to create law virtually unchallenged by using executive orders and presidential directives.

This abuse is not cool and must stop.

The only reason Congress allowed executive orders in the first place was to prevent deadlock over congressional budget battles that often could not be resolved within a budget year. With no tax revenues needed under a new Economic Democracy policy that implements [Wealth Pumps](#), executive orders are no longer justifiable.

The following is our proposed amendment:

Executive orders of our Presidents are edicts of a king and they have no place in our Republic. All executive orders issued to date are hereby declared null and void. No executive orders are permissible by any elected official or holder of any public office from this day forth.

**Constrain Each Bill to Only One Agenda Item**

An amendment is needed to limit each piece of legislation to only one appropriation item. The unbelievable practice of “tagging” hundreds of millions – even billions – of dollars of



Figure 47 - Paul Begala, President Bill Clinton’s White House Communications Council

unrelated appropriations to an unrelated piece of legislation must stop. It is nothing more than pork barrel politics.

**Section 1.**

All legislation proposed by the House of Representatives and the Senate shall contain of only one essential item of business. No tagging of unrelated appropriations or legislation is permitted. Each piece of legislation shall be preceded by a single cover page that concisely states the purpose and substance of the bill.

**Section 2.**

All statutory laws that have been written to date and that contain more than one essential item of business per Section 1 shall be declared null and void.

**Section 3.**

All legislation presented in both Houses of Congress must have a quorum of two thirds of their members verified as present before a vote may proceed.

## **Concluding Remarks on Needed Constitutional Amendments**

Please take the time to consider my proposed Constitutional Amendments as presented in [Appendix A](#). Perhaps it will inform your thinking and encourage you to engage in public debate.

There is only one answer to this problem of fixing our world's flawed Constitutions so that an Economic Democracy economy can be implemented with [Wealth Pumps](#) as described in this book. We need a grass-roots movement of people who take personal responsibility for getting the word out and getting the current crop of elected bums out of office at every level of government by offering themselves as alternative candidates with this specific platform. Failure to do so is hazardous to the health of us, our families and our future generations of children.



*There are none so blind as those who will not see. The most deluded people are those who choose to ignore what they already know. **John Heywood (1546)***

*First they ignore you, then they laugh at you, then they fight you, then you win. **Mohandas Gandhi***

*I am prepared to die, but there is no cause for which I am prepared to kill. **Mohandas Gandhi***

*“The public, by their supineness and lack of responsibility have now got into the grip of people without principles, without knowledge and without morals. It is a race against time whether they can throw off that control before it is too late.” **Frederick Soddy***

*“A man who has realized his manhood, who fears only God, will fear no one else. Man-made laws are not necessarily binding on him... We are sunk so low that we fancy that it is our duty and our religion to do what the law lays down. If man will only realize that it is unmanly to obey laws that are unjust, no man’s tyranny will enslave him. This is the key to self-rule or home-rule... So long as the superstition that men should obey unjust laws exists, so long will their slavery exist. And a passive resister alone can remove such a superstition.” **Mohandas Gandhi***

*“We can represent Professor Soddy as saying on behalf of physical science: ‘We men of science have abolished toil and people are still toiling; we have created plenty, and everywhere there is want. What has got between us and them?’ And then sharply: ‘What the devil are you money-fakers up to?’ These are not his words, but that is his manifest temper.” **H.G. Wells***

*"A nation of well-informed men who have been taught to know and prize the rights which God has given them cannot be enslaved. It is in the region of ignorance that tyranny begins." - **Benjamin Franklin***

## THE PLAN

If it is true that the only thing it takes for evil to prevail is for good men to do nothing, then it must follow that good men must also know how to root out that evil. This well-worn truism suffers from the fatal flaw that without a plan that is equal to or superior to that of the evil plan, it will surely fail. Doing the wrong thing may be worse than doing nothing. My brother used to take pleasure in admonishing his boys with the 6 P’s: **Piss-Poor Planning leads to Piss-Poor Performance!** Americans – indeed every nation on earth – do not know what to replace our broken institutions with. This is fulfillment of the Bible prophesy, “The nations perish for lack of knowledge.” It is clear that **We the People** need a plan and a vision that is markedly different

from anything we have heretofore seen because nothing tried to date has worked and surely it is clear that applying the same old worn-out solutions will *not* lead to a different result. Hopefully, by this point you dear readers have caught my vision and now share it. That makes us brothers and sisters in a quest to make our world a better place to live. As I said in the [Our Sick Economy's Prescription](#) chapter, our plan is to have a critical number of our citizens:

1. **Learn it:** Learn the Economic Democracy solution – the root problem with our economy and the [Wealth Pumps](#) that fix it.
2. **Teach it:** Teach the problem and solution to all who will listen.
3. **Do it:** Do all *we* can to make our new vision of a better world something that will come to pass by contributing our time, talent and resources to this goal. When we have a clear vision of our goal, all fear subsides and certainty of success replaces it.

Remember it by its acronym – LTD.

The steps to win our country back are as follows and should be implemented in precisely this order:

1. Spread the word by sharing this book... **quickly!** If at least ten percent of Americans do not learn the Plan and share its vision, it will be impossible to implement. There is only strength in numbers. We need to be an army with one united voice and rallying around this one theme of Economic Democracy!
2. Use this army to take back control of our elections at the grass roots. We must gain control of every precinct in America. Without control of each and every precinct, the candidates we are offered are not going to speak with our voices and the secret computer counts will be easily changed without our knowledge, as has already happened repeatedly. With control of the precincts, we can do two critically important things:
  - a. Get rid of electronic voting and implement a policy that ensures both a fair count and auditable count-reporting with verification.
  - b. Field candidates that we want – not the traitors who the DNC and RNC leaders want – but candidates who stand for the principles articulated in this book.
3. Find leaders who will:
  - a. Be faithful to this Plan,
  - b. Implement Economic Democracy and

- c. Rout out all the CFR/Bilderberger/Trilateral traitors in charge of our various administrations and replace them with men and women of integrity.

Only then will we be able to defend the Constitution.

4. Call a national constitutional summit to consider the constitutional amendments proposed herein.
5. Hold a special national election so that *We the People* can vote on each proposed amendment and a clear message can be sent to both the federal and state legislators about how we feel about what the national constitutional summit came up with.
6. Have Congress and the States go through our standard Constitutional process for ratifying amendments.
7. Implement the changes swiftly and with prejudice.

Everyone has talents. Everyone has something to contribute. Everyone has a voice. There are no acceptable excuses. Standing alone, we're powerless but standing shoulder to shoulder, we are absolutely invincible!

It is clear that my prescription calls for a change of supreme law by way of constitutional revision but that in itself is not going to get the job done. As Brad Saltspringer says on his blog's "About" page:

You can witness my evolution (I was an avid Ron Paul supporter back in 2007-8) of poor writing and falsely believing a predatory tiger like the State can be restrained by a paper cage (i.e. a Constitution, a Bill of Rights, or whatever).

He says that he labels himself an anarchist of the flavor of anarchy defined thusly: "a theory that regards the absence of all direct or coercive government as a political ideal and that proposes the cooperative and voluntary association of groups of individuals and groups as the principal mode of organized society." This statement sounds like it could have been written by C. H. Douglas himself because he regarded the principle of free association as the ideal form of government as well.

I have told you what is wrong with our economy – a shortage of money. This has been known from the very beginning. Over 200 years ago, our very own Benjamin Franklin told the English parliament in London:

"You see, *a legitimate government can both spend and lend money into circulation*, while banks can only lend significant amounts of their promissory

bank notes, for they can neither give away nor spend but a tiny fraction of the money the people need. Thus, when your bankers here in England place money in circulation, there is always a debt principal to be returned and usury to be paid. The result is that you have always too little credit in circulation to give the workers full employment. ***You do not have too many workers, you have too little money in circulation, and that which circulates, all bears the endless burden of unpayable debt and usury.***

Is this not exactly the same two reasons (shortage of money and unpayable debt-usury) for why we have a failed economy that I gave you from the very beginning? Franklin's only error was his failure to recognize the gap as part of the root cause of the shortage of money, but now we see more clearly.

There you have it. I have done what every good journalist does. I told you in the beginning what I was going to tell you, then I told you and now I am telling you that I told you. I am in the good company and in agreement with none other than one of America's greatest founders. The problem is 1) the gap and 2) unearned usury on the issue of newly created money as debt. I went one better than Franklin. I told you exactly how to fix it.

But for all this new knowledge and all this wisdom, there is one missing ingredient – spiritual fortitude. It is a basic truth that we have the government we deserve because our leaders operate on the same dog-eat-dog premises as most of the rest of us – take, grab, steal and get. A former pastor of mine used to say that “We can all we get, we get all we can and we sit on the can.” Here are some wise words from a great American prophet, philosopher, scientist, artist, sculptor, world-class figure skater, author and poet that few have ever heard of: Dr. Walter Russell. He was as great as Tesla in his contributions to mankind – some would say more so - and was well known by the men in high places in his day. Like Tesla, his legacy to his country has been hidden from our view. He wrote in his manual titled *Universal Law, Natural Science and Philosophy* in 1950:

When you pray to God saying “God have mercy upon me, a miserable sinner” you have not prayed to the God of love - Creator of His universe of love - Creator of ***you*** to manifest His love, for you do not know Him. You have but prayed to a God of wrath and ***fear of your own making whom you have built in your own image.***

He who builds gods in his own image builds idols for his worshiping. He whose idol is fear and wrath cannot know the God of Love. Until you know love, you are what your idol is, a miserable sinner to whom mercy must be shown by ***your***

*idol whom you, yourself, are.* And you will be punished for your imagined self-made sins by you, yourself, for the idol you worship will show you no mercy until you are freed from him by knowing love...

It will be many decades before man as a mass comprehends this idea which is commonplace thinking to cosmic man; but you, in whom the seed of cosmic thinking is being sown, will go to your neighbor and sow it in his Consciousness, and he in turn will do likewise, *until man in the mass will be transformed from barbaric man who still crucifies love into cosmic man who is love...*

The new age of Cosmic Man that you and I are unfolding for the saving of man from self-suicide by the barbaric dealings of man with man is a transition from believers in a far-off God of fear whom they fear, to the knowers of a Universal God of Love whom they love.

Those cosmic ones who *know* God are *the cosmic thinkers, inspired geniuses and illumined mystics who know God within them and see God everywhere.* These are the ones who, down through the ages, have uplifted man gradually by bringing beauty into the world which has given man his culture and his ethics.

*These are the ones who will unify mankind through their knowing to end this babel of tongues of many religions and bring into being the one religion of the One God of love.*

This now ending barbaric age is peopled with *God fearing men.* The dawning cosmic age is to be peopled with *God loving men.* The coming cosmic race of men will know that love is all there is in God nature and that the expression – or manifestation – of love is all there is in the nature of the physical universe...

*Until human relations are based upon the love principle of giving for regiving which God gave as His one Law of RHYTHMIC BALANCED INTERCHANGE IN ALL TRANSACTIONS OF MAN AND NATURE, mankind will be on the descending direction of self-annihilation in the mass – while the few who do know, and who live the love principle, will survive. And out of these few, a new civilization will be born unto the glory of God.*

As Gandhi said, “We must be the change we want to see in the world.” This Plan will never succeed unless there is sufficient awakening to the law of love by “man in mass” as Russell phrased it and the prime motivation must be rooted in a love whereby each of us puts the good of the rest of his country ahead of his or her own selfish needs, desires or personal safety. We must all have the “greatest love” that Jesus spoke of – that we will lay down our lives for this cause and we will do it in love and out of love for our fellow man. We must do it without fear and

without waiting for consensus. We must have courage and faith in each other and ourselves. Against this, there is no power on earth that can prevail or resist.

Before articulating the Plan, I want to debunk several of the other plans being floated out there. Frankly they're the same old tired, rehashed and worn-out solutions we've been hearing about for years. If they really worked, ask yourself why we are still in this chaos. Do any of these "reasons" sound familiar?

- It's the Democrats (substitute Liberals, Labour, National Democratic Party, Green Party, etc.) and their bleeding heart spending policies that have buried us in debt and high taxes.
- It's the Republicans (substitute Conservatives, Reform, Libertarians, etc.) and their tax cuts for the rich so that the debt is killing us.
- It's unemployment. We need to spur the entrepreneurial spirit and get people back to work.
- Its wrong-headed one-way excise taxes that allow foreigners to dump cheap goods in our country while they put up tariffs to keep our goods out of their markets.
- It's because our money is not backed by gold and/or silver. Our currency has become worthless and in its place we have a huge national debt of paper backed by nothing.
- It's because we no longer respect property rights.
- It's because of big business and their lobbyists who have corrupted our politicians.
- It's because of the Wall Street "Powers That Be" who have robbed us all blind.
- America has abandoned the principles of its Constitution and lost its way.
- We have too much government.
- We don't have strong enough government.

In my opinion, every one of these assertions could be justified and rationalized as correct but they all miss the mark. It's like doctors who advocate the use of chemotherapy to fight cancer instead of getting at the root cause and treating that cause – by treating the effect instead of eliminating the cause. It is like blaming the "disease" of scurvy on poor diet, lack of sunlight, living in a too-cold climate and a whole litany of other things that are themselves a problem but not the root cause – lack of Vitamin C.

What is the real reason why America has failed in the 20<sup>th</sup> century and indeed from the beginning? At the deepest level, it is a spiritual sickness and blindness that has caused us to fail to defend the Constitution; the main motivation being a selfishness that has caused us to answer

no to the question “Am I my brother’s keeper?” The main technical problems and root causes are primarily the gap and our nation’s stupidity in paying rent to “Powers that Be” on our own property – the full faith and credit of *We the People*.

Now I would like to address *our* responsibility to take personal action in this matter. Naomi Wolf is a journalist that I stand shoulder to shoulder with. In a speech she gave on October 14, 2007 she articulated the following ten points in her assertion that America as we know it is dying, in support of her book *The End of America*. As I state each point, I will answer in italics the evidence that this is happening in America:

1. Create/Invoke a terrifying external AND internal threat to security. Exaggeration, lying about, and distortion of the threat is how it is played. Best if the threat is amorphous and impossible to 'pin down.' *Oklahoma City bombing, 911, chemtrails, swine flu pandemic, avian bird flu, Iraq possessing nukes as justification for going to war in 2002.*
2. Create a prison camp and military tribunals that are OUTSIDE of the law. *Pre-fabricated internment “concentration” camps to “house” 500,000 prisoners, Homeland Security, Patriot Act, Patriot Act II, Guantanamo reported tortures of Americans declared “enemy combatants” and thus outlawed in violation of their Constitutional rights, suspension of Habeas Corpus rights upon declarations of national emergency, and now most recently the National Defense Authorization Act of 2012.*
3. Develop a private military that is not bound by the law of the democracy or Constitution. Give them broad authority and limit accountability to law. *Blackwater Corporation, Pinkerton, fund terrorists, government suppression of Iraq atrocities by same.*
4. Begin extraordinary internal surveillance. Turn your citizens into 'enemies' of the state. *TSA, Department of Homeland Security, public surveillance cameras everywhere, Carnivore, federal conscripting of National Guard for deployment within the republic, border guard checkpoints within the USA, indignity of removing our shoes to pass through security checkpoints, travel watch lists that target citizens.*
5. Infiltrate, harass and corrupt citizens groups, political parties, and special-interest groups. Create problems that make them 'look bad' and turn other citizens against them. *Labeling of Constitutional rights advocates as “conspiracy theory nuts”, encouragement to report fellow citizens to police, media discrediting of flu vaccine opponents, public denial of chemtrail spraying and labeling of opponents as nuts, use FTC to suppress writers of controversial books, jail tax protesters and deny them the right to bring prima-facie evidence before the courts.*

6. Target key individuals. Political competitors, rivals, opposing special interests. Eliminate, defang, discredit or absorb them. *The jailing of Larken Rose, Dick Simkinen, Irwin Schiff clandestine coup support against President Zeleya of Honduras, jailing of reporters who speak against military in Iraq, detainees in Guantanamo Bay that have numbered as high as 625 this decade – many who were subsequently transferred to other US military bases on foreign soil. The declaration of the President or any of his designated authorities (federal police and military personal) as enemy combatants merely on their say-so.*
7. Terrorize or corrupt the Influential. Universities, Professors, Professionals, anyone trusted with expertise in a position to speak out or influence citizens. Publicize the fear to demonstrate power, and the necessity for it, to the public. Make them afraid to talk or do their professional job. *The muzzling of Ross Perot during his presidential bid, murder of Senator Wellstone, travel watch lists, government red and blue lists, framing and jailing of Martin Armstrong, loss of job and blacklisting of whistle-blowers, inability of citizens to hold public officials accountable for misfeasance or malfeasance.*
8. Control, by any means necessary, the media. Make it YOUR propaganda machine with lies, distortions, dissimulations, defamations. *The lack of media coverage about the movement within Congress to revise the Bank Act, audit the Fort Knox gold reserves or audit the Federal Reserve, report the opinions of dissenters, allow media to report on the clear and present financial dangers generally well known to insiders, report the mass war protest rally in San Francisco of well over 500,000 people in November of 2002 that this author personally witnessed, media suppression of Bilderberg meetings and use of local troops at public expense to prevent public or media infiltration. Report dissidents as criminals.*
9. Eliminate dissent. Ensure that citizens understand and cooperate with the tenet 'dissent equals treason' and follow through with accusations in a public and visible way. Generate distrust among groups, families, neighborhoods. Encourage informing on suspected activities or suspicious individuals. Ignore the use of this for personal vendettas, but encourage this to further terrorize civilians. *Targeting “enemies” for tax audits, jailing of tax protestors who have a valid lawful challenge that the courts will not hear as a defense, extradition of citizens who have chosen to leave US jurisdictions out of protest against rising fascism in America, use of federal powers to frustrate alternative energy commercial ventures.*
10. Suspend the Rule of Law. Declare Martial Law. Create gathering hyper- or super-treaties and alliances without consultation of law and consolidate into the inner circle. *United Nations treaty to submit to UN declaration of global pandemics that supersede the authority of Governors of each state, UN treaties that allow foreign troops to operate on US sovereign soil, military operations that have taken place on US soil in violation of the Constitution, giving up sovereign right to coin and issue*

***currency to a private and foreign corporate group – the Federal Reserve and the banks that own them.***

At the end of Wolf's speech, she stated that each citizen has a solemn duty to take up what she called the "Patriot's Task" to go beyond the impeachment of our leaders who have undermined the supreme law of the land – The Constitution – and prosecute those leaders who have undermined the Republic by charging them with treason; the penalty for which is death. That is a pretty strong call that I would only support against those who do harm to those of us who are exercising our Constitutional right to force change – even to the Office of the President.

So back to all of the prognosticators who purport to tell us what is wrong with America, and every other country on planet Earth. All of them have identified the symptoms but not the root cause of its failure to deliver on its promise as a haven for the weak, downtrodden and oppressed. You now understand the true root causes of our debt slavery as the Gap and unearned usury on the issue of newly created money as debt; so let's move on to the solution!

The first step is to attempt to change the system ourselves. We must take control of precincts to accomplish two critical goals – field candidates we want (i.e. not the ones the DNC and RNC offer us) and eliminate vote fraud so that our votes count. The candidates we must field need to be aligned with the goals articulated in this book. If their rallying cry is "Economic Democracy" and they talk about eliminating the gap with Compensated Price and National Dividend, then we know their colors. We need to organize and we need some angels who will invest their money in our collective future. There are alliances that can be forged with people and groups like Foster Gamble, the Tea Party and Occupy groups. We need to do a stellar job of leveraging the internet and thus do an end-run on the traitors and cowards running big media. The ship needs a rudder and Economic Democracy is that rudder.

If we don't have Economic Democracy in place by the end of the elections of 2012, we need to up the ante with civil disobedience like Gandhi did by stopping economic activity.

The plan I propose for the nations to follow is the very simple plan that drove the British Army, then the most powerful military force on earth, out of India after a long period of military occupation. It was inspired by an incredible man of peace, the like of which has not been seen since the time of Jesus the Christ. Before articulating "the plan" let us take a moment to ponder some of this man's wise sayings so we can properly frame our minds and intentions. The man I speak of is none other than Mohandas (Mahatma) Gandhi:

- I believe that a man is the strongest soldier for daring to die unarmed.
- A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history.
- Among the many misdeeds of the British rule in India, history will look upon the act depriving a whole nation of arms as the blackest.
- An unjust law is itself a species of violence. Arrest for its breach is more so.
- I object to violence because when it appears to do good the good is only temporary; the evil it does is permanent.
- If co-operation is a duty, I hold that non-co-operation also under certain conditions is equally a duty.
- Interdependence is and ought to be as much the ideal of man as self-sufficiency. Man is a social being.
- Non-cooperation with evil is as much a duty as is cooperation with good.
- Non-violence is the greatest force at the disposal of mankind. It is mightier than the mightiest weapon of destruction devised by the ingenuity of man.
- Poverty is the worst form of violence.
- Strength does not come from physical capacity. It comes from an indomitable will.
- There is orderliness in the universe; there is an unalterable law governing everything and every being that exists or lives. It is no blind law; for no blind law can govern the conduct of living beings.
- To deprive a man of his natural liberty and to deny to him the ordinary amenities of life is worse than starving the body; it is starvation of the soul, the dweller in the body.
- Violent means will give violent freedom. That would be a menace to the world and to India herself.
- We should meet abuse by forbearance. Human nature is so constituted that if we take absolutely no notice of anger or abuse, the person indulging in it will soon weary of it and stop.
- You must not lose faith in humanity. Humanity is an ocean; if a few drops of the ocean are dirty, the ocean does not become dirty.

Gandhi wrote up his plan in a document titled *Indian Home Rule* (available as a free download from our web site) and I encourage you to read it. It answers the question of our collective moral responsibility and how to achieve our freedom from financial slavery peacefully. In it he said “*Real Home Rule is possible only where passive resistance is the guiding force of the people. Any other rule is foreign rule.*” Passive resistance worked in India and it can work here – if enough of us get behind the cause. Of the British and by extension, western, influence upon India, Gandhi said “In our own civilization there will naturally be

progress, retrogression, reforms, and reactions; but one effort is required, and that is to drive out Western civilization. All else will follow.” For our cause, let us say, “*But one effort is required. Drive out the money changers from our nations. Liberty and peace will follow.*” Let this book you are now reading be our version of the ***Indian Home Rule*** manifesto. Let the website [www.economiccures.com](http://www.economiccures.com) be an extension of our manifesto for the 21<sup>st</sup> Century. Let us all share it. I have only one disagreement with Gandhi and that is on the unfair judgment of western technology. Had he known and conversed with Frederick Soddy or Clifford Douglas, he may have come to change his mind. He clearly saw the effects of western capitalism but clearly did not completely comprehend the root cause. He almost “got it” when he said “Formerly, men were made slaves under physical compulsion. Now they are enslaved by temptation of money and of the luxuries that money can buy... Many problems can be solved by remembering that money is their [western civilization’s] God.” He’s right. Here’s a thought though; if there is no shortage of money or the wealth it will buy, who will covet either?

The seminal moment for implementation of our plan and the capitulation of the New World Order will not happen in a vacuum. Let us first set a date by which we require that our demands must be in place. Let us make it February 1, 2014. By this point, we will either have control of our government or we won’t. By this deadline, a Constitutional Congress must have a firm date for convening, and the Federal Reserve will have been replaced by a social-credit-issuing National Credit Authority with a National Dividend and Compensated Price implemented as a minimum requirement. If these terms are not met, all of America will stop participating in the national economy and the only merchandise that will be exchanged will be what employees of various businesses simply allow their fellow citizens to have gratis: food, fuel, etc. If it goes this far, it will take a nationally broadcast message from the nation’s leader acquiescing to these demands to cause us to back down – and that for a set time limit only. If governments send troops against We the People, we will not fight but we will remind those peace officers of their Constitutional oaths and duty. They will all eventually stand down if we adhere to non-violence. All of this is predicated on the assumption that a significant number of We the People are informed of this plan and step up to support it with courage and steadfastness.

Power and strength do not emerge in a vacuum. We can pro-actively move government in the desired direction through the following four actions:

1. Offering ourselves as Economic Democracy candidates for every election that occurs in every city, region, state and federal seat for every single office – judge, mayor, sheriff, councilman, congressman, senator, governor – every seat!
2. Refusing to vote for any candidate that does not support the Economic Democracy agenda. We will spoil the ballot if no candidates are offered.
3. Demanding an end to vote fraud. It is a clear evidence of slavery when our votes are counted in secret. That is what electronic voting is – secret counting where we are asked to “trust” them.
4. Using every seat captured to advance Economic Democracy solutions to every problem and fighting every proposed solution that is in conflict with these principles. If the majority of elected government representatives are behind Economic Democracy so that we have complete control in one constituency, we must use that platform to educate everyone in our surrounding communities to virally spread the message of our fresh new alternative to corrupt business-as-usual politics.

If the people of Alberta could win 56 of the 63 seats of the province’s government and 54% of the popular votes in 1935 without even having an official party or leader – just candidates who shared a common political ideal and a promise to give all Albertans a National Dividend – then surely we can drive a wedge somewhere in our country and then use that wedge to spread the message. In 1932, most Albertans had never even heard of ‘social credit.’ This was a grass roots movement that big business and big government were powerless to stop, and it went from “completely unknown” to “government swept into power” in three years.

The first objection one would voice about the viability of this plan is: how could a city, state or regional government implement Economic Democracy policy without the ability to issue its own currency? That is fairly simple. The local government could take every financially troubled business in their constituency, use the real credit of the community’s people by way of that government’s treasury to guarantee non-interest loans and demand replacing of the CFO of that company with an accredited accountant –an employee who would be paid by the government. Furthermore, those governments could switch to accrual accounting using all of the government’s physical assets (buildings, roads, natural resources, office equipment, licensing revenues, accounts receivable, etc.), set a depreciated value on them, use it as the basis for collateral then issue no- or low-interest loans using this collateral. The government would retain a majority interest in the company until the loan is retired and would have a pre-negotiated exit strategy. The appointed accountant’s sole function would be reasonable oversight to ensure that funds are not misappropriated. If there is no local bank that would use its fractional reserve

capabilities to issue the loans, then find a small bank to buy or open an employee credit union and use the revenue of government to collateralize loans. There is little doubt that this would lead to more local employment.

As the word gets out, eventually a state will be won to Economic Democracy policies. That state can use its Constitutional right to charter a state bank and issue its own currency. Businesses will absolutely stampede to that state to set up business in an environment where there are no state taxes, minimal bureaucracy, virtually unlimited capital, interest-free loans and a pro-business environment. It won't be long before the rest of the country follows suit. At that point, America will once again become the world's shining beacon for freedom and the leading example of how nations should govern themselves – something that has been missing for almost 150 years. Remember what the Times of London wrote in 1862 about America when Abraham Lincoln issued Treasury-backed greenbacks to fund the Union army:

"If that mischievous financial policy which had its origin in the North American Republic should become indurated down to a fixture, then that government will furnish its own money without cost. It will pay off its debts and be without a debt [to the International Bankers]. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized governments of the world. The brains and wealth of all countries will go to North America. That government must be destroyed or it will destroy every monarchy on the globe."

Are you Canadian, British, Australian, South African, Indian, Japanese, Chinese, Russian, German – or citizen of any other nation on earth? Great! Why don't *you* implement Economic Democracy in your country first? Show yourselves to be the most civilized people on earth.

## **Corrupt Electronic Voting and Our Plan to Fix It**

Jim Condit contributed this entire section and it is my great honor to include his strategy as this key component of restoring prosperity to the nation. Jim is America's longest serving active authority and leading voice on vote fraud in this country. Indeed, he was one of the first to uncover it as a fact of America's political landscape. See his web sites [www.vote fraud.org](http://www.vote fraud.org) and [www.watchthevote2012.com](http://www.watchthevote2012.com) to find out more about his efforts to free us all from tyranny.

The Neighborhood Precinct Strategy can restore open, transparent elections, through which we can elect an honest, informed Congress, fix the money system, and preserve our true freedoms.

## People Want to “Do Something” But Don’t Know What to Do

Several million people in USA in 2012 – and possibly as high as 10 million citizens out of 300+ million (as evidenced in the Tea Party and Occupy Wall Street movements) - are ready to act and want to “do something”. They simply don’t know what to do.

Guess what? Their leaders will not tell them what do. Certainly, the national leaders of the Tea Party groups and the Occupy groups are *determined* to not tell their searching followers what to do.

Do you think this too harsh an indictment of our leaders? Read on – and then decide for yourself if your Tea Party and/or Occupy leaders ever told you what to do in a way that is similar to what you are about to see explained here; but let’s not pick on the Tea Party leaders and the Occupy leaders exclusively.

First, let’s examine the groups that would be akin to the Tea Party. The big membership organizations that preceded, and that overlap heavily with the generic “Tea Party” groups have not offered their supporters a specific plan of action to recover the country; for example: the NRA (National Rifle Association), the 912 groups, the Right to Life Groups, the Campaign for Liberty, the Christian Coalition type groups, the Republican Party. They are a ship without a rudder.

The leaders of these groups announce loudly that they oppose the way things are going. They raise money; they tell their followers to petition public officials; they hold large rallies; they urge hundreds of thousands of people to travel to Washington D.C. or to their state capitals to protest and lobby office holders. What they will not do is emphasize *the most important action items* which their increasingly frustrated followers MUST do as a first priority. In order to save the country from the totally unnecessary downward spiral we are currently experiencing!

And how about the groups which overlap heavily with the “Occupy Wall Street” type of groups; groups like NOW (National Organization of Women), the Democratic Party, the ACLU, the Green Party, and some of the Libertarian Party etc? None of these groups openly explain to the American people how to get involved in a way that will have an impact on public policy. All of these leaderships subtly treat their follows as little children, who must view themselves as inferior beings to those holding public office. We must beg them to do what we want –as if they are an order of higher being than the rest of us. We must concentrate on writing letters to them,

visiting their offices and demonstrating at the center of town. “Please, Mr. Office Holder, do what we ask you! Do your job and uphold your oath to defend the Constitution!”

No! This attitude is all wrong. We must become the office holders, and retire these miserable opportunists and traitors who have been bowing before the image of corrupt power.

Rudyard Kipling, in one of his poems, wrote a line about the man that would rather make the tyrants eyes flash with anger, than make a little child cry. Unfortunately, most office holders in the USA have proven that they would rather make a whole generation of little children cry than make a tyrant’s eyes flash with anger.

### Controlled Opposition on the Right

The reasons the “Tea Party” type groups do not tell you what you need to know are for one or more of four reasons – and sometimes it’s hard to tell from the bleachers which reasons apply.

The reasons are:

1. They were started from the beginning as “false opposition” groups; they misdirect the energy of their searching followers from the beginning, and would rather disband than tell their followers what they really need to know. Individuals within these groups who start to catch on to the shallow, diversionary action programs – are usually minimized, ostracized, and eventually bounced.
2. –They are increasingly co-opted by the real “powers that be” as time goes on. The NRA is a major case in point. While it is still essentially pursuing its stated mission, the preservation of the 2<sup>nd</sup> Amendment”, -- the NRA increasingly does things which puzzle its members and supporters. Like what? Like endorsing the abominable Sen. Harry Reid of Nevada in 2010, against a candidate they could trust, namely, Reid’s opponent that year; like endorsing compromising candidates like Sen. Bob Dole in the 1996 GOP primaries, or Sen. John McCain in the 2008 Republican Presidential primaries, when “no compromise” candidates like Patrick Buchanan in 1996, or Congressman Ron Paul in 2008 – were available.
3. The leaders of these groups want to “be in good” with the Republican Party; they consciously or at least instinctively realize that to talk to their followers like I’m going to talk to you in this chapter means being ostracized, losing their “place at the table” and being left out in the cold.
4. They themselves just don’t know what to do; this especially applies to the economic program elaborated in this book.

The Republican Party leaders favor business over labor but they do not focus on the real root cause of the problem problems of both business and labor: the central bankers who issue the nation's money.

In any case, the last thing the Republican Party leaders of 2008 and 2012 want is for hundreds of thousands of sincere, grassroots Tea Party activists to *actually* get a “real say” in how the vote is counted, or in picking candidates to be endorsed for Congress.

### Calculated Opposition on the Left

The large “liberal” or “leftist” groups that preceded and now overlap the Occupy Wall Street movement are really the groups whose background leaders already control the direction of the country. They already control the Democratic Party openly, and the Republican Party covertly. They control the Big Media, and especially the Big TV Networks. The Republican Party has become the “loyal opposition”, which almost always takes a dive at the key moment.

The Democratic Party Leaders favor labor over business, but again they do not focus on the real root cause of the problems of business and labor: the central bankers who issue the nation's money.

These groups, likewise, do not announce to the public what you will read here regarding the neighborhood precinct strategy. These left-wing or “liberal” group leaderships *fully* support the easily-rigged, secretly-counted computerized election systems which are now in place in 99% of the counties in the USA.

In any case, the last thing the Democratic Party Leaders of 2008 and 2012 want is for hundreds of thousands of sincere, young, grassroots Occupy Activists, young people like the ones I talked to in downtown Cincinnati, Ohio in the fall of 2011, to figure out how to get a say in how the votes are counted, or picking candidates for Congress.

### The World Is a Complicated Place: Is There a Litmus Test?

No short description of the interlocking groups that are effectively moving the world in a particular but largely undisclosed direction can possibly be comprehensive. The world is a complicated place, and there are many nuances that would have to be explained to defend the above statements about the Tea Party alliances and the Occupy alliances. Certainly, there is no room to do so here. In any case, even after long discussion, reasonable men would still likely disagree on exactly how all these pieces “fit together” in the world power structure.

In a moment, I will do something better than describe the interplay of large, powerful groups in the USA to everyone's satisfaction: I will list the "litmus" test issues which will allow you to discern the "effective" from the "ineffective" in the coming fight for our country, and for the world.

## Where Candidates Come From: The Neighborhood Precinct System

We all see the candidates on the ballot at the at the November election. We see the candidates *but* where do these candidates come from?

While anyone can run for office, about 95% of the time the candidate who wins the party primary, and therefore goes on to run in the General Election in November, is the *endorsed* candidate of the Democratic or Republican Party leadership in that area. But where do the party leaders come from?

The party leaderships are elected by the neighborhood precinct executives (or committeemen) in each county.

Most people do not know exactly what a neighborhood precinct is, nor do they know *how* the neighborhood precinct captain (or executive, or committeeman) is elected, nor do they know *when* the neighborhood precinct captain is elected, nor do they know *when* the elected precinct captains get together to elect the leaders of their party in their county.

These absolutely *vital* pieces of information are virtual secrets kept from the average American citizen by the leaders of both parties – and the big media.

These things are such secrets that I produced a 13 minute video called, "The Strangest Political Secret" to explain to the public how the system works. As long as the internet stays up, you can find that video at [www.wagthedog2010.com](http://www.wagthedog2010.com).

The following paragraphs describe how the precinct system works in America – the first big secret.

There are fifty states in the USA. These fifty states are divided into about 3141 counties, although this number changes slightly now and then, based on the Census. For example, Ohio has 88 counties; Iowa has 99 counties; Florida has 67 counties, and so on.

Each county is divided into neighborhood precincts. A precinct is generally a little circle-like area around one's house that is comprised of 10 to 15 streets. There are very exact boundaries for each precinct in your county - kept by your local Board of Elections. In Hamilton County, Ohio (where Cincinnati is located), for instance, we have about 900 precincts.

Every registered voter in your precinct votes at the same place. For instance, all the registered voters in my precinct in the suburb of White Oak in Hamilton County, Ohio cast his or her ballot at the White Oak Senior Center.

The rules for each state are different, so concerned citizens must determine what the rules are for their state. In every state, it is relatively easy to run for neighborhood precinct captain. Where do they find this information?

In Ohio, the precinct captains are elected in the May Primary in even years. At the time the primary election is held you walk in and ask for a Democratic ballot, a Republican ballot, or an independent ballot.

Sometimes a "third party" is on the ballot, but these parties don't count at the present time for this discussion, because the Republicans and Democrats control every county in the country. Furthermore, the Democrats and Republicans are cooperating nationwide to allow the votes to be counted in secret, on secret computer programs; so the "third parties" are consequently doomed for the next millennium unless we can somehow return to an open, verifiable vote count at election time.

If you choose a Democratic ballot when you show up to vote for the May primary, you will get to vote for the Democratic precinct captain in your neighborhood precinct. If you choose a Republican ballot, you will get to vote for the Republican precinct captain in your neighborhood precinct.

You've probably never realized that there is a precinct position on the ballot, have you? Maybe that's because it is listed after county treasurer, coroner, and dog catcher on the primary ballot. Maybe it's because 1/3 of the precinct positions in the United States are *vacant*, and so no one was running for precinct captain in your precinct. Or maybe it's because typically there is only one person running for the position of precinct captain in your neighborhood precinct. Most people just quit before taking the time to vote for all the unopposed people at the end of the ballot.

Each neighborhood precinct has (or should have) a Democratic precinct captain and a Republican precinct captain.

As we finish this explanation, we'll use the Republican Party by way of example, but just be aware that the same thing happens in the Democratic Party. Let's focus on Hamilton County, Ohio as we understand *how* the party leaders are chosen.

Since there are about 900 precincts in Hamilton County, let's say that 700 of them have one or more candidates running to be precinct captain in their neighborhood precinct.

Each of these precinct candidates that appear on the ballot had to collect only *five* valid signatures from registered voters in their little neighborhood precinct. In Ohio, the rule is that a Republican can collect five valid signatures from either registered Republicans or registered independents.

Once each candidate turns in five valid signatures to the County Board of Elections, he or she earns the right to be on the ballot for the position of precinct captain in his or her neighborhood precinct.

If only one person files for precinct captain, then he or she can win by going to the polls and voting for himself or herself. (There is one caveat here. It is also permissible to run as a "write-in" candidate. And there are cases where "write-in" candidates achieved a higher vote count than the candidate on the ballot, but this is the exception.)

If there is more than one candidate on the ballot for precinct captain, then the candidate with the highest votes wins. Contested precinct elections are often decided by vote counts of typically 12 to 5, or 52 to 37, and so on. The precinct election is the only election at which you, or you and your friends, can greet every voter who comes to the polls to vote.

Once the primary is over in this particular example, 700 precinct captains will have been elected for the Republican Party for the county of Hamilton Ohio. Now what?

Here is the second big secret. By state law, the county party - in this example the Republican Party in the County of Hamilton - must call a county Party convention, or a central committee organizational meeting within a month after the May Primary.

In early June, all the Republican precinct captains who were elected at the May primary have the right to show up and vote for the County Chairman and County executive committee of the Hamilton County Republican Party.

Competing factions can put up their own slate for the County Executive Committee and their own candidate for County Chairman; whoever gets the most votes wins.

This is the meeting that the major parties and the Big Media do not want you to know about. The elected county party chairmen have enormous power.

### What Party Leaders Have the Power to Do

The party leaders, along with their executive committee, can do the following:

1. Endorse candidates for Congress and other offices in the May Primary; and remember, 95% of the time the candidate endorsed by the party wins and goes on to be on the November ballot.
2. The party leaders of both parties usually determine in one way or another who is on the County Board of Elections – and the County Board of Elections determine how the votes are counted on Election Day. The absolutely paramount importance of this fact will be examined in one of the next sections.
3. Later in the year, maybe a few months after the local county central committee meeting in June (where the local County Republican Chairman was elected), all the elected Republican County Chairmen go to the state capital (Columbus, Ohio in this example) to elect the Chairman of the state Republican Party (remember, the Democratic Party is doing the same thing for itself); the state Republican leaders determine the rules for delegate selection when it comes time to elect a Presidential nominee in the Presidential election years.
4. And, finally, the state Republican Chairmen for each of the 50 states will meet somewhere to elect the National Republican Chairman and his team. The national leaders determine or at least influence the rules for primaries and caucuses in the Presidential years, and the rules for the National Party Convention which nominates that party's Presidential candidate every four years.

As you can see, the office of precinct captain is very important. Some say it is the most powerful office in the land – if only this was understood by the vast majority of citizens.

### Precinct Is the Most Powerful Office In the Land!

I am going to reproduce here a short speech given by a self-sacrificing patriot named Rick Herron in 1988 to the pro-life individuals who were then trying to take over the Republican Party

of Hamilton County. Mr. Herron kindly consented then for this information I am about to tell you to be in the public domain. While he is speaking to pro-lifers, you can substitute “constitutional activists”, Tea Party supporters, or any other good cause you wish – but the message is short, and powerful. (Please note that reproduction of this short speech does not imply that Mr. Herron endorses any other part of this chapter or book.)

***THE MOST POWERFUL OFFICE IN THE LAND***

*By Rick Herron*

*(given to audiences in 1988)*

***The Four Laws of Civics***

*“Why are we running for Precinct Executive? The main thing to keep in mind is our goal. What do we want to accomplish by this? We believe this project will actually get the law changed.*

*“First of all, I would like to make clear that we don’t believe this struggle between the forces of life and the forces of death is some kind of a debate. If this were a debate, we would have won a long time ago because all of the facts, all the logic, are on the side of life. Obviously, it’s not a debate. We pro-lifers have been studying for debate while the enemies of life have been studying war. So guess who is winning the war? Whether we know it or not, whether we like it or not, we are in a state of war with the enemies of life. And don’t kid yourself, you are their enemy.*

*This war, this struggle, is being fought in the courts, and in the legislatures. Battles won and lost in this war are measured by government policy. Policy is the prize. And, right now, killing children is a policy of the United States. So our goal is to change the policy. So if policy is to change we must know how policy changes. This is where the four laws of civics come into play.*

***The First Law of Civics***

*...is that People Are Policy. And what that means is if you want to change the law, if you want to change the policy you have to change the people that make the policy. And if you doubt that, try writing a letter to Howard Metzenbaum sometime.*

*“How does the law change? Well, these Senators or Congressman make a decision, they pass a bill, and the law changes. That’s basically all there is to it. If during a vote there are more of THEM, then THEY make the policy. If on the other hand, there are more of US, then WE make policy. Personally I would like it better if WE made policy. So how do legislators get in there where they are in a position to change the policy?*

*“Well, they’re elected in the November General Election in accordance with:*

***The Second Law of Civics***

*...which is: If Your Name Is Not On The Ballot, You're Not Going To Win. So in order for our friends to win the November General Election so they can change the policy we have to get their names on the ballot.*

*“Well, how do we get their names on the ballot in November? We get their names on the November ballot by ensuring that they win the Party Primary election in May. So people who want to be Senators and Congressmen have to run in the primary and then if they win, they get their name on the ballot in November.*

*“If we want to change the people who change the policy, it becomes our job to make sure that our friends win the primary. So how do we ensure that our friends win the primary in May? Victory in May is based on:*

***The Third Law of Civics:***

*... is that only Candidates Endorsed By The Party Win The Primary. It's just that simple. There might be six Republicans wanting to be Congressmen in the First or Second Congressional District. And they're all running in the primary. Only one of them is going to win and that's invariably the one that's endorsed by the Party. There's a very good reason for that. Most voters are just like me. They don't have time to study all the issues or candidates.*

*Election Day comes up on them just like it does on me: “Oh my goodness; it is Election Day already.” They go down to vote, and someone outside the polling place hands them a sample ballot that was published by their Party. They take the sample ballot in, they take a stylus in their hand they look at the sample ballot and they start punching holes. They are trusting in their Party to have made the correct decision in endorsing these people.*

*“If we are going to change the people who change the policy we must ensure that our friends are endorsed by the Party so their names get on the sample ballot.*

*“Where do these Party endorsements come from? Who is the party? For all practical purposes the party is made up of members of the Executive Committee. And it is the Executive Committee that hands out the Party's endorsements.*

*Every County has their own Democratic Executive Committee and Republican Executive Committee and we have ours in this county. These Committees decide who's name will go on the sample ballots which are distributed outside the polls at the primaries. The endorsed candidates invariably win.*

*After winning the primary they move on to the November General Election. The winner there goes on to Columbus (Ohio) or Washington and changes the policy. So it turns out*

*these endorsements are very important, because if our candidate doesn't get endorsed for the "May Primary" he doesn't go any further in the process. That's the end for us. It is important that we understand that in order to get to Columbus or Washington to change the policy, we have to succeed at each one of those steps. If we miss any one of them, the whole thing fails.*

*"If we are going to change the policy, it becomes our job to get as many of our friends as possible onto the Executive Committee, so that we can ensure that our friends get the Party's endorsement at the "May Primary" step. "So what is the Executive Committee that passes out these endorsements?"*

*Wouldn't you agree with me that these are pretty important people, even more important than the people they endorse? Do you know any members of your Party's Executive Committee? Where do they come from? Who are they? How do you get to be on the Executive Committee? Do they run recruiting advertisements in the paper? Do you go down to the unemployment office and tell them you want to be on the Executive Committee? No. To ensure that our friends have a majority on the Executive Committee so that we can ultimately change the policy we must help them get elected to the Executive Committee. The Executive Committee of the Party is elected every two years by the members of the Party's Central Committee.*

*"What is this Central Committee that elects the members of the Executive Committee? Wouldn't you agree with me that these are pretty important people, even more important than the executive committee that they elect? Where do they come from? Do you know anybody on the Central Committee? Did you ever hear of the Central Committee? Well, what is it?"*

*The Central Committee is made up of one person from each precinct in the County. (Note: your precinct consists of about five or six streets around your house.) Our County (referring to Hamilton County) has 984 precincts, so there are 984 members on the Hamilton County Republican Central Committee. And each one of those members is called a Precinct Executive. The terms "Precinct Executive" and "Member of the Central Committee" are synonymous. This very important Committee meets at a very important meeting once every two years where the Executive Committee is elected. "If we want to change the people that make the policy it becomes our job to ensure that our friends have a majority on the Party's Central Committee, so that our friends are elected to the Executive Committee, so that our friends receive the party endorsement, so that our friends win the primary, so that our friends can get on the ballot in the November General Election, so we can help them win there, so they can go on to Columbus or Washington and change the policy.*

*"The bottom line is that membership in your Party's Central Committee is the Highest Office in the land. The reason that this is so is because the Central Committee decides who all of the policy makers are going to be. "So if we want to change the policy it becomes our job to become members of our Party's Central Committee. And that's why we're asking you to run for Precinct Executive: so that you will become a member of the*

*Central Committee; so that then you will decide who becomes a member of your Party's Executive Committee; so that next a pro-life majority on the Executive Committee will endorse an all pro-life slate of candidates for the Party Primary Election; so that only our pro-life friends are on the ballot for the November General Election; and then, finally a pro-life majority in the state and federal legislatures will change the policy and keep it changed.*

*"Because there can be only one member on the Central Committee from each of the 984 precincts in Hamilton County, it is imperative that we locate, and encourage to join with us, at least one pro-lifer from each precinct. That is why if each of us would do this in our own precinct then we will succeed. And so we conclude with:*

***The Fourth Law of Civics:***

*"The Precinct Executive turns out to be **the most powerful office in the land.** And that's why we are doing what we're doing."*

## How Elections Are Presently Being Conducted

In the first 12 years of the 21<sup>st</sup> century, elections in the USA are being conducted as if we are a conquered nation; a nation of slaves.

Against all existing law and at least two US Supreme Court decisions, in 99% of the 3100+ counties in the USA, ballots are snatched from the people at closing time and taken to heavily guarded locations, just as if the entire USA was an oversized tin-pot dictatorship run by a non-comical Boss Hogg.

Unless you live in the right part of New Hampshire, or in a few very small counties in Montana, Idaho and west Texas; no citizen, no candidate, no press person is allowed to see the ballots on Election Day. If anyone asks for a recount, the election officials will bring *some* fraction of the ballots out into public view for an open manual recount about three weeks later. Of course, 21 days is plenty of time for ballots to be altered or switched.

### ***How Elections Should Be Conducted***

For about the first 200 years of USA history, paper ballots were cast by the voters in each precinct. The ballots were kept all day in a ballot box in full view of the judges and any poll watchers from various factions that were permitted into the polling place. If the ballot box was taken out of the view of the judges, then the entire voting would have to be done over – because the presumption was that if someone wanted to take the ballots out of public view, then they wanted to cheat (a perfectly logical and unavoidable assumption).

At closing time, the ballots were dumped out onto the table, and several teams of scrutinizers or counters would start tabulating the ballots in full public view, with representatives of all factions welcome to watch at close range. One member of the two-person team would call out the vote while the other member marked it down on the official tally sheet. The first member would double-check to see if the second team member had marked it down correctly. And then they would proceed to the next contest on that ballot. All the while, citizens were able to watch at close range to make sure that the particular team they were watching was getting it right.

At the end of the counting, the poll judges would add up the results from each team of scrutinizers, and then post the final results for that precinct in public view where it would remain on the wall for 3 days or so.

The official tally sheets, signed under oath as true and correct by the scrutinizers and all the judges at each precinct, would then be taken downtown to the county Board of Elections headquarters, where all the precincts would then be added up for the final election results for the entire county.

For example, in Hamilton County (Cincinnati), Ohio, something like 970 neighborhood polling places (precincts) sent their signed tally sheets to the Board of Elections in downtown Cincinnati. The members of the Hamilton County Board of Elections could then certify the results as true based on the sworn testimony of thousands of neighborhood voters/scrutinizers from all factions (Democratic, Republican, Independent, and perhaps other parties). Each scrutinizer is testifying to what he or she saw with his/her own eyes.

Elections conducted in this way were as verifiable as could be reasonably expected and people had high confidence in the accuracy of the tabulated results. It is true that if a precinct had only Democratic or Republican judges and no witnesses from an opposing faction, then that individual precinct could be tampered. That is nothing compared to what we have now: entire Presidential elections able to be switched in the blink of an eye by 30 operatives at National Election Pool (NEP) from an office in New York City. What's the NEP? Read on.

### *How Electronic Vote Fraud Came Upon Us*

In 1973, sinister forces saw their chance to take elections out of the hands of the people, and put the outcomes of elections in their own hands. County after county was encouraged by the Republican National Committee (RNC) and the Democratic National Committee (DNC) to delegate the election process to one of a few mega-corporations.

By 1988, the current state of affairs was consolidated – 99% of the ballots were “counted” in secret by about four mega-corporations. The heads of the Boards of Elections in each county would now “certify” results presented by one of these mega-corporations on blind faith. Whatever the mega-computer company told the Board of Elections were the results, they certified.

While this may seem at first glance unbelievable to most Americans, there is a simple test anyone can perform. Unless you live in the right half of New Hampshire, or one of those very small counties out west, -- call your Board of Election Supervisor, or your County Commissioners, and ask them what is the process for citizens to double-check the actual ballots on Election Day in order to make sure that the computers are not deliberately or unintentionally mis-programmed.

Two quotes from experts are in order here to demonstrate how absurd the election system had become in the USA by 1988. The first is quoted from “Votescam: The Stealing of America”, by the late Kenneth and James Collier. I quote the following with the specific permission of Jim Collier, granted to me in 1993:

The chapter begins by quoting the first words spoken by President-elect George Bush (the elder) in his Nov. 8, 1988 victory speech in Houston, Texas.

*"We can now speak the most majestic words a democracy can offer: The people have spoken . . . "*

*It was not "the People" of the United States who did 'the speaking' on that election day, although most of them believed it was, and still believe it. In fact, the People did not speak at all. The voices most of us really heard that day were the voices of computers strong, loud, authoritative and unquestioned in their electronic finality . . .*

*The computers that spoke in November 1988 held in their inner workings small boxes that contained secret codes that only the sellers of the computers could read. The programs, or "source codes," were regarded as "trade secrets." The sellers of the vote-counting software zealously guarded their programs from the public, from election officials, from everyone on the dubious grounds that competitors could steal their ideas if the source codes were open to inspection . . .*

*You may ask: What "ideas" does it require to count something as simple as ballots? Can the "ideas" be much more complex than, let's say, a supermarket computerized cash register or an automatic bank teller machine?*

*The computer voting machines do not have to do anything complicated at all; they simply must be able to register votes for the correct candidate or party or proposal, tabulate them, count them up, and deliver arithmetically correct additions . . .*

*People with no formal training, even children, used to do it all the time. So why can't the public know what those secret source codes instruct the computers to do?*

*It only makes common sense that every gear, every mechanism, every nook and cranny of every part of the voting process ought to be in the sunlight, wide open to public view. How else can the public be reasonably assured that they are participating in an unrigged election where their vote actually means something? Yet one of the most mysterious, low-profile, covert, shadowy, and questionable mechanisms of American democracy is the American vote count . . .*

*Computers in voting machines are effectively immune from checking and rechecking. If they are fixed, you cannot know it, and you cannot be sure at all of an honest tally.*

If you understand the above-quoted paragraphs, you understand the problem.

We could go on to include book-length documentation from seemingly innumerable sources to back up what the Colliers wrote above but for now let's include just one more salient quote; this time from computer expert Dr. David Dill of Stanford University on modern day, secretly counted, computerized elections:

*"Why am I always being asked to prove these systems aren't secure? The burden of proof ought to be on the vendor. You ask about the hardware. 'Secret.' The software? 'Secret.' What's the cryptography? 'Can't tell you because that'll compromise the secrecy of the machines.'... Federal testing procedures? 'Secret!' Results of the tests? 'Secret!' Basically we are required to have blind faith."*

*—Dr. David L. Dill  
Professor, Computer Science  
Stanford University*

*(cited in **How They Could Steal the Election this Time** by Ronnie Dugger)*

Even if things weren't as tightly controlled and sinister as I'm about to reveal, all these secretly counted, computerized elections would be completely illegal because they are in violation of at least TWO standing US Supreme Court decisions.

The US Supreme Court has at least twice ruled that secretly counted elections were illegal. In Reynolds vs. Sims (1964) and US vs. Mosley (1915), the Court ruled that our right to vote consists of two parts: a) the right to cast a ballot; b) the right to know that our vote was counted accurately. In computerized elections counted in secret by secret computer programs, we still have a right to cast our ballot; but we have no way of knowing if our votes are being counted

accurately.

Thus, all the Presidential Elections, all the US Senate races, 99% of the US Congressional races, and almost all local races that have been run since 1988 are illegal and technically not binding on the population. In a court of law, we would say that once the ballots are taken out of public sight before they are counted, the *chain of custody* has been destroyed.

As Communist tyrant Josef Stalin aptly stated:

**“Those who cast the votes decide nothing; those who count the vote decide everything.”**

Yes, the Communist Party in Russia held elections under Stalin – but the Communist Party exclusively “counted” the votes.

*No American should have to be told twice that elections counted in secret are un-American.* But the problem runs so much deeper than a few private companies wanting to get hired by as many local counties as possible to process the elections.

Here is a slightly over-simplified summary of the situation. What situation? The “situation” of the conscious, sinister Computer Vote-Fraud Crime Syndicate; the one which is “counting” all of our key elections in secret!

### *Who Are the Vote Fraud Players?*

The following four groups are perpetrating a vote fraud conspiracy in collusion upon America.

1. **ABC, NBC, CBS, CNN, FOX, and AP wire service.** This is the “Big Media” combine which helps run the Computer Vote-fraud Crime Syndicate, and which prevents the population as a whole from realizing what’s happening on each election night. (The New York Times wire service, the Washington Post wire service, and Reuters are in on the conspiracy of silence. All other Big Daily newspapers in the USA take their national and international news from these big wire services. If a reporter at a big daily, or a local TV affiliate of one of the major networks, learns about some of this blockbuster information, and starts reporting it, he will be given a choice: accept other reporting assignments, or, get transferred to the sports department, or, get fired.)

2. **National Election Pool.** What’s National Election Pool (NEP)? That’s a corporation in New York City. And who owns this corporation? Why, ABC, CBS, NBC, CNN, FOX and AP wire. This is the company which does all of the “exit polls” on Election Day and controls the count that is published on election night at the national networks, at their local affiliates, and in the Big Daily papers. While the New York Times wire service and the Washington Post wire service are not owners of NEP, they have fully participated in the cover-up for decades. That’s why 99% of

you reading this chapter have never heard of NEP. You can read the Wikipedia entry on NEP here:

[http://en.wikipedia.org/wiki/National\\_Election\\_Pool](http://en.wikipedia.org/wiki/National_Election_Pool)

National Election Pool had been called “Voter News Service (VNS)” before 2003, when its name was changed to National Election Pool because the stench was getting too great after the 2000 “election.” This is a periodic tactic of the Ruling Elite behind the Computer Vote-fraud Crime Syndicate; change the name of the offending company, while leaving everything else the same and continuing with the same anti-American treasonous program.

**3. Diebold, Election Systems & Software (ES & S), Sequoia, and Hart InterCivic** These are the mega-corporations which have been hired by the vast majority of counties in the USA. Hamilton County, where I live, is hiring Hart InterCivic in the year of 2012; Butler County, right above Hamilton County in Ohio is hiring ES & S to process the county election in secret. These companies are completely out of reach of any oversight by the voters and the public. It is this item which caused me to say that my explanation here is slightly over-simplified. These companies are always buying and selling each other, and using smaller front companies in some areas. When Diebold’s CEO made an incautious statement about helping George W. Bush get elected in 2004, a small company called Triad popped up in Ohio to take over some of the counties. In 2010 to 2012, there are shenanigans going on about ES & S buying Diebold, and so on.

This claim – that 99 % of our counties are in the clutches of basically four mega-computer-elections-corporations – is so “unbelievable” at first glance, that I’m going to include a few paragraphs from veteran reporter Ronnie Dugger’s 2004 article in *The Nation* magazine, in an article titled “*How They Could Steal the Election This Time:*”

*On November 2 millions of Americans will cast their votes for President in computerized voting systems that can be rigged by corporate . . . insiders. . . . The potential for fraud and error is daunting. About 61 million of the votes in November, more than half the total, will be counted in the computers of one company, the privately held Election Systems and Software (ES&S) of Omaha, Nebraska.*

*Altogether, nearly 100 million votes will be counted in computers provided and programmed by ES&S and three other private corporations: British-owned Sequoia Voting Systems of Oakland, California, whose touch-screen voting equipment was rejected as insecure against fraud by New York City in the 1990s; . . . Diebold Election Systems of McKinney, Texas, whose machines malfunctioned this year in a California election; and Hart InterCivic of Austin . . .*

*The four major election corporations count votes with voting-system source codes. These are kept strictly secret by contract with the local jurisdictions and states using the machines. . . . David Stutsman, an Indiana [election] lawyer . . . puts it well: “The secrecy of the ballot has been turned into the secrecy of the vote count.”*

Dugger’s entire article is linked at [www.vote fraud.org](http://www.vote fraud.org)

The sin of the local election officials, both Republicans and Democrats, is that they have stepped aside and illegally and unconstitutionally delegated the processing of our elections to the four major corporations named above in Dugger's article.

4. **THE RNC and the DNC.** The Republican National Committee and the Democratic National Committee encourage all of their local county operatives to delegate the local county elections to the large private corporations which use secret computer source code and process the elections in secret. The RNC and the DNC effectively participate in the conspiracy of silence against the American people regarding this theft of the 2<sup>nd</sup> part of our right to vote, by pretending everything is A-OK. The RNC and DNC have been key players in engineering the current, unacceptable election travesty from the beginning back in the early 1970s. (The Republicans and/or Democrats control every county Board of Elections in the USA.)

Presidential Elections "counted" in secret on secretly programmed computers since 1988 have brought us: 3 terms of Bushes; 2 terms of Clintons; and one term of Obama.

To summarize, the key players in the Computer Vote-Fraud Crime Syndicate are the following mega-corporations:

- ABC
- CBS
- NBC
- CNN
- FOX
- AP WIRE
- National Election Pool (NEP)
- Republican National Committee
- Democratic National Committee
- Diebold
- ES &S
- Hart InterCivic
- Sequoia

### *Mechanics of Vote Fraud in America*

Here's how vote fraud in America works:

1. **PHONY PUBLIC OPINION POLLS and BLATANTLY BIASED TV COVERAGE.** For MONTHS AND MONTHS before a Presidential election, the Major TV Networks issue endless public opinion polls, provided by the FEW polling companies they pay, such as Zogby, Gallup, and their own in-house polling operations.

NO ONE, and I mean, NO ONE in the major media at any level ever questions who does these polls, and how they are done. I believe they are deliberately falsified whenever so desired to manipulate public opinion, rather than to reflect it. The case of the Jail for Judges Amendment contest in South Dakota in 2006, proves beyond a shadow of a doubt that these large “Big Media Approved” polling operations falsify and withhold information from customers when ordered to do so. But that’s a story too long to go into here.

Why are these Big-Media generated public opinion polls treated as if they are infallible? As if they have been wafted down from heaven by angels? What if the Big Five TV Networks are actually run by the same faction, and only pretend to be in competition to fool the public? (I believe this last question strikes at the truth.)

For instance, in 2000, *all five* Big TV networks touted daily polls that indicated the contest was a dead heat between George W. Bush and Al Gore, 49% to 49%, and so on; day after day after day after day.

Never included in the polling questions were Reform Party candidate Pat Buchanan, or Green Party candidate Ralph Nader. These two articulate advocates, whose careers and life work were supported by millions of people – were excluded from all these daily Big Media polls. This tactic – enforced uniformly by ABC, CBS, NBC, CNN, and FOX – gave the impression to the public that the only candidates that had a chance were the lackluster Bush and Gore. (If you’re getting the impression that I believe the Big Five TV Networks coordinate their news everyday – you are correct. They coordinate what to cover, what to censor, and from what angle to cover each news item. On many secondary issues, FOX is allowed to take the opposite view of MSNBC or CNN in order to keep the public bickering over what are usually non-essential and trivial points.

Also in the 2000 Presidential race, the RNC and the DNC, in conjunction with the smiling approval of the Big Five TV Networks later made up rules to exclude Patrick Buchanan and Ralph Nader from the debates – even though it was inclusion in such debates that catapulted Jesse Ventura to prominence in the race for Minnesota Governor in 1998. Pat Buchanan commented that he was being kept on the sidelines in the heavyweight fight for which he had trained all his life. Ralph Nader crashed the debate premises in protest, and was arrested. This “public opinion poll” tactic is the way the Big Five TV Networks, in unison, prepare the American public for the “winner” of each major party nomination, and ultimately of the next Presidential election.

These same Big Five TV Networks, in conjunction with their progression of “public opinion polls”, assault the public with blatantly biased coverage of political races.

In the 2008 Democratic Presidential Primaries, Barack Obama was treated as an unquestioned front runner from day one, while the Democratic Vice-Presidential candidate from 2004, Sen. John Edwards, was virtually censored from the news.

In 2012, Big Network TV coverage got even more absurd in the GOP Presidential primaries. Mitt Romney was treated as the “inevitable” front runner from the beginning, even when he was losing contests. The tenor of reporters on all major networks was, “How’s Romney going to win this thing?”

At the same time, Congressman Ron Paul was treated as an intruder who did not belong in the race at all. Paul’s supporters were treated as virtual nut-cases who might be dangerous to the country. Paul was attracting large crowds despite the all-out assault against him by the five Big TV Networks and big talk show hosts like Hannity and Limbaugh. Paul would attract crowds 10 to 100 times larger than all the other GOP candidates put together – and all Big Five TV networks would fail to report this in perspective.

In late March, 2012, “front runner” Mitt Romney rented a stadium in Michigan that held 30,000 people – and attracted a crowd of 1200; this with an all-out effort by much of the state GOP and after months of shameless promotion by the Big Five TV Networks. In April, 2012, after months of being attacked and censored by the Big Media, Ron Paul attracted 3,000 in North Dakota, 5,000 in LA, and 7,500 people at Berkley, California. The Big Five TV Networks CENSORED all of these gigantic outpourings of support for Ron Paul – it might give the public the idea that he was the real front runner, which was NOT the narrative the errand boys for the big-money boys at the Big Five TV Networks were supposed to be communicating.

This blatantly biased coverage by the Big Five TV Corporations amounts to “in kind” donations to the campaigns that benefit. Billions of dollars of “Big Media” publicity have gone in 2008 and 2012 to treat McCain, Romney, and Obama as very serious political personages, while simultaneously Ron Paul has been ignored, censored, ridiculed, and sometimes vilified. (The same happened to Pat Buchanan in 1992, 1996, and 2000.

“Phase one“ is the issue of endless “public opinion” polls to manipulate and form public opinion, and to provide blatantly biased coverage, which amounts to psychological warfare against the American people.

**2. PHONY EXIT POLLS.** All exit polls reported by the Big Five TV networks are conducted by National Election Pool (NEP). As stated above, NEP is jointly owned by ABC, CBS, NBC, CNN, FOX, and AP wire.

So, all of the pretended “competition” between the major TV Networks to call the “winners and losers” on election night – has been a total hoax. The networks have always been getting the exact same “exit poll” information at the exact same time – from the exact same corporation, which these media giants JOINTLY own.

This is explained thoroughly in my article, “A House Without Doors”, published by Chronicles Magazine in November, 1996. This article also explains how NEP (then Voter News Service, or VNS) falsifies exit polls and election results on election night. Since the Iowa Caucus was counted in the open, our *Citizens for a Fair Vote Count* election team

was able to catch *Voter News Service* in the act of stealing 13% of Pat Buchanan's vote in the 1996 Iowa Caucus Presidential caucus. All the Big Media owners of VNS stonewalled – and it was only in January 2012 that for the first time a major media outlet, the Des Moines Register, carried a story which finally admitted that many doubted the assertion that Bob Dole had really defeated Buchanan in the 1996 Iowa Caucus. The article, *A House Without Doors*, can be found here:

[http://www.vote fraud.org/house\\_without\\_doors\\_and\\_update2008.htm](http://www.vote fraud.org/house_without_doors_and_update2008.htm)

We have closely monitored and documented three highly questionable exit polls since 1979. One happened in northern Kentucky in the 1990s. We got there about 5 PM with HUNDREDS of people standing in line waiting to vote. But (then) VNS (Voter News Service) had already left to call in their results.

The second exit poll (actually an entrance poll) we ran into was in Dubuque, Iowa on the night of the Iowa caucus, February 12, 1996. VNS (now NEP) had hired three college students who interviewed about 30 people and called in their results 6:50 PM; ten minutes before the Caucus began, and as 95% of the 2000 participants were arriving to the local Caucus at Hempstead High School that night!

The third fraudulent exit poll we found was at Manchester High School in Manchester, New Hampshire on February 20, 1996. We were present for this one all day. The lady hired by Voter News Service (now NEP) candidly told us that the exit pollsters arrive at 10 AM, missing the morning rush hour for voting. They stop their exit polling at 5 PM, and begin calling in their results, thus missing the evening rush hour for voting. We filmed the lady calling in her results to New York City at a pay phone – with literally *hundreds* of voters walking past her between 5 and 7 PM. This lady also told us that only 1 out of 15 voters will take time to talk to the exit pollster. People are busy, have to get to work, have to drop off or pick up their children, etc. etc. etc.

So where is the scientific basis for such exit polls, purportedly able to help call races to the percentage point? Answer: there is no scientific basis for these exit polls. They are essentially a hoax, and cannot possibly do the job the Big TV Networks have claimed they do for the last 35 years or so.

In the book, *Votescam: The Stealing of America*, the Colliers devoted chapter 15, *Piece of the Puzzle*, to the subject of exit polls.

To recap, “phase one” is the months of endless, dubiously conducted public opinion polls“, and prolonged, weighted Big Media “news” coverage.

Phase two is the election day “exit polls” conducted by NEP for all Big Five TV Networks (who pretend to be in competition, when they are not) – which exit polls have one purpose: to prepare the public for the computer results to be announced a few hours later.

**3. EASILY RIGGED COMPUTER RESULTS.** The local county, with the full encouragement, and perhaps under the pressure of, the RNC and the DNC, turns over its entire election process to one of these sinister mega-corporations, just as occurs in my own Hamilton County, Ohio which has turned the handling of its election process over to Hart InterCivic in 2010 and 2012.

These mega-corporations now install their proprietary (secret) software onto the local computers, and send their “experts” to help run the local county election. None of the local computer people in that county can read what the program is instructing the computers to do, and *certainly* the local County Commissioners and Board of Elections Supervisors can’t read the secret computer programs. Corrupt courts all over the USA have repeatedly and consistently ruled that no one is allowed to look at the big companies’ “proprietary software.”

See the reports done by Roy Saltman for the Department of Commerce in 1988, found here:

[http://www.vote fraud.org/saltman\\_roy\\_1988\\_report.htm](http://www.vote fraud.org/saltman_roy_1988_report.htm)

. . . and see the study, “Voting: What Is, What Could Be” by Caltech and MIT, published under their Voting Technology Project in July, 2001; among other revelations, this studied stated that 6 million of the 100 million votes cast on computers in the 2000 Presidential election – were NOT counted for one reason or another.

(!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!)

. . . and see the sworn testimony, submitted to the Common Pleas Court of Judge Richard Niehaus of Hamilton County, Ohio by Computer Scientist Robert Strunk of Xavier University in Hamilton County, Ohio in 1985. This expert testimony was given under the authority of a court order issued by Judge Richard Niehaus which authorized experts designated by plaintiffs (our *Citizens for a Fair Vote Count* supporters) to "observe all phases of the election process" and report back to the court. Attorney James Condit Sr. litigated this public interest lawsuit from 1981 to 1985, and ultimately obtained a favorable court ruling against the Board of Elections in Cincinnati in 1985. Computer Expert Robert Strunk gave some of the most devastating testimony ever to appear anywhere in his report to Judge Niehaus’s court. Strunk stated that the Hamilton County Board of Elections was accepting the election results “on blind faith.” This Strunk testimony inspired key parts of Dr. Philip O’Halloran’s excellent *Relevance Magazine* article, found at [vote fraud.org](http://www.vote fraud.org) (*Pandora's Black Box: Did It Really Count Your Vote?*), especially the sections regarding easily accessed modems in computerized voting machines.

The Strunk testimony can be found here:

[http://www.vote fraud.org/expert\\_strunk\\_report.htm](http://www.vote fraud.org/expert_strunk_report.htm)

Two years later, in 1987, the Court of Appeals disgracefully ruled that a county judge did not have any jurisdiction over the county election computer system.  
(!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!)

**4. LOCAL RESULTS ARE SECRETLY CHANGED.** Listen up! This is what happens next: The mega-election-computer company, since they completely control the software, can then monitor how the elections are going via cell phone, satellite, or other sophisticated technologies, and then change the election results during the election day and/or on election evening – without the knowledge of local people sitting a few feet from the actual local election computers in each county.

This **remote access** was demonstrated by Dr. Philip O’Halloran in his interviews with some of these mega-computer-election companies in “Pandora’s Black Box: Did It Really Count Your Vote?” found here:

[http://www.vote fraud.org/relevance\\_o'halloran\\_pandora's\\_box.htm](http://www.vote fraud.org/relevance_o'halloran_pandora's_box.htm)

The prefatory remark by Dr. O’Halloran to his 16 page classic is worth quoting here:

*[Editor’s Note: When we began researching the integrity of the election process, we wanted to believe that the talk of "votescam" was just overblown hype. However, we have since discovered that the computer voting system in this country is a veritable can of worms, so open to tampering that if there is no organized election fraud going on, the criminals are falling down on the job.]*

Thank you, Dr. O’Halloran.

This remote access to county election computers on election night was also demonstrated by the incredible eye-witness report of intrepid reporter, Christopher Bollyn, in his 2004 visit to the computer center in Cook County, Illinois. His report in the form of a short article, “How a Private Company Counts Our Votes on Election Night” can be found here:

[http://www.vote fraud.org/how\\_a\\_private\\_company\\_counts\\_our\\_votes.htm](http://www.vote fraud.org/how_a_private_company_counts_our_votes.htm)

Free-lance investigative reporter Christopher Bollyn provided an eye-witness report in Cook County, Illinois on election night 2004. He observed the AP Wire reporter reading a novel while her computer was hooked up to the mainframe election computer providing the Associated Press (AP) with real time access to the computer count. See “How a Private Company Counts Our Votes on Election Night” linked on the home page of [www.vote fraud.org](http://www.vote fraud.org).

The five big TV Networks (ABC, CBS, NBC, CNN, FOX) and AP have for decades been neck-deep in secret computer counts and fraudulent “election night projection” competition. For that story read *A House without Doors* by this writer, originally appearing in Chronicles magazine in November, 1996, also linked at [www.vote fraud.org](http://www.vote fraud.org))

The HBO documentary, *Hacking Democracy*, focuses on the excellent work of Bev Harris, who founded [www.blackboxvoting.org](http://www.blackboxvoting.org). Her entire book, *Black Box Voting*, is online at this web site. The only comment I feel I must offer about this book is that there is a part of *Hacking Democracy* where the viewer new to this subject might get the impression that the “Bush Family” or the “Republicans” control the electronic voting machines, and used them against John Kerry in 2004. As can be seen from the perspective of 2012 and beyond, it should be clear that the explanation found in this chapter gives the correct explanation: that the National Democratic and Republican Committees are largely two masks for the same Ruling Elite power coalition. The RNC and the DNC have become “two wings on the same bird of prey” to use Pat Buchanan’s phrase, or constitute a “completely spoiled system” to use the phraseology of Ralph Nader.

Two other internet resources worth mentioning specifically here are [www.TheLandesReport.com/VotingSecurity.htm](http://www.TheLandesReport.com/VotingSecurity.htm) where you can find the excellent work of independent reporter Lynn Landes, and [www.bradblog.org](http://www.bradblog.org) where you can find a blizzard of updates on the computer vote-fraud issue from week to week.

Don’t forget to look into the original full-length book, *Votescam: The Stealing of America*, by James and Kenneth Collier, 1992 and the more recent, *Hijacked! High-Tech Election Theft in America* by Vickie Karp.

The reader might also want to check out the link about vote manipulation in my congressional race against John Boehner in 2010 in the 8<sup>th</sup> District of Ohio. The link is found near the top of the home page at [www.vote fraud.org](http://www.vote fraud.org). The screen shots which author and investigator John Weiskittel captured on that election night show that all evening I was running in second place to Speaker of the House John Boehner, defeating the Democrat and the Libertarian.

With 100% of the precincts reporting, at about 12:30 AM EST on Wednesday morning, Boehner was credited with about 140,000 votes by the computers. I received 36,202 as the Constitution Party candidate. The democrat was credited a few over 29,000 votes, and the Libertarian candidate with a little over 4,000 votes. These percentages were run throughout that election night on the websites of two major networks and their local affiliates, as well as on the on live TV reports on CNN, NBC, and MSNBC (as scrolls across the bottom of the screen), as well as on local TV affiliates in Cincinnati, Ohio and Dayton, Ohio, where Boehner’s district is located.

Thousands of people who knew my family saw this on local television. Former Democratic State Senator Terry Tranter, a friend of my Father’s (both of whom are lawyers), saw the local coverage and called my Dad this next morning to congratulate him, stating that he didn’t know how I did it. (Probably the term “Constitution Party” next to my name helped mightily to “do it”, in a year when average voters were thoroughly disgusted and probably were eager to cast protest votes where possible.)

Then, Presto!, at 12:50 AM EST – 20 minutes later, 33,000 votes were subtracted from my totals, and added to the totals of the democrat. Now I was in last place, and the Democrat in

second place, just as those running the computers in New York City wanted you to believe. Even the next morning, the Cincinnati Enquirer carried my final totals as 36,202 votes. The crass change had been made when someone in Cincinnati or New York City noticed that the original results were “unacceptable.” You can see the screen shots at the link mentioned above.

But, you might be thinking, who cares about such a trivial matter as how many votes a third party candidate got against John Boehner? “Besides, Condit, either way you lost.” Yes, but maybe this development on the same night will be of more interest:

On that same November election night of 2010, the GOP - and Tea Party backed - candidate, Sharron Angle, was defeating the Democratic candidate, Senate Majority leader Harry Reid, in the race for Nevada US Senator.

Angle looked like a wholesome woman in her forties, and Reid looked like a walking corpse, but the normal rules of television appearance, we are supposed to believe, don't apply when the Ruling Elite is trying to preserve one of their key puppets and henchmen in power.

Angle was ahead by 5% when - *mirabile dictu* (wonderful to tell!) - the computers in the two main Nevada cities, Las Vegas and Reno, broke down about 10 PM PST. When the computers came back up -- Reid was "winning" by 5% -- and he went on to "win!" Aren't secret computer counts great? This has happened *hundreds* and *hundreds* of times in local, state, and even Presidential contests in the last several decades. Here is one related story to the computer breakdown in Nevada in the Senate Race of 2010:

<http://www.rgj.com/article/20120417/NEWS20/304170003/Fact-Checker-Did-power-outage-get-Reid-win->

There is no chance to get rid of the domestic enemies who are increasingly "elected" to Congress, and who are sometimes since 1988 "elected" to the White House, until we get rid of easily rigged election computers, and restore honest, openly counted elections, at the neighborhood precinct level, once again.

A myriad of other sources and articles are at [www.vote fraud.org](http://www.vote fraud.org), especially down the right hand side column on the home page.

The U.S. Supreme Court ruled in *Wesberry v. Sanders* in 1964 that:

“No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live. Other rights, even the most basic, are illusory if the right to vote is undermined.” (emphasis added)

Furthermore, in *U.S v Mosley* (1915) and *Reynolds v Sims* (1964), with two decisions still standing, the US Supreme Court ruled that the right to vote includes not only the right to cast a ballot, but also the right to KNOW that your vote has been counted honestly. In 99% of the USA, we have lost the second part of our right to vote.

Millions of our fellow Americans have fought and bled and died to ensure our right, and the right of our children and grandchildren, to determine our future and our destiny through an open, honest election process.

We dare not let a group of venal opportunists and would-be tyrants spit on that sacrifice in this, our day.

### Here's What We Need to Do

The millions of Americans in the USA who are already upset need to face the reality that the Precinct Strategy is the *only* peaceful and constitutional way to take back our nation. The 5 million or so who have already indicated their desire to set things right, need to do two things:

- Deluge the Democratic and Republican parties in every county and every community
- Run for precinct

All counties are controlled by the Democratic and Republican parties, so we have no choice. Once the current crop of opportunists and de facto traitors are ousted from the party leaderships at the county level, then the easily rigged computer can be thrown out, and honest voting can be restored as described herein. The new county party leaders can then endorse new candidates for Congress, replace the state and national leaders in each major party, and bring in an honest delegate and national convention system for the Presidential races.

The sincere “Tea Party” types, once pointed in the right direction, can take over the Republican Party structure. The sincere “Occupy Wall Street” types, once pointed in the right direction, can take over the Democratic Party.

### *Once In The Arena, How Do We Tell The Good Guys From The Bad Guys?*

Once the battle for the party structures begins, how would the sincere citizen know who to trust?

Answer:

- a) The leaders we would want to elect to local party leadership positions would openly expose the easily rigged election computers, and promise to install honest elections with paper ballots, counted immediately in the open at each neighborhood precinct when the polls closed each election night. The leaders for the current Ruling Elite would not be allowed to even mention this issue, let alone advocate the banning of computers and machines from the voting process.

- b) The leaders we would want to elect to local party leadership positions would be advocating the ending of the current Federal Reserve System, and demanding the implementation of honest money. The current party leaders in both the Democratic and Republican parties are fronting for the Ruling Elite organized around the Federal Reserve Board, Goldman Sachs, etc. Many of the local leaders may not realize this – but that’s who they are fronting for. The current crop of local party leaders, in either major party, would never be allowed to advocate the monetary principles which Liam Allone is explaining in this book. (The most charitable thing that can be said about the Federal Reserve Board and the central banking principals largely enjoying power since 1694 in the Bank of England – is that this system is at least 100 years out of date. The principles of the “Wealth Pump” must now replace this outdated system which is stunting and warping the natural growth and development of mankind.

**Explanatory Note:** The honest money movement has been made popular by Congressman Ron Paul in his Presidential runs of 2008 and 2012. Ron Paul follows Austrian Economics. Many of those advocating “honest money” are currently followers of Austrian economics. While it is true that gold and silver maintain a value even when paper currencies collapse, societies with millions of people must, practically speaking, *must* use paper money backed by real goods and real services at all times. Gold and silver are only two of those goods. The “Wealth Pump” addresses scientifically how much money should be in circulation at any given time, i.e., money to equal the goods and services available as closely as is possible. As far as I know, Austrian Economics does not address this question in any coherent way. Please read this book carefully, and think on these things.

That’s how we will know the “sheep” from the “goats” as we start to implement the Precinct Strategy across the counties:

- Who will support honest voting?
- Who will advocate to end the Federal Reserve System, to be replaced by an honest money system?

What is being advocated in this book and in this section is a set of proposals that treats our fellow citizens like adults – not like little kids. We must reject being treated like children and told to merely “write” public officials, attend rallies, and *beg* those holding public positions as if we are children and they are superior beings who must be knelt before. We must act like adults and *become* the party leaders, and *become* the congressmen, and *become* the Senators.

*And Then... What Will Happen Next?*

When millions of normal Americans enter the precinct system what will happen?

Unfortunately, we will not be welcomed with open arms. The current party leaders will NOT say, “Glad to see you’re implementing the civics lessons and principles you were taught in grade school! Welcome aboard!” No, the current party leaders do not say that, and will not say that. In 1990, with 700 activists in Cincinnati, Ohio we succeeded in taking over the Republican Party of Hamilton County, Ohio. The local Republican Party leaders failed to follow the rules in calling the local county convention. We followed the rules to call that convention (10% of the signatures of the elected precinct executives) once their deadline had passed. However, the case was rushed to the US Supreme Court of Ohio, who stated that (paraphrase), “Even though the law and facts are on the side of the Platform Republicans (note: that was us), we award the control of Republican Party Headquarters in Hamilton County, Ohio to the incumbent executive committee (note: that was the old guard).”

This was crass, inexcusable cheating – backed by the local police power, who may have been sincerely confused as to which side they should have been on.

Thankfully, the supporters of the Ron Paul Presidential campaign have proven in 2008 and 2012 – right up to the minute as this is written, how crass and dishonest the sitting Republican Party leaders are across the entire country.

In the Iowa Presidential Caucus of 2012, the Iowa state GOP was forced to change the winner two weeks after they had announced Romney on the night of the Caucus. That happened because an honest, local, first-time activist, Edward True, teamed up with Watch The Vote 2012. That story can be found at [www.WatchTheVote2012.com](http://www.WatchTheVote2012.com).

In Maine, the GOP leaders ignored numerous counties and caucuses on their Caucus day, in order to announce the “chosen” front runner, Mitt Romney, as the “winner.” A few months later, when the smoke cleared, Ron Paul had won 100% of Maine’s delegates. Even Ron Paul complained in public about the way Maine was manipulated by the GOP state leaders, as did his loyal spokesman, Doug Wead, on MSNBC and other national TV channels.

One more example among numerous that could be cited, and are cited on various websites and YouTube videos.

At the Arizona 2012 Presidential Caucus state Convention, the votes were being “counted” on computers. As the evening got under way, Ron Paul was winning 11 of the 13 delegates in

play at that point. An incredible 6 of the 7 computers in the convention hall broke down! The Arizona GOP state leaders impounded the machines and ballots and said they would have to be “counted” on Monday – two days after the Saturday convention. And guess what? On Monday, the computers told us that Romney, the GOP establishment’s chosen front runner, had “won” *all* of the delegates for Arizona.

This is what has happened, and is happening when normal citizens enter the arena in the precinct system.

The one non-negotiable with these Democratic and Republican party leaders is that they *have* to be able to count the vote in secret – away from our eyes! When you see examples like what the state GOP of Arizona did to Ron Paul in the State Convention of 2012 – the tactics are so obvious and so crass. Once you know how the “evil election magician” does his tricks, - once you know where to look - it’s all too obvious *why* they want the secret counts, out of public sight. These GOP and Democratic Party leaders are more dangerous to mankind than bank robbers and thieves (and, to be clear, I’m totally against bank robbers and thieves)! The GOP and Democratic Party leaders who perpetrate these tactics – are warping and stealing our future. In 1996 and 2000, the exact same tactics were being used by the GOP political thugs against Pat Buchanan. The really devoted members of the Buchanan Brigade realized this, but the internet was so much in its infancy that it was hard spread the message.

Buchanan was cheated in the Iowa Caucus - something even mentioned as feasible by the Des Moines Register, *finally* in January of 2012. Buchanan was arguably defrauded in the 1995 Iowa Straw Poll, and the attorney General of the state of Michigan illegally threw him off the Michigan ballot a few days from the Presidential election of November, 2000. (Something similar was done to Pat Robertson and his supporters by Republicans in Michigan in 1988.)

In 1996, Buchanan won the early caucuses and hand-counted primaries in Alaska, Louisiana, probably Iowa (where Sen. Robert Dole was announced the winner) and New Hampshire. Then came the computer-counted states and Super Tuesday. The lackluster Dole “won” all those big states that were counted on secret computer programs by “landslides.”

There is now a greater outrage as of 1996 through 2012. ALL of the primary states are counted in secret by easily-rigged computer programs. Yes, the billions of dollars in free publicity to Dole in 1996 and Romney in 2012 undoubtedly had its effect on the casually observing public – along with the brutal suppression of publicity about Buchanan in 1996 and

Paul in 2012 – but wouldn't you like to know what the real count was in all those computer "counted" primary states where no one amongst the public, the local press, or the candidates is allowed to see any ballots until 21 days or so after the contest?

### *What Can We Do if They Won't Back Down?*

Those of us fighting for honest caucuses, conventions and elections are going to have to alert the Sheriffs and police in advance of these events. We need to ask them to be there to ensure an honest count.

We need to publicize in the local press and community what has happened in the past, and ask as many leaders in the community to be there as possible. We need to determine in advance what the procedures are, and do whatever we can to inform ourselves and our fellow activists what the rules are, and how to stand up for our rights. The whole country is at stake.

### *An American Story – The Battle for Athens*

There is an important movie from Kraft Family Theater (available on Hallmark's website for about \$19.95), called "The American Story." This movie is based on the real life story of what happened in Athens, Tennessee in 1946.

The below quote is a slightly reworded email I received in the year 2000:

#### **The Battle of Athens, Tennessee**

As recently as 1946, American citizens were forced to take up arms as a last resort against corrupt government officials. An account is published in *Guns & Ammo* October 1995, pp. 50-51

On August 1-2, 1946, some Americans, brutalized by their county government, used armed force as a last resort to overturn it. These Americans wanted honest open elections. For years they had asked for state or federal election monitors to prevent vote fraud (forged ballots, secret ballot counts and intimidation by armed sheriff's deputies) by the local political boss. They got no help.

This time, battle-hardened GIs had just returned to their communities from World War II. Having fought to free other countries, they weren't about to allow crooked politicians to defraud them of justice in their own county.

These Americans had a choice. Their state's Constitution - Article 1, Section 26 - recorded their right to keep and bear arms for the common defense. Few "gun control" laws had been enacted.

These Americans were residents of McMinn County, which is located between Chattanooga and Knoxville in Eastern Tennessee. The two main towns were Athens and Etowah. McMinn County residents for a long time had been forced to tolerate bribe-taking by politicians and/or the sheriff to overlook illicit whiskey-making and gambling. And they had put up with voting fraud by both Democrats and Republicans. The wealthy Cantrell family of Etowah backed Franklin Delano Roosevelt in the 1932 election, hoping New Deal programs would revive the local economy and help Democrats to replace Republicans in the county government. So it proved.

Paul Cantrell was elected sheriff in the 1936, 1938 and 1940 elections, but by slim margins. The sheriff was the key county official. Cantrell was elected to the state senate in 1942 and 1944; his chief deputy, Pat Mansfield, was elected sheriff. In 1946 Paul Cantrell again sought the Sheriff's office.

At the end of 1945, some 3,000 battle-hardened veterans returned to McMinn County; the GIs held Cantrell politically responsible for Mansfield's doings. Early in 1946, some newly returned ex-GIs decided to challenge Cantrell politically by offering an all-ex-GI, non-partisan ticket.

They promised a fraud-free election, stating in ads and speeches that there would be an honest ballot count and reform of county government.

At a rally, a GI speaker said, "The principles that we fought for in this past war do not exist in McMinn County. We fought for democracy because we believe in democracy but not the form we live under in this county." (Daily Post-Athenian, 17 June 1946, p.1 ). At the end of July 1946, 159 McMinn County GIs petitioned the FBI to send election monitors. There was no response. The Department of Justice had not responded to McMinn County residents' complaints of election fraud in 1940, 1942 and 1944.

### **From Ballots to Bullets**

The primary election was held on August 1. To intimidate voters, Mansfield brought in some 200 armed "deputies."

At about 3 p.m., Tom Gillespie, an African- American voter was told by a sheriff's deputy that he could not vote. Despite being beaten, Gillespie persisted. The enraged deputy shot him. The gunshot drew a crowd. Rumors spread that Gillespie had been shot in the back; he later recovered (C. Stephen Byrum, *The Battle of Athens*, Paidia Productions, Chattanooga, TN, 1987; pp. 155-57).

Other deputies detained ex-GI poll-watchers in a polling place. A crowd gathered. Sheriff Mansfield told his deputies to disperse the crowd. When the two ex-GIs smashed a big window and escaped, the crowd surged forward. The deputies, with guns drawn, formed a tight half-circle around the front of the polling place. One deputy, his gun raised high . . . shouted: "If you sons of bitches cross this street I'll kill you!" (*The Battle of Athens*, Byrum, p.165).

Mansfield took the ballot boxes to the jail for counting. The deputies seemed to “fear immediate attack by the people who had just liberated Europe and the South Pacific from two of the most powerful war machines in human history.” (The Battle of Athens, Byrum, pp. 168-69).

Short of firearms and ammunition, the GIs scoured the county to find them. By borrowing keys to the National Guard and State Guard armories, they got three M-1 rifles, five 45 semi-automatic pistols, and 24 British Enfield rifles. The armories were nearly empty after the war's end. By 8 p.m. a group of GIs and "local boys" headed for the jail but left the back door unguarded to give the jail's defenders (the would-be election crooks) an easy way out.

Three GIs alerting passersby to danger were fired on from the jail. Two GIs were wounded. Other GIs returned fire.

Firing subsided after 30 minutes; ammunition ran low and night had fallen. Thick brick walls shielded those inside the jail. Absent radios, the GIs' rifle fire was uncoordinated. "From the hillside gun fire rose and fell in disorganized cascades. More than anything else, people were simply shooting at the jail." (The Battle of Athens, Byrum, p.189).

Several who ventured into the street in front of the jail were wounded. One man inside the jail was badly hurt (he eventually recovered). Most sheriff's deputies wanted to hunker down and await rescue. Governor McCord mobilized the State Guard, perhaps to scare the GIs into withdrawing. The State Guard never went to Athens. McCord may have feared that Guard units filled with ex-GIs might not fire on other ex-GIs. At about 2 a.m. on August 2, the GIs forced the issue. Men from Meigs County threw dynamite sticks and damaged the jail's porch. The panicked deputies surrendered. GIs quickly secured the building. Paul Cantrell faded into the night, having almost been shot by a GI who knew him, but whose .45 pistol had jammed. Mansfield's deputies were kept overnight in jail for their own safety. Calm soon returned. The GIs posted guards. The rifles borrowed from the armory were cleaned and returned before sunup.

### **The Aftermath: Restoring Democracy**

In five precincts free of vote fraud, the GI candidate for sheriff, Knox Henry, won 1,168 votes to Cantrell's 789. Other GI candidates won by similar margins.

The GI's did not hate Cantrell. They only wanted honest government.

On August 2, a town meeting set up a three-man governing committee. The regular police having fled, six men were chosen to police Etowah. "Individual citizens were called upon to form patrols or guard groups, often led by a GI ... To their credit, however, there is not a single mention of an abuse of power on their behalf" (The Battle of Athens, Byrum, p. 220).

Once the GI candidates' victory had been certified, they cleaned up county Government; the jail was fixed, newly elected officials accepted a \$5,000 pay limit and Mansfield supporters who resigned were replaced. The general election on November 5 passed quietly. McMinn County residents, having restored the rule of law, returned to their daily lives.

Defeated Sheriff Pat Mansfield moved back to Georgia. Paul Cantrell set up an auto dealership in Etowah."

Almost everyone who knew Cantrell in the years after the 'Battle' agree that he was not bitter about what had happened" (The Battle of Athens, Byrum pp. 232-33; see also New York Times, 9 August 1946, p. 8).

The 79th Congress adjourned on August 2, 1946, when the Battle of Athens ended. However, Representative John Jennings Jr. from Tennessee decried McMinn County's sorry situation under Cantrell and Mansfield and the Justice Department's repeated failures to help the McMinn County residents.

Jennings was delighted that "...at long last, decency and honesty, liberty and law have returned to the fine county of McMinn ... " (Congressional Record, House; U.S. Government Printing Office, Washington, D.C., 1946; Appendix, Volume 92, Part 13, p. A4870). THE LESSONS OF ATHENS

Bullet indents from the battle that night in 1946 are still visible the Athens Jail House.

Those people who took up arms in Athens, Tennessee wanted honest elections. This is after all a cornerstone of our constitutional order. They had repeatedly tried to get federal or state election monitors and had used armed force so as to minimize harm to the law-breakers, showing little malice to the defeated law-breakers. They restored lawful government.

The Battle of Athens clearly shows how Americans can and should lawfully use armed force when all else has failed.

There is a summary of the Battle of Athens in the Jews for the Preservation of Firearms (JFPO) publication, Firearms Sentinel, in January 1995.

As President John F Kennedy once said:

“Those who make peaceful revolution impossible will make violent revolution inevitable.”

Thomas Jefferson in a letter to Julian P. Boyd in 1787 said:

“The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants.”

With the Battle of Athens in 1946, and those two Presidential quotes cited, let the record show:

1. We are doing everything possible to solve our nation's grave problems the peaceful and constitutional way. And we have been doing that for over three decades.
2. Once the local party leaders are changed by the Precinct Strategy, honest election can be restored, and the candidates for Congress can be changed, after which the Congress can be changed.
3. At that point, honest money, i.e., the Wealth Pump as advocated by Liam Allone in "Economic Cures They Don't Want You to Know About" –can be implemented, to the great benefit of the American people, and mankind as a whole.

## Everyone into the Battle

The inventor of the board game "Scruples", Henry Makow, has also been a political commentator in recent years. In one of his posts he said (paraphrase):

"Do *something*! Do whatever you can. They can't handle hundreds of thousands of people coming at them, all doing positive and constructive actions."

Everyone into the battle!

Jim Condit Jr.

## **Reality versus Illusion**

I woke up in the middle of the night with an epiphany. Our entire economic system with its banking structures, stock markets and commodities exchanges are nothing more than a game we have all "bought" into. None of it is real.

What is real? This computer I am typing on is apparently real. The house I live in and the air I breathe and the food I eat are all apparently real. The people in my family and the friends I share my life with are all apparently real. But anything I can't touch, smell, feel, taste or see are *not* real. They are products of imagination. All these economic frameworks are just ideas that we have devised a set of rules for and play by. We have built up a giant "Tower of Babel" framework that doesn't serve us well. It only serves "them" – the parasite class.

Think about it. Do we really have any shortage of food in America? Where I live, there is a farm next door where the owner is paid \$150/acre/year to grow weeds, briars and brambles and it is the taxpayer who is paying to wreck this otherwise very fertile land. Why is this being done? If we have "too much food" then prices will "collapse." Yet we have many starving and mal-nourished people in America. Is the food shortage real or a manufactured illusion?

A huge percentage of America is designated as “public” parks that we must pay to enter. Yet the price of real-estate is insane. I recently watched a video of the owner of Polyphase Farms, Joel Salatin; tell of his father purchasing their 700 acre farm in the Shenandoah Valley of Virginia in the mid-sixties for about \$30,000. Today, that land would cost millions to buy. He must get \$6000/acre per year to make his farm economically viable. Why is land so expensive? Is there really any shortage of land in America - really?

Farmers can't get a decent price for their crops and yet food is priced ridiculously in the supermarkets. Consider the huge profits that shrewd speculators make on commodities exchanges and the fat profits of the food wholesalers and retailers. Consider the insanity of trucking food half-way across the country or importing from abroad when there is so much fertile land everywhere in America. Consider the insane laws that the FDA – what Joel calls the F Duh – imposes on farmers that drive their costs through the roof. What else is wrong? We build houses on our best farmland! Modern “green” farming techniques like those practiced by Polyphase Farms and others can yield plenty of food in our own communities and bring down costs dramatically – if we all only knew how to do it. Is there really any need for food to be so expensive in this land of plenty? Is there really a shortage of anything at all?

Our leaders have allowed banks to control the issue of our money – the property of ***We the People*** by virtue of the fact that it is backed up by the *real wealth* of the nation which is our full faith and credit – and the result is that there is a chronic shortage of it. There is such a shortage of money in all nations that there are commodity exchanges that trade it and speculate on it for profit. We have poverty in the land of plenty while our plants and farmland lie idle and we give our wealth to foreigners in China because they will work for less than we have become accustomed to earning. Without jobs, how are we supposed to buy these “cheaper” goods? Is there really any good reasons for a shortage of money?

It is obvious to me that we live in an abundant universe and on an abundant planet. We have learned to harness the forces of nature so that we can even control the weather with orgone generators and super-interferon devices as described by Colonel Tom Bearden (retired) on his web site – [www.cheniere.org](http://www.cheniere.org). We have harnessed technology so that we have:

- Vacuums that can do all the work for us automatically.
- Factories that can do all of the difficult, tedious and dirty tasks with robotics and automation to free us of tedium.

- Farming techniques that can allow one farmer to feed 1000 people.
- An internet that has rendered all of the collective knowledge of man available within minutes with our search engines.
- Instant communication anywhere on earth.
- Alternative forms of energy that have been available but suppressed for over 100 years that will allow all of us to be energy-self-sufficient with power plants in our own homes and can render fossil-fuel-based energy obsolete.
- The ability to leave our planet and visit other worlds.
- The knowledge, resources and know-how in America to make everything – EVERYTHING – that we currently buy from abroad, but for want of effective use of our own resources.

With such abundance and automation, why do we have this clamor for jobs? Well of course people need money to buy the things they need but with technology, is full employment for forty-five years of our lives even possible – much less desirable? Isn't the real issue our chronic and institutionalized shortage of money – our flawed economic policy? Since we make money up out of thin air, is it logical that there could really be any shortage of it?

It is obvious; there are only shortages in our mind and in our perception. They're not real! The only thing needed is a shift in perception. My daughter recently told me that she does not think America will change until we all hit the "reset" button. She doesn't know exactly what that "reset" event is but she did put her finger on the fact that what is wrong with America is a spiritual sickness. She also said that nothing will change until enough of us have a Spiritual Awakening so that we feel what is wrong in the very depths of our soul and then take action. I believe she is correct. I don't know what it is going to take to trigger this reset. It has happened in me and there are those I have networked with who also "get it" but there are not enough of us... yet. Most Americans don't know that their votes have been hijacked by electronic ballot and secret counts so they don't do anything about it. Most Americans cannot see that America has become a one-party system with the ten planks of the Communist Manifesto implemented in America – and virtually every other nation on earth. Here it is; tell me what plank is not implemented here in America:

**1. Abolition of private property and the application of all rents of land to public purposes.**  
*Americans own their property in Fee Simple which is tenancy – not ownership. Their property tax is rent and it is paid to government for public purposes. **Check!***

**2. A heavy progressive or graduated income tax.**  
*Americans know this as misapplication of the 16th Amendment of the U.S. Constitution in 1913; The Social Security Act of 1936; Joint House Resolution 192 of 1933; and various State "income" taxes. We call it "paying your fair share". **Check!***

**3. Abolition of all rights of inheritance.**  
*Americans call it Federal & State estate Tax (1916); or reformed Probate Laws, and limited inheritance via arbitrary inheritance tax statutes. **Check!***

**4. Confiscation of the property of all emigrants and rebels.**  
*Americans call it government seizures, tax liens, Public "law" 99-570 (1986); Executive order 11490, sections 1205, 2002 which gives private land to the Department of Urban Development; the imprisonment of "terrorists" and those who speak out or write against the "government" (1997 Crime/Terrorist Bill); or the IRS confiscation of property without due process. Asset forfeiture laws are used by DEA, IRS, ATF etc...). In fact, because ownership of homes, cars, boats and anything we must pay property tax on are actually trustee relationships where we are only beneficial owners, the government can and does take our property arbitrarily as and when they see fit. **Check!***

**5. Centralization of credit in the hands of the state, by means of a national bank with State capital and an exclusive monopoly.**  
*Americans call it the Federal Reserve which is a privately-owned credit/debt system allowed by the Federal Reserve act of 1913. All local banks are members of the Fed system, and are regulated by the Federal Deposit Insurance Corporation (FDIC) another privately-owned corporation. The Federal Reserve Banks issue Fiat Paper Money and practice economically destructive fractional reserve banking. **Check!***

**6. Centralization of the means of communications and transportation in the hands of the State.**  
*Americans call it the Federal Communications Commission (FCC) and Department of Transportation (DOT) mandated through the ICC act of 1887, the Commissions Act of 1934, The Interstate Commerce Commission established in 1938, The Federal Aviation Administration, Federal Communications Commission, and Executive orders 11490, 10999, as well as State mandated driver's licenses and Department of Transportation regulations. **Check!***

**7. Extension of factories and instruments of production owned by the state, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.**  
*Americans call it corporate capacity, The Desert Entry Act and The Department of Agriculture... Thus read "controlled or subsidized" rather than "owned"... This is easily seen in these as well as the Department of Commerce and Labor, Department of Interior, the*

*Environmental Protection Agency, Bureau of Land Management, Bureau of Reclamation, Bureau of Mines, National Park Service, and the IRS control of business through corporate regulations. **Check!***

**8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.**

*Americans call it Minimum Wage and slave labor like dealing with our Most Favored Nation trade partner; i.e. Communist China. We see it in practice via the Social Security Administration and The Department of Labor. The National debt and inflation caused by the communal bank has caused the need for a two "income" family. Woman in the workplace since the 1920's, the 19th amendment of the U.S. Constitution, the Civil Rights Act of 1964, assorted Socialist Unions, affirmative action, the Federal Public Works Program and of course Executive order 11000. **Check!***

**9. Combination of agriculture with manufacturing industries, gradual abolition of the distinction between town and country, by a more equitable distribution of population over the country.**

*Americans call it the Planning Reorganization act of 1949 , zoning (Title 17 1910-1990) and Super Corporate Farms, as well as Executive orders 11647, 11731 (ten regions) and Public "law" 89-136. These provide for forced relocations and forced sterilization programs, like in China. **Check!***

**10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production.**

*Americans are being taxed to support what we call 'public' schools, but are actually "government force-tax-funded schools." Even private schools are government regulated. The purpose is to train the young to work for the communal debt system. We also call it the Department of Education, the NEA and Outcome Based "Education." These are used so that all children can be indoctrinated and inculcated with the government propaganda, like "majority rules", and "pay your fair share". WHERE are the words "fair share" in the Constitution, Bill of Rights or the Internal Revenue Code (Title 26)?? NOWHERE is "fair share" even suggested!! The philosophical concept of "fair share" comes from the Communist maxim, "From each according to their ability, to each according to their need! This concept is pure socialism. ... America was made the greatest society by its private initiative WORK ETHIC ... Teaching ourselves and others how to "fish" to be self-sufficient and produce plenty of EXTRA commodities so that, if so desired, could be shared with others who might be "needy"... Americans have always voluntarily been the MOST generous and charitable society on the planet. **Check!***

Let's get a reality check! We need Economic Democracy with true liberty for all, and we – individually, collectively and with the sovereignty that all free men seize as their own personal property – need to do it ourselves. There is nobody else to do it. Here's how.

## **How the Little Guy Can Raise Big Money and Win an Election**

As Jim Condit, Jr. showed us above in the section titled *Corrupt Electronic Voting and Our Plan to Fix It*, it is only through grass roots that we can effect this change. The problem is that there are very few who are even aware of this option. The challenge is how to educate so many in an efficient and expedient manner. Let us begin with an examination of all the ways that won't work:

1. **Writing our politicians.** Only the brain-dead actually think politicians care what their electorate think. The only time they change their minds is when there is a large petition that is widely and publicly advanced. They're all bought men and women who serve the special interests that funded their campaigns. Expect no help from this quarter.
2. **Informing the media.** If John Kennedy couldn't get the fifth estate to inform the American people of their plight, what makes you think you can? The media is owned by the same people with their foot on our necks and all their employees are bought men and women who do what they are told. Expect no help from this quarter.
3. **Door-to-door campaigns.** There are simply not enough people at this juncture to make this work – no critical mass yet.
4. **A few well-heeled people running some ads to alert the public.** Since the media is owned by the very people who are resisting this change, expect them to refuse your money to run your ads. Expect no help from this quarter either.

Pretty grim, isn't it? Wait a minute! Maybe option four could work! The election laws of this country are such that political candidates have the right to advertise on any media and the media cannot edit their message in any way. Furthermore, they must sell the advertising at the lowest rate offered since the last election. This idea is the cornerstone of our plan.

If a person was to run for office – any office - in the next election, even as a write-in candidate, they could use a modest budget of say \$5000-10,000 to pay for print, radio and TV spots that could drive them to a web site with a compelling pitch. At that web site, they could be offered a more comprehensive explanation of the campaign platform for economic reform and will be asked to make a campaign contribution. Such contributions would pay for further ads. Though the candidate may not win, the general population would be educated to the “third option” to the Republicrat and Demopublican dialectic box of debt slavery and hopelessness.

The following is my specific proposal to realize this plan:

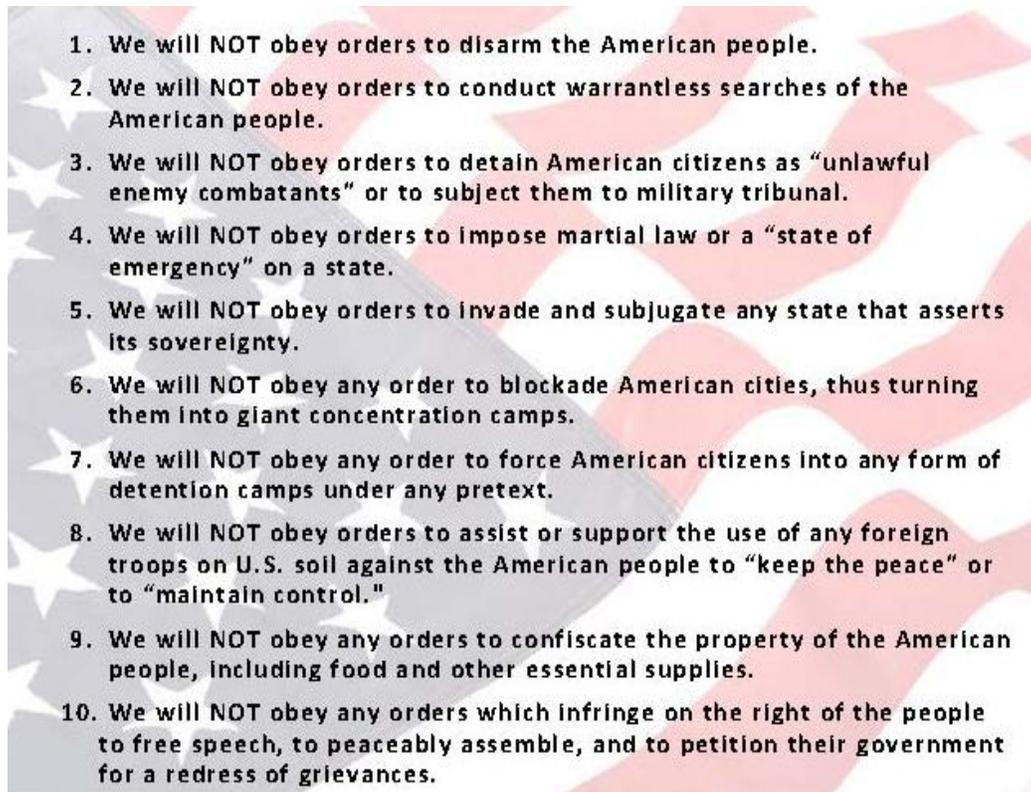
1. Use my web site [www.economiccures.com](http://www.economiccures.com) as the vehicle for providing a consistent and comprehensive message as to the complete workings of economic democracy.
2. Create a personalized page hanging off this web site for each candidate. For example [www.economiccures.com/JohnDoeForCongress](http://www.economiccures.com/JohnDoeForCongress) and there would be a personalized message, video etc. for each person running for office.
3. Offer a free copy of my book as a reward for making a minimum contribution. I will charge a minimum component against the contribution to cover the costs of running the site and turn over the rest to the candidate.
4. Use affiliate marketing software to line up campaign contributions of specific candidates with specific donations of the public that responds to the ads. For those people who respond to the web site and make contributions, a general fund will be established and donations will be equitably distributed to all candidates.
5. Candidates will have no setup costs other than initial advertising contribution to drive the first contributions.
6. Candidates should have a simple compelling message that will drive people to their web site to learn more. For example, your message could be, “Are you interested in learning how to eliminate income taxes and at the same time radically and immediately repair our national economy? Are you sick and tired of paying more taxes and getting less service? Is it apparent to you that you can’t pay down the national debt and stimulate the national economy at the same time using the failed policies of Republicrats and Demopublicans of the past century? Insanity is doing the same thing and expecting a different result. Go to [www.economiccures.com/JohnDoeForCongress](http://www.economiccures.com/JohnDoeForCongress) to find out how together we can make a difference.” The entire time the ad is running the web site would be flashing. If such a spot was put on the 6 and 11 PM news of the affiliate network TV station, there would be hundreds of thousands who would see the ad. Even a 1% response and contribution of an average of \$20 would bring in a huge base of revenue while doing a great public service.

Just think of it. All we need is one person to run as a write-in candidate and put up a modest amount of money in each congressional district to quickly apprise the majority of candidates of a viable alternative to “more of the same.”

## **Final Thoughts**

There is a lie that most people have bought into. I'm sure you've heard it. *What can I - just one person - do to affect change?* With that pitiful capitulation, all of that person's rights, dignity and personal power have been handed over to a nameless, faceless enemy who gladly takes the reins of that power up as his own. I urge you to remember just one thing. The almost invisible forces arrayed against us are indeed powerful, wealthy, determined and ruthless but we have one advantage. They are not one in a million amongst us. They are a fly on the ass of an elephant! All we need is just one thing to defeat them and not a single person needs to die. We need to have the vision of what we want our world to look like and then we need to go out there and take it at the ballot box. Jim Condit, Jr. and I have shown how anyone can do it with minimal expenditure. If you don't have the money, that is no excuse. Are you a member of a church or affiliated with any civic group? You can start there by showing what you want to do and soliciting their support. You will be amazed at who will step up to help you. A journey begins with a first step of faith and a firm belief in your cause.

I was greatly heartened to see that there are police, soldiers and people in positions of authority who see how America's leaders are betraying their oaths of office and they have formed an organization ([www.oathkeepers.org](http://www.oathkeepers.org)) to stand against this tyranny. Their oath is to defend the Constitution of the United States against all enemies, foreign and domestic; and to that end they have made a statement of "Ten Orders We Will Not Follow" from leaders in higher office:



There is another group of brave patriots who stand at the front lines of our health care system who are also pledging an oath to defend us from the enemies of our health. The Health Keepers Oath can be found here:

[http://salsa.democracyinaction.org/o/568/p/dia/action/public/index.sjs?action\\_KEY=1614](http://salsa.democracyinaction.org/o/568/p/dia/action/public/index.sjs?action_KEY=1614)

The oath is as follows:

As a health care worker, student, administrator or support person I swear my talents, skills and knowledge will not be used to perform eugenicide or destroy the rule of legitimate, ethical and humane law.



Once again, the simple and powerful plan to free ourselves from a life of debt slavery is simply LTD:

1. **Learn it:** Learn the Economic Democracy solution – the root problem with our economy and the [Wealth Pumps](#) that fix it. We implement it by reclaiming the ballot boxes and then wrestle control of our candidates from the Demopublicans
2. **Teach it:** Teach the problem and solution to all who will listen.
3. **Do it:** Do all *we* can to make our new vision of a better world something that will come to pass by contributing our time, talent and resources to this goal. When we have a clear

vision of our goal, all fear subsides, cynicism and despair leaves, and hope and certainty of success replace those negative feelings.

## I Wish to Partner with Ten Like-Minded People

In order to implement my plans, I am looking for ten people who will contribute at least \$100,000 to help realize the vision articulated in this book. The money will be used to:

1. Create the web site that will support the election framework.
2. Leverage the internet to spread the message of how to capture **our** property back.
3. Pay for advertisements on alternative media to drive traffic to our web site.
4. Use these advertising purchases as leverage to get them to support our efforts with additional press. Media who won't support us don't deserve our money.
5. Create a foundation whose purpose will be to support and implement the goals and vision set forth in this book.
6. Use the foundation as an economic and political enterprise that will gather to itself the economic resources necessary to make a significant impact.

Each of these ten people will have a seat on the board of directors of the foundation that will be formed for this purpose and thus have a say in its evolution. If you see yourself as one of this group of ten founders, please contact me directly via [www.economiccures.com](http://www.economiccures.com) or email [dem@economiccures.com](mailto:dem@economiccures.com) and I will reach out to you. The next step will be a face-to-face meeting so we can get to know each other and make sure we share the conviction of the same goals. This will be the foundation that allows our efforts to be  $1 + 1 = 3$ . Consider the pendulum. It is just one device. But if you swing that pendulum, it makes a back-and-forth motion that is a manifestation of power which gives back equally for every swing. Our back-and-forth exchanges are that giving and regiving. That is what I am looking for – the synergy of an unstoppable force.

The moment of truth is at hand. Where do you stand? Are you a slave, or are you a free man? Are you a helpless victim, or are you a co-creator who was made in the image of the Creator of the Universe? Is this “your” country, or is it “theirs?” It all starts with what we think but it ends with what we DO. Surely we can do more than nothing. Surely **you** can do more

than nothing! The time has come to stop being selfish and afraid, and take a heroic stand for ourselves and our fellow man.

The only practical means of creating abundance in our world requires examining the ratio between our capacities and our desires. Our capacities can be measured. Our desires can, presumably, be adjusted to fit within our capacities. And if we fit our desires within our capacities with some room left over, then abundance is possible. **Unknown Author**

Wake up, stand up, step up and speak up! We have work to do if we are going to take America – and the rest of the world - back. **You** and I have work to do!

## APPENDIX A – AMENDED CONSTITUTION

The following is my suggestion for an amended national Constitution that will enshrine the principles spoken of in this book. It could serve as a starting point for a new Constitutional Summit that can look at how to prevent, for our progeny, the kinds of abuses we have seen under the present Constitution that has now been rendered a dead letter by the Patriot Act, Patriot Act II and the National Defense Authorization Act of 2012. It is now only a question of time before America’s “Hitler” comes to power – unless enough people wake up and take action to halt the already rising tide of disaster that is enveloping us.

To the reader, the hyperlinked sections in red are linked to and modified by the constitutional amendments that have been ratified to date. The hyperlinked sections in blue are linked to and modified by the proposed amendments that follow.

If you are reading a printed copy of this book and would like to avail yourself of the hyperlinks, visit [www.economiccures.com](http://www.economiccures.com) and click on the *Proposed Constitution Amendments* link.

## The Constitution of the United States

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**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.

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### Article. I.

#### Section. 1.

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.

#### Section. 2.

The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons. The actual Enumeration shall be made within three Years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to chuse three, Massachusetts eight, Rhode-Island and Providence Plantations one, Connecticut five, New-York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

The House of Representatives shall chuse their Speaker and other Officers; and shall have the sole Power of Impeachment.

#### Section. 3.

The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof for six Years; and each Senator shall have one Vote.

Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes. The Seats of the Senators of the first Class shall be vacated at the Expiration of the second Year, of the second Class at the Expiration of the fourth Year, and of the third Class at the Expiration of the sixth Year, so that one third may be chosen every second Year; and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies.

No Person shall be a Senator who shall not have attained to the Age of thirty Years, and been nine Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided.

The Senate shall chuse their other Officers, and also a President pro tempore, in the Absence of the Vice President, or when he shall exercise the Office of President of the United States.

The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no Person shall be convicted without the Concurrence of two thirds of the Members present.

Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

#### Section. 4.

The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators.

The Congress shall assemble at least once in every Year, and such Meeting shall be on the first Monday in December, unless they shall by Law appoint a different Day.

#### Section. 5.

Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members, and a Majority of each shall constitute a Quorum to do Business; but a smaller Number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member.

Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

Neither House, during the Session of Congress, shall, without the Consent of the other, adjourn for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

#### Section. 6.

The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the United States. They shall in all Cases, except Treason, Felony and Breach of the Peace, be privileged from Arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been increased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

#### Section. 7.

All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States: If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law.

Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

### Section. 8.

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

To borrow Money on the credit of the United States;

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States;

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

To establish Post Offices and post Roads;

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

To constitute Tribunals inferior to the supreme Court;

To define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations;

To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water;

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval Forces;

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;

To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings;--And

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

### Section. 9.

The Migration or Importation of such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the Year one thousand eight hundred and eight, but a Tax or duty may be imposed on such Importation, not exceeding ten dollars for each Person.

The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

No Bill of Attainder or ex post facto Law shall be passed.

No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or enumeration herein before directed to be taken.

No Tax or Duty shall be laid on Articles exported from any State.

No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another; nor shall Vessels bound to, or from, one State, be obliged to enter, clear, or pay Duties in another.

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

### Section. 10.

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing it's inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Control of the Congress.

No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

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## Article. II.

### Section. 1.

The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice President, chosen for the same Term, be elected, as follows:

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

The Electors shall meet in their respective States, and vote by Ballot for two Persons, of whom one at least shall not be an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted.

The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole Number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately chuse by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like Manner chuse the President. But in chusing the President, the Votes shall be taken by States, the Representation from each State having one Vote; A quorum for this purpose shall consist of a Member or Members from two thirds of the States, and a Majority of all the States shall be necessary to a Choice. In every Case, after the Choice of the President, the Person having the greatest Number of Votes of the Electors shall be the Vice President. But if there should remain two or more who have equal Votes, the Senate shall chuse from them by Ballot the Vice President.

The Congress may determine the Time of chusing the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

No Person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained to the Age of thirty five Years, and been fourteen Years a Resident within the United States.

In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the Same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them.

Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation:--"I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States."

## Section. 2.

The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any Subject relating to the Duties of their respective Offices, and he shall have Power to grant Reprieves and Pardons for Offences against the United States, except in Cases of Impeachment.

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law; but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

## Section. 3.

He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of Adjournment, he may adjourn them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

## Section. 4.

The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

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## Article III.

### Section. 1.

The judicial Power of the United States shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services a Compensation, which shall not be diminished during their Continuance in Office.

### Section. 2.

The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority;--to all Cases affecting Ambassadors, other public Ministers and Consuls;--to all Cases of admiralty and maritime Jurisdiction;--to Controversies to which the United States shall be a Party;--to Controversies between two or more States;-- between a State and Citizens of another State,--between Citizens of different States,--between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of Impeachment, shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

### Section. 3.

Treason against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have Power to declare the Punishment of Treason, but no Attainder of Treason shall work Corruption of Blood, or Forfeiture except during the Life of the Person attained.

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## Article. IV.

### Section. 1.

Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

### Section. 2.

The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

A Person charged in any State with Treason, Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on Demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having Jurisdiction of the Crime.

No Person held to Service or Labour in one State, under the Laws thereof, escaping into another, shall, in Consequence of any Law or Regulation therein, be discharged from such Service or Labour, but shall be delivered up on Claim of the Party to whom such Service or Labour may be due.

**Section. 3.**

New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

**Section. 4.**

The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened), against domestic Violence.

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**Article. V.**

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

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**Article. VI.**

All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

[The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution;](#) but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

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**Article. VII.**

The Ratification of the Conventions of nine States, shall be sufficient for the Establishment of this Constitution between the States so ratifying the Same.

The Word, "the," being interlined between the seventh and eighth Lines of the first Page, the Word "Thirty" being partly written on an Erasure in the fifteenth Line of the first Page, The Words "is tried" being interlined between the thirty second and thirty third Lines of the first Page and the Word "the" being interlined between the forty third and forty fourth Lines of the second Page.

Attest William Jackson Secretary

done in Convention by the Unanimous Consent of the States present the Seventeenth Day of September in the Year of our Lord one thousand seven hundred and Eighty seven and of the Independence of the United States of America the Twelfth In witness whereof We have hereunto subscribed our Names, etc.

## The Bill of Rights: A Transcription

The Preamble to The Bill of Rights

### Congress of the United States

begun and held at the City of New-York, on  
Wednesday the fourth of March, one thousand seven hundred and eighty nine.

**THE** Conventions of a number of the States, having at the time of their adopting the Constitution, expressed a desire, in order to prevent misconstruction or abuse of its powers, that further declaratory and restrictive clauses should be added: And as extending the ground of public confidence in the Government, will best ensure the beneficent ends of its institution.

**RESOLVED** by the Senate and House of Representatives of the United States of America, in Congress assembled, two thirds of both Houses concurring, that the following Articles be proposed to the Legislatures of the several States, as amendments to the Constitution of the United States, all, or any of which Articles, when ratified by three fourths of the said Legislatures, to be valid to all intents and purposes, as part of the said Constitution; viz.

**ARTICLES** in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

**Note:** The following text is a transcription of the first ten amendments to the Constitution in their original form. These amendments were ratified December 15, 1791, and form what is known as the "Bill of Rights."

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### Amendment I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

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### Amendment II

A well-regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

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### Amendment III

No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

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### Amendment IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

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### Amendment V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or

property, without due process of law; nor shall private property be taken for public use, without just compensation.

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### **Amendment VI**

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

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### **Amendment VII**

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

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### **Amendment VIII**

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

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### **Amendment IX**

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

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### **Amendment X**

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

### **AMENDMENT XI**

*Passed by Congress March 4, 1794. Ratified February 7, 1795.*

**Note:** Article III, section 2, of the Constitution was modified by amendment 11.

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

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### **AMENDMENT XII**

*Passed by Congress December 9, 1803. Ratified June 15, 1804.*

**Note:** A portion of Article II, section 1 of the Constitution was superseded by the 12th amendment.

The Electors shall meet in their respective states and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate; -- the President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted; -- The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding

three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. [And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in case of the death or other constitutional disability of the President. -- ]\* The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

*\*Superseded by section 3 of the 20th amendment.*

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### ORIGINAL AMENDMENT XIII

*Passed by Congress April 27, 1810. Ratified March 12, 1819.*

**Note:** This amendment was never proclaimed in 1919 by Secretary of State John Quincy Adams (an act of constructive fraud) after Virginia ratified, but this is not required by the Constitution. This amendment was also referenced in at least twenty-four state constitutions at various dates.

[If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honour, or shall without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.](#)

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### AMENDMENT XIII

*Passed by Congress January 31, 1865. Ratified December 6, 1865.*

**Note:** A portion of Article IV, section 2, of the Constitution was superseded by the 13th amendment.

#### Section 1.

Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

#### Section 2.

Congress shall have power to enforce this article by appropriate legislation.

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### AMENDMENT XIV

*Passed by Congress June 13, 1866. Ratified July 9, 1868.*

**Note:** Article I, section 2, of the Constitution was modified by section 2 of the 14th amendment.

#### Section 1.

[All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.](#)

#### Section 2.

Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, **is denied to any of the male inhabitants of such State, being twenty-one years of age,\*** and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the

proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

**Section 3.**

No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

**Section 4.**

The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

**Section 5.**

The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

*\*Changed by section 1 of the 26th amendment.*

**AMENDMENT XV**

*Passed by Congress February 26, 1869. Ratified February 3, 1870.*

**Section 1.**

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

**Section 2.**

The Congress shall have the power to enforce this article by appropriate legislation.

**AMENDMENT XVI**

*Passed by Congress July 2, 1909. Ratified February 3, 1913.*

**Note:** Article I, section 9, of the Constitution was modified by amendment 16.

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

**AMENDMENT XVII**

*Passed by Congress May 13, 1912. Ratified April 8, 1913.*

**Note:** Article I, section 3, of the Constitution was modified by the 17th amendment.

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the legislature may direct.

This amendment shall not be so construed as to affect the election or term of any Senator chosen before it becomes valid as part of the Constitution.

**AMENDMENT XVIII**

*Passed by Congress December 18, 1917. Ratified January 16, 1919. Repealed by amendment 21.*

**Section 1.**

After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

**Section 2.**

The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

**Section 3.**

This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

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**AMENDMENT XIX**

*Passed by Congress June 4, 1919. Ratified August 18, 1920.*

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Congress shall have power to enforce this article by appropriate legislation.

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**AMENDMENT XX**

*Passed by Congress March 2, 1932. Ratified January 23, 1933.*

**Note:** Article I, section 4, of the Constitution was modified by section 2 of this amendment. In addition, a portion of the 12th amendment was superseded by section 3.

**Section 1.**

The terms of the President and the Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

**Section 2.**

The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

**Section 3.**

If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

**Section 4.**

The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

**Section 5.**

Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

**Section 6.**

This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

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**AMENDMENT XXI**

*Passed by Congress February 20, 1933. Ratified December 5, 1933.*

**Section 1.**

The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

**Section 2.**

The transportation or importation into any State, Territory, or Possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

**Section 3.**

This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

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**AMENDMENT XXII**

*Passed by Congress March 21, 1947. Ratified February 27, 1951.*

**Section 1.**

No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of President more than once. But this Article shall not apply to any person holding the office of President when this Article was proposed by Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this Article becomes operative from holding the office of President or acting as President during the remainder of such term.

**Section 2.**

This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.

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**AMENDMENT XXIII**

*Passed by Congress June 16, 1960. Ratified March 29, 1961.*

**Section 1.**

The District constituting the seat of Government of the United States shall appoint in such manner as Congress may direct:

A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

**Section 2.**

The Congress shall have power to enforce this article by appropriate legislation.

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**AMENDMENT XXIV**

*Passed by Congress August 27, 1962. Ratified January 23, 1964.*

**Section 1.**

The right of citizens of the United States to vote in any primary or other election for President or Vice President, for

electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay poll tax or other tax.

**Section 2.**

The Congress shall have power to enforce this article by appropriate legislation.

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**AMENDMENT XXV**

*Passed by Congress July 6, 1965. Ratified February 10, 1967.*

**Note:** Article II, section 1, of the Constitution was affected by the 25th amendment.

**Section 1.**

In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.

**Section 2.**

Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

**Section 3.**

Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

**Section 4.**

Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the Congress, within twenty-one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty-one days after Congress is required to assemble, determines by two-thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

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**AMENDMENT XXVI**

*Passed by Congress March 23, 1971. Ratified July 1, 1971.*

**Note:** Amendment 14, section 2, of the Constitution was modified by section 1 of the 26th amendment.

**Section 1.**

The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age.

**Section 2.**

The Congress shall have power to enforce this article by appropriate legislation.

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**AMENDMENT XXVII**

*Originally proposed Sept. 25, 1789. Ratified May 7, 1992.*

No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of representatives shall have intervened.

## **Proposed Additional Amendments**

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### **AMENDMENT XXVIII**

*Proposed.*

#### **Section 1.**

All laws must be in agreement with the principle to do unto others that which we would have done unto us and to not do unto others that which we would not have done unto us. All of this Constitution and all statutory laws, rulings and judgments that flow from it must be consistent with and abide by this cornerstone law of love.

#### **Section 2.**

The rights of man are expressly defined as their right to life, liberty, pursuit of happiness and security of private property. These rights are to be preserved above the rights of any group of two or more persons, provided that the Constitutional rights of that group have not been violated, in order that no democratic edict may usurp the rights of any individual. If the rights of each individual are not upheld, then none of us can be secure.

Private property is anything that has been purchased by an individual for lawful money and not explicitly excluded from our Constitution as ineligible for private ownership.

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### **AMENDMENT XXIX**

*Proposed.*

#### **Section 1.**

A Jury of twelve peers is now the supreme pillar of government that supersedes the authority of the Judicial, Executive and Legislative branches. This amendment is intended to ensure accountability of all elected officials and government employees. Jurors shall be of at least the age of twenty-five, randomly selected from census and are not to be excused for any reason other than poor physical or mental health with supporting medical certification, or first-hand knowledge of the matter before the courts. Jurors shall be paid what they earn at their present employment. No elected official or private citizen shall be immune from standing trial by jury to answer to a sustained charge.

#### **Section 2**

The juror's duty is to vote on the innocence or guilt of the charged person and on the Constitutional legitimacy of the charge itself. Jurors shall be the sole arbiters of what evidence will be ruled admissible or inadmissible and may directly question any plaintiff or defendant, the purpose being to arrive at the full truth.

#### **Section 3.**

The role of a judge in jury trials is to referee and impose order upon the proceedings, to ensure that the jury decisions and rationale are permanently recorded for judicial review in the public record, and to advise the jury when asked by any member of the jury.

#### **Section 4.**

Lawyers are not required by either the plaintiff or defendant but either party may retain any councilor they so choose. If they desire but can't afford council, the state will cover costs. The losing party must bear court costs and financial judgments awarded by the jury where applicable. This will serve as incentive to avoid litigation.

#### **Section 5.**

Juries will have only six basic verdicts; innocence, guilty but forgiven, guilty and financial restitution of twice the loss a plaintiff suffers, guilty and banishment from the community to at least two federal congressional electoral districts away, guilty and lifetime banishment to a penal colony with no opportunity for release or guilty and death. If a person is charged and convicted a second time for substantially the same crime whose previous punishment was banishment or restitution, guilty and lifetime banishment or death shall be the only verdicts. Prisons are a breeding

ground for criminality and are a form of punishment and are thus to be abolished. Our society desires rehabilitation instead. Criminal records will only be revealed to jurors in the event of a trial so that no citizen will be tainted in the eyes of his fellow man. Let it be known that our mercy is great but our tolerance is low.

#### **Section 6.**

All juries must submit a written verdict that articulates their reasoning per the requirements of the Constitution and any statutory law that further refines its meaning. If a statute is found by the jury to be in contradiction to the Constitution, the jury will find the defendant innocent, the statute will be struck down and no restitution will be awarded to any party.

### **AMENDMENT XXX**

*Proposed.*

#### **Section 1.**

[Anyone who swears an oath of office and then uses that office to undermine this Constitution of the United States is guilty of Treason.](#)

#### **Section 2.**

Anyone who acts in collusion with any party described in Section 1 herein is also guilty of Treason.

#### **Section 3.**

Any charge of Treason will be heard by a Jury of twelve. The power of Impeachment will have no authority or jurisdiction over crimes of Treason.

### **AMENDMENT XXXI**

*Proposed.*

#### **Section 1.**

Political parties are hereby ordered disbanded and outlawed. The right of elected representatives of all government offices to freely associate is hereby established as an enshrined right. Elected representatives have the obligation to their constituents and the moral duty to freely associate with any number of other legislators without constraint in fulfillment of their mandate.

#### **Section 2.**

To prevent election fraud, all election balloting is to be conducted as follows:

Voters must obtain a voter registration card that must be mailed in advance to the voter's registered address to ensure the vote is applied in the correct constituency;

Each voter may only register in one constituency and administrative steps must be taken to ensure the principle of one person, one vote across the entire nation;

When a voter presents him or herself to vote, they must present valid photo identification and their voter registration card. An elections officer will validate the card against the voter list and confirm the voter's identification with an indicated address that is in agreement with the voter registration card;

Confirmed voters will be given a ballot which contains the names of all eligible candidates, their political affiliation, any propositions, a unique ballot identification number and a carbon copy of the original ballot that shall serve as a receipt and proof of their voting decision;

All ballots shall be hand-counted at the voting station by at least three persons and at least two other persons shall witness the proceedings; if any count is in disagreement, there shall be a recount. The results of each ballot shall be entered into a national public database that is accessible by anyone via the internet;

Ballot boxes must not leave the room until they have all been counted, results entered into the national database or local computers for later upload if necessary, tally sheets for each candidate filled out and notarized by every elections official at that voting station, scanned or photographed for later upload to a public database and then

gathered into a container that clearly marks the voting station precinct information in indelible ink; the container to be locked with a tamper-proof seal;

Ballots and tally sheets will be sent to a central storage facility and retained for at least three months after the term of office commences, unless the vote is challenged; in which case they shall be retained for one year;

If there is suspicion of vote fraud, challengers must file a notarized Writ of Election Challenge to the county clerk which states the grounds for challenge. A county clerk filing notice must be presented to the county sheriff. The sheriff and challenger shall attend to the central storage facility to secure the premises and verify the integrity of precinct box seals, and commence the recount of each precinct with the chief election officers of each precinct in attendance;

Upon a recount, all precincts shall be recounted and any tally sheets in discrepancy with the originals will be filed on the national database just as the original counts were. If there are irregularities, the sheriff shall undertake an investigation and press any charges for election tampering if warranted.

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## **AMENDMENT XXXII**

*Proposed.*

### **Section 1.**

The seventeenth article of amendment to the Constitution of the United States is hereby repealed.

### **Section 2.**

To ensure fair elections and honorable conduct in legislatures, all elections must adhere to the following rules and procedures:

No candidate in any federal, state or local election may receive more than \$10,000 from any one contributor, whether private or corporate and all contributions must be publicly disclosed;

No contributor may contribute to more than one particular candidate per election;

All candidates will be afforded campaign funding in their electoral district as follows on a daily basis: One quarter-page advertisement in every district newspaper, Four one-minute television spots on every district television station with two in prime time and two in the next best time slot, One sixty-second spot per hour on each radio station;

Advertisements will commence sixty days prior to an election;

An invitation must be issued to every candidate running for a particular office for every publicized debate.

Candidates are free to use the internet to campaign any way they see fit and the costs of hosting that campaign on a web server to a maximum of \$100,000 will be borne by the state with the provision that only one domain name will be supported and advertising their site on other sites will be constrained to \$10,000;

Any act of bribery, unreported campaign contribution or unreported coercion will be considered an act of Treason and all parties to it will face the same punishment;

No political candidate may serve more than one consecutive term of office in any federal, state or local government;

The electoral districts for the House of Representatives shall be evenly divided according to population within one percent, based on the last 10 year census and reallocated within a year of the completion of that census; first with regard to state boundaries and then with states immediately adjacent so that where possible the electoral district will be contained within a single border.

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## **AMENDMENT XXXIII**

*Proposed.*

### **Section 1.**

Any government civil servant or elected official who engages in an act of malfeasance shall not be immune to prosecution. Any offended party may lay a charge and have them brought to answer at trial before a jury of peers.

**Section 2.**

Any government civil servant or elected official who engages in an act of misfeasance shall not be immune to sanction or prosecution. Any offended party may report the employee to the employee's supervisor or to their elected representative and that employee will be advised of the complaint. Repeated offenses will be grounds for termination. The intent of this clause is that our government employees are to be servants and not abusers of the people they were hired to serve.

**Section 3.**

The president of the United States shall not have Power to grant Reprieves and Pardons for Offences against the United States for any reason whatsoever.

**AMENDMENT XXXIV**

*Proposed.*

**Section 1.**

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; Congress shall make no law or engage in any act abridging the freedom of speech, or of the press;

**Section 2.**

The people reserve the right to peaceably assemble in any public place and for any reasonable duration of time as long as it does not effectively block a thoroughfare and such assembly does not lead to the permanent defacing or destruction of public property; the people may petition the Government for a redress of grievances and any petition containing five thousand signatures or more must be immediately and publically responded to. Such petitions must preempt any government business at hand so that the will of the people is not frustrated by an unresponsive government. If a second petition must be presented by the people for substantially the same grievance, a Jury shall be assembled and those elected officials in government responsible for acting in bad faith will be held accountable; the Jury's ruling shall be final.

**Section 3.**

No legislation will be voted on within either the Senate or House of Representatives without there being at least two thirds of the representatives of each respective House being present. All legislators present must vote Yea or Nay. Abstentions are not permissible.

**AMENDMENT XXXV**

*Proposed.*

**Section 1.**

The sixteenth article of amendment to the Constitution of the United States is hereby repealed.

**Section 2.**

The Internal Revenue Service and all tax courts are hereby dissolved, effective immediately.

**Section 3.**

Section 4 of the fourteenth article of amendment to the Constitution of the United States is hereby repealed.

**AMENDMENT XXXVI**

*Proposed.*

**Section 1.**

No person shall be required to pay to any branch of government, federal, state or local, property tax on any personal property possessions including all chattels and real estate. Any real property purchased in consideration of full payment or acquired by any other lawful means shall be deemed held in allodium by such person and titled accordingly. If a real property has been pledged as collateral for a loan and misfortune should befall the owner so that the real property must be surrendered to satisfy the loan, the real property shall revert back to the owner or designated heirs on the jubilee year that shall fall at the turn of each century and the start of the 50th year of each

century. In the event of foreclosure and until the next jubilee, the creditor shall have unencumbered use of the collateral real property.

**Section 2.**

All sales of real property must be approved by abutting neighbors, as a concession, so as to preserve their property values if the real property is to be rezoned for any purpose other than as used by the present owner. In the event a property is abandoned as unoccupied for a period of seven years or more, any third party may file a petition with the county to acquire the property and after filing appropriate notice to the present titled owner, the county will issue a quit-claim deed and affect the transfer of ownership. If land is owned, it must be put to the use for which it was acquired within seven years or it must revert back to county stewardship.

**Section 3.**

It is explicitly delegated as the county's duty as administrator of public lands to ensure that all those residents who desire property for a homestead shall be satisfied but that such decision to allocate particular tracts of land will be weighed in the best interests of the county at large and for the preservation of nature. Any administrator who accepts any bribe and any person who offers such bribe with respect to land homesteading will be guilty of Treason.

**Section 4.**

All property presently titled in the name of any government jurisdiction hereby reverts to the beneficial owner.

**Section 5.**

No private property may be expropriated by any government authority for any reason whatsoever, unless by the full consent and satisfaction of terms which are to be dictated solely by the lawful owner. Furthermore, the same consent and satisfaction of terms must be granted and received by all the abutting property owners lest their property values be diminished by the use for which it is being expropriated without receiving just compensation.

**Section 6.**

All land presently deemed federal or state public land is hereby acceded to be held in trust by the counties in which each tract of land presently resides. If there be no county interest, the land shall be evenly partitioned and granted to the abutting counties within state lines. Each county government shall administer the land and decide its best use in consideration of the best interests of its immediate residents.

**Section 7.**

A person's labor is that person's private property and held in allodium.

**Section 8.**

All fictitious persons, also known as *nom de guerre* or natural persons attributable to flesh-and-blood human beings are hereby declared null and void. All legislation that presently refers to persons or natural persons shall be deemed to refer to a human being.

**Section 9.**

The Fourteenth Amendment Section 1 is hereby rescinded in its entirety as a violation of the previous section amendment. There is only one form of citizenship in the United States of America and that is the citizen of the State in which they are born who is also by extension a citizen of these several United States.

**Section 10.**

All District of Columbia jurisdictions are hereby granted statehood. The federal capital of Washington is a state that has the special distinction of being the seat of the federal government.

**Section 11.**

All Native American Indian treaties that have ever been entered into shall be brought forth by surviving tribe members who can prove their heritage and the treaties will be honored to the fullest extent possible. If they cannot be honored for practical interests that meet the greater good of all affected parties, an alternate treaty will be renegotiated that meets the spirit and intent of the original treaty. Public lands are appropriate negotiable lands for treaty settlement purposes. Treaty lands will be in the same states of the original grant and be of a character and quality that was originally granted. Any disputes will be resolved by a jury of 12 of which half shall come from the tribe population and half from the electoral district in which the dispute occurs and members will be selected at random per Amendment XXIX requirements.

**AMENDMENT XXXVII**

*Proposed.*

**Section 1.**

The National Credit Authority is hereby established and commissioned as follows:

Exclude from eligibility to serve in the National Credit Authority in any capacity, any person who has held an executive position of Vice President or higher, or as a director of any bank, the Treasury Department or Federal Reserve.

Regulate the issuing and retiring of all of the nation's supply of money with the express goal of optimizing the efficiency of the nation's consumption of its own production;

Pay for its own operations out of funding issued by itself based upon an approved budget;

Provide all funding necessary for the operation of all federal, state and local governments; to be issued to same upon ratification of their budgets by their duly elected legislative assemblies;

Operate autonomously from all other branches of government so as not to be under any external corrupting influences. Any officer or employee of the National Credit Authority who is found guilty of committing any act of misfeasance shall be terminated immediately. Any officer or employee, along with any external accomplices found guilty of engaging in any act of malfeasance shall be guilty of Treason;

Establish a Bureau of Economic Statistics that shall measure on a quarter-annual basis: The costs of production attributable to wages, earnings, dividends and any other expenditures that put purchasing power directly into the hands of domestic consumers; All other costs of production which by definition do not add consumer purchasing power; The cost of all goods and services produced which presumably add up to the sum of the first two statistical items and thus the amount of effective demand needed in the economy; The price of all goods and services consumed by the nation; The price of all goods and services imported and exported; The ratio of production to consumption to assist in regulating the issue of effective demand; The ratio of imports to exports to assess the balance of trade;

Establish a Bureau of Imports and Exports whose mandate is to ensure that the nation's trade with partner nations is balanced and fair. This bureau is empowered with the ability to levy import and export taxes to enforce fair trade policy;

Establish a bureau of bank regulation to audit and monitor the nation's commercial banks to ensure that they lend money at interest only in equal proportion with funds on hand and allocated explicitly for the purpose of lending. These allocated funds shall originate from the time deposits of bank customers, the profits retained by banks and funds loaned by the National Credit Authority;

Issue interest-free loans to producers and consumers with the express mandate of maximizing the nation's self-sufficiency in every industry, by optimizing the efficiency of the nation's production of goods and services and encouraging domestic production of all of the nation's wealth, so as not to be beholden to any foreign nation. Nominal service charges to cover costs and a modest profit markup of 20% will be allowed;

Authorize the issue of any shortfall in effective demand needed by consumers to meet the price of producers; to be paid into circulation as a National Dividend to every citizen over the age of eighteen and as a National Sales Credit payable only to residents of the nation for the purchase of consumer goods and services. National dividends shall be credited directly to the domestic bank accounts of residents as so directed by them. National sales credits shall be credited directly to consumers at the point of purchase. Administrative steps must be taken to prevent fraud. Any conviction for fraud will result in the suspension of the National Dividend of the guilty party or parties for not less than one year for the first conviction and an additional year added for every conviction thereafter, in addition to restitution judgment as the jury sees fit.

**Section 2.**

The National Credit Authority shall be reviewed annually by a random Jury of twelve people who:

Appoint independent auditors at their complete discretion who will be empowered to fully scrutinize all of the computers, records, contracts, documents and any information they deem necessary to conduct a thorough review;

Approve the next year's funding budget as submitted by the National Credit Authority;

File criminal charges against any person or persons found engaged in any acts of malfeasance with respect to the integrity of the nation's money supply;

Fire any person or persons found engaged in any acts of misfeasance;

Review the accounting firm's findings and recommendations and release a public report summarizing all of their collective findings.

### **Section 3.**

The Federal Reserve Act and all subsequent revisions are hereby repealed and the Federal Reserve is hereby ordered dissolved. All currency issued to the public, but not in the possession of banks and financial institutions, as Federal Reserve Notes will be converted to money issued on par by the National Credit Authority, as will all bank deposits of US residents. Fractional reserves are hereby outlawed. Money may only be loaned at interest which is actually on hand by the lender and whose use of same has been given up to the creditor.

## **AMENDMENT XXXVIII**

*Proposed.*

### **Section 1.**

The following sentence shall be added to all oaths of office; "I hereby renounce all oaths I have previously taken and the benefits afforded by them in favor of this higher office and higher cause. I hereby declare those previous oaths to be <then specify>." A violation of the oath of office is an act of Treason and shall be dealt with accordingly.

### **Section 2.**

Any person serving in the military or working in any public institution under a chain of command who is presented with an order that they know in full conscience to be a violation of their oath of office, may disregard that order by advising their superior of the grounds for disobeying it and at the earliest convenience, by informing that superior's superior of the incident. That person shall be held harmless for such disregard of unlawful orders under protest. The superior who issued an order that violates the oath of office shall be brought to trial to face a jury of 12 for the charge of treason.

### **Section 3.**

The 22nd amendment Section 1 shall be further amended to allow only one term of office for the President and Vice President. All Congressmen, Senators and Supreme Court justices are also to only serve a single six-year term of office and will be ineligible to hold that office for a second consecutive term.

## **AMENDMENT XXXIX**

*Proposed.*

Executive orders of our Presidents are edicts of a king and they have no place in our Republic. All executive orders issued to date are hereby declared null and void. No executive orders are permissible by any elected official or holder of any public office from this day forth.

## **AMENDMENT XXXX**

*Proposed.*

### **Section 1.**

All legislation proposed by the House of Representatives and the Senate shall contain of only one essential item of business. No tagging of unrelated appropriations or legislation is permitted. Each piece of legislation shall be preceded by a single cover page that concisely states the purpose and substance of the bill.

### **Section 2.**

All statutory laws that have been written to date and that contain more than one essential item of business per Section 1 shall be declared null and void.

### **Section 3.**

All legislation presented in both Houses of Congress must have a quorum of two thirds of their members explicitly verified as present before a vote may proceed.

## APPENDIX B – DAMNING TESTIMONY FROM A PLETHORA OF CREDIBLE WITNESSES

This section is reprinted in its entirety from a document I downloaded from [www.scribd.com](http://www.scribd.com) which has no author or copyright notice. It is a collection of powerful quotes from significant players of history. Some I have already used in this book, many I am personally familiar with and a few more pleasantly surprised me. Here is the preamble and list of quotes from a document titled *The Bankers Own the Earth* for your consideration.

Hey here's a thought! If every one of these giants of history is rhetorically yelling "fire" do you think the house might be burning down? Here's another thought. I did not verify the sources of any of these quotes so it may well be that a few are spurious. It is highly improbable that a significant number of them are though. Where there is smoke, there is fire!

### **The Bankers Own the Earth**

Capitalism is organized crime. It has nothing to do with "free markets" and everything to do with illegitimate debt-slavery and captive usury 'markets'. It is by design that the rich get richer and the poor get poorer, not by accident. Capitalism is a fundamentally bankrupt and broken concept that must be replaced by an entirely new ethic based on the principles of fair trade and economic justice. *The only reason the current perverted and parasitic economic model is able to persist is because 99% of the population is economically illiterate and fails to comprehend how the money system operates to enslave them. Money is Not Freedom. Money is Control.*

Money never truly belongs to any lone individual and it is in fact a shared social communal resource that is an essential part of the basis for forming a community. *The custodianship of money is a sacred trust that we must always honor and protect to the full extent of our ability.*

"Government is not reason; it is not eloquence; it is force! Like fire, it is a dangerous servant and a fearful master." - **George Washington**

"I am convinced that those societies [such as the Native American peoples] which live without government enjoy in their general mass an infinitely greater degree of happiness than those who live under the European governments. Among the former, public opinion is in the place of law, and restrains morals as powerfully as laws ever did anywhere. Among the latter, under pretense of governing they have divided their nations into two classes, wolves and sheep. I do not exaggerate." - **Thomas Jefferson**

"The modern theory of the perpetuation of debt has drenched the earth with blood, and crushed its inhabitants under burdens ever accumulating." - **Thomas Jefferson**

"I hope we shall crush in its birth the aristocracy of our moneyed corporations, which dare already to challenge our government to a trial of strength and bid defiance to the laws of our country." - **Thomas Jefferson**, in a letter to George Logan, November 12, 1816

"I sincerely believe that banking institutions having the issuing power of money are more dangerous to our liberty than standing armies. Already they have raised up a moneyed aristocracy that has set the government at defiance. The issuing power [of money] should be taken away from the banks and restored to the people to whom it properly belongs." - **Thomas Jefferson**

"The system of banking we have both equally and ever reprobated. I contemplate it as a blot left in all our Constitutions, which, if not covered, will end in their destruction. I sincerely believe, with you...that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale." - **Thomas Jefferson**

"To take a single step beyond the boundaries thus specially drawn around the powers of Congress is to take possession of a boundless field of power, no longer susceptible of any definition. The incorporation of a bank, and the powers assumed by this bill (chartering the first Bank of the United States) have not, in my opinion, been delegated to the United States by the Constitution. They are not among the powers specially enumerated." - **Thomas Jefferson**

"I wish it were possible to obtain a single amendment to our Constitution - taking from the Federal Government their power of borrowing [from privately-owned corporate banks]." - **Thomas Jefferson**, 1798

"We are undone, my dear sir, if legislation is still permitted which makes our money, much or little, real or imaginary, as the moneyed interests shall choose to make it." - **Thomas Jefferson**

"I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them." - **Thomas Jefferson**

"All the perplexities, confusions, and distresses in America arise, not from defects in the Constitution or confederation, not from want of honor or virtue, as much as from downright ignorance of the nature of coin, credit, and circulation." - **John Adams**

"Liberty cannot be preserved without a general knowledge among the people, who have a right...and a desire to know; but besides this, they have a right, an indisputable, unalienable, indefeasible, divine right to that most dreaded and envied kind of knowledge, I mean of the characters and conduct of their rulers." - **John Adams**

"There are two ways to conquer and enslave a nation. One is by the sword, the other is by debt." - **John Adams**

"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 money and its issuance." - **James Madison**

"Permit me to issue and control the money of a nation and I care not who writes the laws." - **Mayer Amschel Rothschild**, founder of the Rothschild international banking dynasty, 1790

"The rich will strive to establish their dominion and enslave the rest. They always did...they always will. They will have the same effect here as elsewhere, if we do not, by the power of government, keep them in their proper spheres." - **Governor Morris**, head of the committee that wrote the final draft of the U.S. Constitution

"A nation of well-informed men who have been taught to know and prize the rights which God has given them cannot be enslaved. It is in the region of ignorance that tyranny begins." - **Benjamin Franklin**

"You see, a legitimate government can both spend and lend money into circulation, while banks can only lend significant amounts of their promissory bank notes, for they can neither give away nor spend but a tiny fraction of the money the people need. Thus, when your bankers here in England place money in circulation, there is always a debt principal to be returned and usury to be paid. The result is that you have always too little credit in circulation to give the workers full employment. You do not have too many workers, you have too little money in circulation, and that which circulates, all bears the endless burden of unpayable debt and usury." - **Benjamin Franklin**, speaking at the London Parliament

"In the colonies, we issue our own money. It is called 'Colonial Scrip'. We issue it in proper proportion to the demands of trade and industry to make the goods pass easily from the Producers to the Consumers. In this manner, creating for ourselves our own paper money, we control its purchasing power and we have no interest to pay to anyone." - **Benjamin Franklin**, speaking at the London Parliament

"The colonies would gladly have borne the little tax on tea and other matters, had it not been that England took away from the colonies their money, which created great unemployment and dissatisfaction. Within a year, the poor houses were filled. The hungry and homeless walked the streets everywhere. The inability of the colonists to get power to issue their own money permanently out of the hands of George III and the International Bankers was the Prime Reason for the Revolutionary War." - **Benjamin Franklin**, as quoted from his autobiography

"The refusal of George III to allow the colonies to operate an honest money system, which freed the ordinary man from the clutches of the money manipulators, was probably the Prime Cause of the Revolution." - **Benjamin Franklin**

"Unless you become more watchful in your states and check this spirit of monopoly and thirst for exclusive privileges, you will in the end find that the most important powers of government have been given or bartered away, and the control of your dearest interests have been passed into the hands of these corporations." - **Andrew Jackson**

"If congress has the right under the Constitution to issue paper money, it was given them to use themselves, not to be delegated to individuals or corporations." - **Andrew Jackson**

"You [International Bankers] are a den of vipers and thieves. I intend to rout you out, and by the Eternal God, I will rout you out. If the American people only understood the rank injustice of our

money and banking system, there would be a revolution before morning." - **Andrew Jackson**, in an address to Congress, 1829

"The bold effort the present bank has made to control the Government, the distress it has wantonly produced...are but premonitions of the fate that awaits the American People should they be deluded into a perpetuation of this institution (The Bank of the United States), or the establishment of another like it." - **Andrew Jackson**

"[A central bank] controlling our currency, receiving our public monies, and holding thousands of our citizens in dependence, it would be more formidable and dangerous than a naval and military power of the enemy." - **Andrew Jackson**

"Nothing but widespread suffering will produce any effect on Congress. Our only safety is in pursuing a steady course of firm restriction - and I have no doubt that such a course will ultimately lead to restoration of the currency and the recharter of the bank (The Bank of the United States)." - **Nicholas Biddle**, President of the American Bankers Association

"When a government is dependent upon bankers for money, they and not the leaders of the government control the situation, since the hand that gives is above the hand that takes...Money has no motherland; financiers are without patriotism and without decency; their sole object is gain." - **Napoleon Bonaparte**, 1815

"We, the People, are the rightful masters of both the Congress and the Courts. Not to overthrow the Constitution, but to overthrow the men who have perverted it." - **Abraham Lincoln**

"I have two great enemies, the southern army in front of me and the financial institutions in the rear. Of the two, the one in the rear is the greatest enemy. The Money Power preys upon the nation in times of peace, and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes." - **Abraham Lincoln**

"The division of the United States into federations of equal force was decided long before the Civil War by the high financial powers of Europe. These bankers were afraid that the United States, if they remained as one block, and as one nation, would attain economic and financial independence, which would upset their financial domination over the world. The voice of the Rothschilds prevailed. Therefore, they sent their emissaries into the field to exploit the question of slavery to open an abyss between the two sections of the union." - **Otto von Bismarck**, Chancellor of Germany, 1876

"The Government should create, issue, and circulate all the currency and credits needed to satisfy the spending power of the Government and the buying power of Consumers. The privilege of creating and issuing money is not only the supreme prerogative of Government, but it is the Government's greatest creative opportunity. By the adoption of these principles...the taxpayers will be saved immense sums of interest [by not having to borrow from privately-owned corporate banks]...Money will cease to be master and become the servant of humanity. Democracy will rise superior to the Money Power." - **Abraham Lincoln**, Senate Document 23, Page 91, 1865

"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the Money Power of the country will endeavor to prolong its reign by working upon the prejudices of the people (e.g., by pitting the cooperation-oriented political left against the competition-oriented political right), until the wealth is aggregated in the hands of a few, and the Republic is destroyed. I feel at this time more anxiety for the safety of my country than ever before, even in the midst of the war." - **Abraham Lincoln**, in a letter written to one of his Generals during the American Civil War

"If that mischievous financial policy which had its origin in the North American Republic (i.e., honest constitutionally authorized debt-free money) should become indurated down to a fixture, then that government will furnish its own money without cost. It will pay off its debts and be without a debt [to the International Bankers]. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized governments of the world. The brains and wealth of all countries will go to North America. That government must be destroyed or it will destroy every monarchy on the globe." - **The Times Newspaper of London**, opinion-editorial commentary, 1862

"The death of Lincoln was a disaster for Christendom. There was no man in the United States great enough to wear his boots and the bankers went anew to grab the riches. I fear that foreign bankers with their craftiness and tortuous tricks will entirely control the exuberant riches of America and use it to systematically corrupt modern civilization. They will not hesitate to plunge the whole of Christendom into wars and chaos in order that the earth should become their inheritance." - **Otto von Bismarck**, Chancellor of Germany, after Abraham Lincoln's assassination

"Right after the Civil War there was considerable talk about reviving Lincoln's brief experiment with the Constitutional monetary system. Had not the European money-trust intervened, it would have no doubt become an established institution." - **Dr. W. Cleon Skousen**, author of 'The Naked Capitalist' and 'The Naked Communist'

"I went to America in the winter of 1872-73, authorized to secure, if I could, the passage of a bill demonetizing silver. It was in the interest of those I represented - the governors of the Bank of England - to have it done [because gold is much scarcer and more easily controlled by them than silver is]. By 1873, gold coins were the only form of coin money." - **Ernest Seyd**, Agent of the Bank of England

"It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the Agricultural and Religious Press, as will oppose the greenback issue of paper money and that you will also withhold patronage from all applicants who are not willing to oppose the government issue of money...To repeal the Act creating bank notes, or to restore to circulation the government issue of money will be to provide the people with money and will therefore seriously affect our individual profits as bankers and lenders. See your congressman at once and engage him to support our interests that we may control legislation." - **Secretary James Buell**, speaking at an American Bankers Association meeting, 1877

"On Sept. 1st, 1894, we will not renew our loans under any consideration. On Sept. 1st we will demand our money. We will foreclose and become mortgagees in possession. We can take two-thirds of the farms west of the Mississippi, and thousands of them east of the Mississippi as well, at our own price...Then the farmers will become tenants as in England..." - **Memo of the American Bankers Association**, as printed in the U.S. Congressional Record of April 29, 1891

"Whosoever controls the volume of money in any country is absolute master of all industry and commerce and when you realize that the entire system is very easily controlled, one way or another, by a few powerful men at the top; you will not have to be told how periods of inflation and depression originate." - **James Garfield**, assassinated within weeks of release of this statement during the first year of his presidency in 1881

"I am afraid that the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits and bank purchases. Every loan, overdraft or bank purchase creates a deposit, and every repayment or bank sale destroys a deposit...And they who control the credit of a nation, direct the policy of Governments and hold in the hollow of their hands the destiny of the people." - **Reginald McKenna**, former Chancellor of the Exchequer of England, 1924

"Banks lend by creating credit. They create the means of payment out of nothing." - **Ralph M. Hawtrey**, former Secretary of the British Treasury

"The bank hath benefit of interest on all moneys which it creates out of nothing." - **William Paterson**, founder of the Bank of England, 1694

"From the days of Spartacist-Weishaupt to those of Karl Marx, and down to Trotsky (Russia), Bela Kun (Hungary), Rosa Luxembourg (Germany), and Emma Goldman (United States), this world-wide conspiracy for the overthrow of civilization and for the reconstitution of society on the basis of arrested development, of envious malevolence, and impossible equality, has been steadily growing. It played, as a modern writer, Mrs. Webster, has so ably shown, a definitely recognizable part in the tragedy of the French Revolution. It has been the mainspring of every subversive movement during the Nineteenth Century; and now at last this band of extraordinary personalities from the underworld of the great cities of Europe and America have gripped the Russian people by the hair of their heads and have become practically the undisputed masters of that enormous empire." - **Winston Churchill**, 'Zionism versus Bolshevism', in the Illustrated Sunday Herald (London), February 8, 1920

"Left and Right are monolithic ideas - colossal, abstract, and, as their religious origins suggest, cosmic. They are part of the darker side of humanity that replaces the specific with the general, the personal with the impersonal. If you wanted to find a way of making certain that people would have as little as possible in common, there would be no better way than to divide them, not into ten or three or four, but into two. Dual division turns the largest possible sections of humanity against one another, often causing neighbors and compatriots to have nothing to say to one another. No regeneration of community can begin without a careful demolition of Left and Right; nor can this tearing down be relinquished to academic abstraction, technical philosophy,

government, corporations, or ideology. Nothing can be built without a new politics - least of all with a politics that refers outward to ideas of Heaven and Hell rather than inward to the experience of daily life." - **Hugh Graham**, in his book *The Vestibule of Hell: Why Left and Right Have Never Made Sense in Politics and Life*

"Under capitalism, man exploits man. Under communism, it's the other way around." - **John Kenneth Galbraith**, Economist

"My political opinions lean more and more to anarchy (philosophically understood, meaning abolition of control not whiskered men with bombs). There is only one bright spot and that is the growing habit of disgruntled men of dynamiting factories and power stations." - **J.R.R. Tolkien**, in 'The Letters of J.R.R. Tolkien'

"The true equation is "democracy" = government by world financiers." - **J.R.R. Tolkien**, in 'The Letters of J.R.R. Tolkien'

"The main mark of modern governments is that we do not know who governs, de facto any more than de jure. We see the politician and not his backer; still less the backer of the backer; or, what is most important of all, the banker of the backer." - **J.R.R. Tolkien**, in 'The Letters of J.R.R. Tolkien'

"Throned above all, in a manner without parallel in all past, is the veiled prophet of finance, swaying all men living by a sort of magic, and delivering oracles in a language not understood of the people." - **J.R.R. Tolkien**, in 'The Letters of J.R.R. Tolkien'

"The world is governed by very different personages to what is imagined by those who are not themselves behind the scenes." - **Benjamin Disraeli**, Prime Minister of Britain

"The real rulers in Washington are invisible and exercise power from behind the scenes." - **Judge Felix Frankfurter**, former U.S. Supreme Court Justice

"World events do not occur by accident. They are made to happen, whether it is to do with national issues or commerce; most of them are staged and managed by those who hold the purse strings." - **Denis Healey**, former British Secretary of Defense

"Since I entered politics, I have chiefly had men's views confided to me privately. Some of the biggest men in the United States, in the field of commerce and manufacture, are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete, so pervasive, that they better not speak above their breath when they speak in condemnation of it." - **Woodrow Wilson**, 1913

"The real truth of the matter is, as you and I know, that a financial element in the larger centers has owned the Government ever since the days of Andrew Jackson, and I am not wholly excepting the Administration of Woodrow Wilson. The country is going through a repetition of Jackson's fight with the Bank of the United States, only on a far bigger and broader basis." - **Franklin D. Roosevelt**

"The real menace of our republic is this invisible government which like a giant octopus sprawls its slimy length over city, state and nation. It seizes in its long and powerful tentacles our executive officers, our legislative bodies, our schools, our courts, our newspapers, and every agency created for the public protection. Like the octopus of real life, it operates under cover of a self-created screen...At the head of this octopus are the Rockefeller Standard Oil interests and a small group of powerful banking houses generally referred to as International Bankers. The little coterie of powerful International Bankers virtually run the United States government for their own selfish purposes. They practically control both parties, write political platforms, make cats paws of party leaders, use the leading men of private organizations and resort to every device to place in nomination for high public office only such candidates as will be amenable to the dictates of corrupt big business. These International Bankers and Rockefeller Standard Oil interests control the majority of newspapers and magazines in this country." - **John F. Hylan**, New York City Mayor, New York Times, March 26, 1922

"This [Federal Reserve] Act establishes the most gigantic trust (monopoly) on earth. When the President [Woodrow Wilson] 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 greatest crime of Congress is its currency system. The worst legislative crime of the ages is perpetrated by this banking bill. The caucus and the party bosses have again operated and prevented the people from getting the benefit of their own government." - **Congressman Charles A. Lindbergh, Sr.**, 1913

"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 advantage of the few and the detriment of the people of the United 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." - **Alexander Lassen** in a statement before the Senate Banking and Currency Committee, 1913

"If it were to be exposed publicly that our particular group had got together and written a banking bill, that bill would have no chance whatever of passage by Congress" - **Frank Vanderlip**, President of the National City Bank of New York, representing William Rockefeller, commenting on the meeting at Jekyll Island in 1910 to form the Federal Reserve, Saturday Evening Post, Feb. 9, 1935

"I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its own system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men...who necessarily, by very reason of their own limitations, chill and check and destroy genuine economic freedom. We have come to be one of the worst ruled, one of the most completely controlled and dominated

governments in the civilized world, no longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of a small group of dominant men." - **Woodrow Wilson**

"Suppose you go to Washington and try to get at your government. You will always find that while you are politely listened to, the men really consulted are the big men who have the biggest stakes - the big bankers, the big manufacturers, the big masters of commerce...Every time it has come to a critical question, these gentlemen have been yielded to, and their demands treated as the demands that should be followed as a matter of course. The government of the United States is a foster child of the special interests. It is not allowed to have a will of its own." - **Woodrow Wilson**, 1912

"If monopoly persists, monopoly will always sit at the helm of government. I do not expect monopoly to restrain itself. If there are men in this country big enough to own the government of the United States, they are going to own it." - **Woodrow Wilson**

"The fact is that there is a serious danger of this country becoming a plutocracy; that is, a sham republic with the real government in the hands of a small clique of enormously wealthy men, who speak through their money, and whose influence, even today, radiates to every corner of the United States." - **William McAdoo**, President Woodrow Wilson's National Campaign Vice-Chairman, in his book *Crowded Years*

"We [bankers] must proceed with caution and guard every move made, for the lower order of people are already showing signs of restless commotion. Prudence will therefore show a policy of apparently yielding to the popular will until our plans are so far consummated that we can declare our designs without fear of any organized resistance. The Farmers Alliance and Knights of Labor organizations in the United States should be carefully watched by our trusted men, and we must take immediate steps to control these organizations in our interest or disrupt them. At the coming Omaha Convention to be held July 4th [1892], our men must attend and direct its movement, or else there will be set on foot such antagonism to our designs as may require force to overcome. This at the present time would be premature. We are not yet ready for such a crisis. Capital must protect itself in every possible manner through combination (conspiracy) and legislation. The courts must be called to our aid, debts must be collected, bonds and mortgages foreclosed as rapidly as possible. When through the process of the law, the common people have lost their homes, they will be more tractable and easily governed through the influence of the strong arm of the government applied to a central power of imperial wealth under the control of the leading financiers. People without homes will not quarrel with their leaders. History repeats itself in regular cycles. This truth is well known among our principal men who are engaged in forming an imperialism of the world. While they are doing this, the people must be kept in a state of political antagonism. The question of tariff reform must be urged through the organization known as the Democratic Party, and the question of protection with the reciprocity must be forced to view through the Republican Party. By thus dividing voters, we can get them to expand their energies in fighting over questions of no importance to us, except as teachers to the common herd. Thus, by discrete action, we can secure all that has been so generously planned and successfully accomplished." - **Revealed by Congressman Charles A. Lindbergh** before the U.S. Congress sometime during his term of office between the years of 1907 and 1917

"Very soon, every American will be required to register their biological property in a National system designed to keep track of the people and that will operate under the ancient system of pledging. By such methodology, we can compel people to submit to our agenda, which will affect our security as a chargeback for our fiat paper currency. Every American will be forced to register or suffer not being able to work and earn a living. They will be our chattel, and we will hold the security interest over them forever, by operation of the law merchant under the scheme of secured transactions. Americans, by unknowingly or unwittingly delivering the bills of lading to us will be rendered bankrupt and insolvent, forever to remain economic slaves through taxation, secured by their pledges. They will be stripped of their rights and given a commercial value designed to make us a profit and they will be none the wiser, for not one man in a million could ever figure our plans and, if by accident one or two would figure it out, we have in our arsenal plausible deniability. After all, this is the only logical way to fund government, by floating liens and debt to the registrants in the form of benefits and privileges. This will inevitably reap to us huge profits beyond our wildest expectations and leave every American a contributor to this fraud which we will call "Social Insurance." Without realizing it, every American will insure us for any loss we may incur and in this manner; every American will unknowingly be our servant, however begrudgingly. The people will become helpless and without any hope for their redemption and, we will employ the high office of the President of our dummy corporation to foment this plot against America." - **Edward Mandell House**, Presidential Foreign Policy Advisor, in a private meeting with President Woodrow Wilson

"It (Central Bank) gives the National Bank almost complete control of national finance. Those few who understand the system (check book money and credit) will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class, while on the other hand, the great body of the people, mentally incapable of comprehending the tremendous advantage that capital derives from the system, will bear its burden without complaint, and perhaps without even suspecting that the system is inimical (contrary) to their interests." - **Rothschild Brothers of London**, writing to associates in New York, 1863

"...the lord and master of the money markets of the world, and of course virtually lord and master of everything else. He literally held the revenues of southern Italy in pawn, and monarchs and ministers of all countries courted his advice and were guided by his suggestions." - **Benjamin Disraeli**, Prime Minister of Britain, describing Baron Nathan Rothschild in his novel 'Coningsby: Or the New Generation'

"When the conflict with France ended [at the battle of Waterloo] the House of Rothschild was in control of British finance and was the official banker of the British Government. This odd financial octopus was acknowledged to be in some respects the greatest power on the earth and was acknowledged by some writers as the 'Sixth Great Power of Europe'." - **E.C. Knuth**, in his book 'The Empire of The City'

"I care not what puppet is placed on the throne of England to rule the Empire...The man that controls Britain's money supply controls the British Empire. And I control the money supply." - **Baron Nathan Rothschild**

"The House of Rothschild plays a much bigger role in France than any foreign government...There are, of course, reasons for it, which seem to me neither good nor gratifying: money is the great [motivating] force of France, and corruption is quite openly reckoned with...Among us [in Austria] this commodity finds but few friends." - **Prince Metternich**, Chancellor of Austria

"Rothschild was now banker to empires and continents - to all the principal European countries, to Eurasian Russia, to the Americas, to the Indies. It has been estimated that the London house alone placed 6,500 million dollars' worth of foreign loans during the first ninety years of its existence. Moreover, the other Rothschild branches in Paris, Vienna, Frankfurt and Naples were just as busy, which unequivocally means that upon Rothschild vaults converged the credit of the Western World." - **Frederic Morton**, in his book 'The Rothschilds: Portrait of a Dynasty'

"The total wealth encompassed by the clan (Rothschilds) during most of the nineteenth century has been estimated at well over 400 million pounds (600 million dollars). No one else, from the Fuggers to the Rockefellers, has come even close to that hair-raising figure." - **Frederic Morton**, in his book 'The Rothschilds: Portrait of a Dynasty'

"Edmond de Rothschild was a backstage force in politics. He belonged to the steering committee of the secretive Bilderberg circle, an informal association of political and financial top brass that has sometimes been called more powerful than national governments...and he was a major benefactor of Israel." - **Frederic Morton**, in his book *The Rothschilds: Portrait of a Dynasty*

"Because the privately owned Federal Reserve Bank of New York sets interest rates and controls the daily supply of price of currency throughout America, the owners of that bank are the real directors of that whole system. The shareholders of these banks which own the stock of the Federal Reserve Bank of New York are the people who have controlled our political and economic destinies since 1913. They are the Rothschilds, Lazard Freres (Eugene Mayer), Israel Sieff, Kuhn Loeb Company, Warburg Company, Lehman Brothers, Goldman Sachs, the Rockefeller family, and the J.P. Morgan interests." - **Eustace Mullins**, in his book *The Secrets Of The Federal Reserve*

"To ignore the pivotal role played by particular individuals who are in positions of power is to do violence to historical accuracy. A recognition that the course of economic events can be influenced by individuals who have the imagination and the power to take advantage of prevailing conditions does not constitute acceptance of a 'conspiracy' theory of history." - **John Blair**, former Chief Economist for the U.S. Senate Subcommittee on Anti-Trust and Monopoly

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking was conceived in iniquity and was born in sin. The Bankers own the earth. Take it away from them, but leave them the power to create money and control credit, and with the flick of the pen they will create enough deposits to buy it all back again. However, take this great power away from them, and all the great fortunes like mine disappear, and they ought to disappear, for this would be a happier and better world to live in. But, if you wish to remain the slaves of Bankers and pay the cost of your own slavery, let them continue to create money and control credit." - **Sir Josiah Stamp**,

Director of the Bank of England in the 1920s, reputed to be the second richest man in the British Empire at that time

"If all the bank loans were paid, no one could have a bank deposit, and there would not be a dollar of coin or currency in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic money we are prosperous; if not, we starve. We are absolutely without a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible, but there it is. It is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it becomes widely understood and the defects remedied very soon." - **Robert H. Hamphill**, Credit Manager, Federal Reserve Bank of Atlanta, 1935

"We can create money by fiat. Our checkbook doesn't have a ledger. So you write out the check, it's (money/currency) just transmogrified out of thin air. Which is a nice checkbook to have (oh yeah, I'll bet it is)." - **Jerry Nelson**, Public Relations, Federal Reserve Bank of Chicago, May 14, 2008

"Non-sustainable economics is non-sustainable." - **Catherine Austin Fitts**

"Only when the last tree is cut, only when the last river is polluted, only when the last fish is caught, only then will they realize that you cannot eat money." - **Cree Native American proverb**

"Money does not pay for anything, never has, never will. It is an economic axiom as old as the hills that goods and services can be paid for only with goods and services." - **Albert Jay Nock**, in his book *Memoirs of a Superfluous Man*, 1943

"The United States is like a poker game where the chips have become concentrated in fewer and fewer hands, and where other fellows can stay in the game only by borrowing. When the credit runs out, the game will stop." - **Marriner Eccles**, Chairman of the Federal Reserve, 1931-1934

"While economic textbooks claim that people and corporations are competing for markets and resources, I claim that in reality they are competing for money - using markets and resources to do so. Greed and fear of scarcity are being continuously created and amplified as a direct result of the kind of money we are using. For example, we can produce more than enough food to feed everybody, and there is definitely enough work for everybody in the world, but there is clearly not enough money to pay for it all. In fact, the job of central banks is to create and maintain that currency scarcity. Money is created when banks lend it into existence. When a bank provides you with a \$100,000 mortgage, it creates only the principal, which you spend and which then circulates in the economy. The bank expects you to pay back \$200,000 over the next 20 years, but it doesn't create the second \$100,000 - the interest. Instead, the bank sends you out into the tough world to battle against everybody else to bring back the second \$100,000." - **Bernard Lietaer**, former Central Banker (Belgium)

"Your money's value is determined by a global casino of unprecedented proportions: \$2 trillion are traded per day in foreign exchange markets, 100 times more than the trading volume of all the stock markets of the world combined. Only 2% of these foreign exchange transactions relate to the "real" economy reflecting movements of real goods and services in the world, and 98% are purely speculative. This global casino is triggering the foreign exchange crises which shook Mexico in 1994-1995, Asia in 1997 and Russia in 1998. These emergencies are the dislocation symptoms of the old Industrial Age money system." - **Bernard Lietaer**, former Central Banker (Belgium)

"In addition to almost unlimited usury, the bankers have another method of drawing vast amounts of wealth. The banks are able to approve or disapprove large loans to large and successful corporations to the extent that refusal of a loan will bring about a reduction in the selling price of the corporation's stock. After depressing the price, the bankers' agents buy large blocks of the company's stock. Then, if the bank suddenly approves a multi-million dollar loan to the company, the stock rises and is then sold for a profit. In this manner, billions of dollars are made with which to buy more stock. This practice is so refined today that the Federal Reserve Board need only announce to the newspapers an increase or decrease in their "discount rate" to send stocks soaring or crashing at their whim. Banks collect billions in interest by loaning to Government and the Corporations." - **Pastor Sheldon Emry**

"There is a large class of people who believe that paper can be, and ought to be, made into money without any promise or hope of redemption; that a note should be printed: "This is a dollar," and be made a legal tender. I regard this as a mild form of lunacy, and have no disposition to debate with men who indulge in such delusions, which have prevailed to some extent, at different times, in all countries, but whose life has been brief, and which have shared the fate of other popular delusions. The Supreme Court only maintained the Constitutionality of the legal tender promise to pay a dollar by a divided court, and on the ground that it was issued in the nature of a forced loan, to be redeemed upon the payment of a real dollar; that is, so many grains of silver or gold. I therefore dismiss such wild theories, and speak only to those who are willing to assume, as an axiom, that gold and silver or coined money, have been proven by all human experience to be the best possible standards of value, and that paper money is simply a promise to pay such coined money, and should be made and kept equal to coined money, by being convertible on demand." - **Secretary of Treasury John Sherman**, 1877

"The Congress shall have the power to coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures; No State shall make any Thing but Gold and Silver Coin a Tender in Payment of debts." - **United States Constitution**, Article 1

"As to the assumed authority of any assembly in making paper money, or paper of any kind, a legal tender, or in other language, a compulsive payment, it is a most presumptuous attempt at arbitrary power. There can be no such power in a republican government: the people have no freedom - and property no security - where this practice can be acted." - **Thomas Paine**

"I am firmly of the opinion that there never was a paper pound, a paper dollar, or a paper promise of any kind, that ever yet obtained a general currency (as money) but by force or fraud, generally by both." - **John Adams**

"If ever again our nation stumbles upon unfunded paper, it shall surely be like death to our body politic. This country will crash!" - **George Washington**

"Paper is poverty...it is only the ghost of money, and not money itself." - **Thomas Jefferson**

"The Federalists would establish a single and splendid government of an aristocracy, founded on banking institutions and moneyed incorporations under the guise and cloak of their favored branches of manufactures, commerce and navigation, riding and ruling over the plundered ploughman and beggared yeomanry." - **Thomas Jefferson**

"If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, (i.e. the "business cycle") the banks and corporations that will grow up around them will deprive the people of all their property until their children will wake up homeless on the continent their fathers conquered." - **Thomas Jefferson**, in the debate over the Recharter Of The Bank Bill, 1809

"The abandonment of the gold standard made it possible for the welfare statist to use the banking system as a means to an unlimited expansion of credit. In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value. Deficit spending is simply a scheme for the 'hidden' confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights. If one grasps this, one has no difficulty in understanding the statist's antagonism toward the gold standard." - **Alan Greenspan** in his essay 'Gold and Economic Freedom', written in 1966 for the newsletter 'The Objectivist', before he crossed over to the Dark Side

"Strictly speaking, it probably is not necessary for the federal government to tax anyone directly; it could simply print the money it needs. However, that would be too bold a stroke, for it would then be obvious to all what kind of counterfeiting operation the government is running. The present system of combining taxation and inflation is akin to watering the milk: too much water and the people catch on." - **Congressman Ron Paul**

"Examining the organization and function of the Federal Reserve Banks and applying the relevant factors, we conclude that the Federal Reserve Banks are not Federal instrumentalities...but are independent and privately owned and controlled corporations...Federal Reserve Banks are listed neither as 'wholly owned' government corporations [under 31 U.S.C. Section 846] nor as 'mixed ownership' corporations [under 31 U.S.C. Section 856]...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...The fact that the Federal Reserve Board regulates the Reserve Banks does not make them Federal agencies under the Act...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..." - **Lewis vs. U.S.**, Case #80-5905, 9th Circuit, June 24, 1982

"From a legal standpoint these banks are private corporations, organized under a special act of Congress, namely, the Federal Reserve Act. They are not, in the strict sense of the word, 'Government banks'." - **William P.G. Harding**, Governor of the Federal Reserve Board, 1921

"I have never yet had anyone who could, through the use of logic and reason, justify the Federal Government borrowing the use of its own money...I believe the time will come when people will demand that this be changed. I believe the time will come in this country when they will actually blame you and me and everyone else connected with the Congress for sitting idly by and permitting such an idiotic system to continue." - **Congressman Wright Patman**, 1928-1976, Chairman of the House Committee on Banking and Currency, 1963-1975

"The financial system has been turned over to the Federal Reserve Board. That Board administers the finance system by authority of a purely profiteering group. The system is private, conducted for the sole purpose of obtaining the greatest possible profits from the use of other people's money." - **Congressman Charles A. Lindbergh, Sr.**, 1923

"Issue of currency should be lodged with the government and be protected from domination by Wall Street. We are opposed to provisions which would place our currency and credit system in private hands." - **Theodore Roosevelt**

"Some people think that 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 these United States for the benefit of themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, 1932

"A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It wars against industry, frugality and economy, and it fosters evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money." - **Congressman Daniel Webster**, 1846

"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 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 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." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, 1934

"The Federal Reserve banks are one of the most corrupt institutions the world has ever seen. There is not a man within the sound of my voice who does not know that this nation is run by the International Bankers." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, 1934

"When the Federal Reserve Act was passed, the people of the United States did not perceive that...the United States were to be lowered to the position of a coolie country which has nothing but raw materials and heavy goods for export; that Russia [China, India...] was destined to supply the 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." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, 1934

"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 our foreign relations. It makes or 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." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, 1932

"Most Americans have no real understanding of the operation of the international money lenders...The accounts of the Federal Reserve System have never been audited. It operates outside the control of Congress and manipulates the credit of the United States." - **Senator Barry Goldwater**, former Republican Party candidate for President

"Those not favorable to the money trust could be squeezed out of business and the people frightened into demanding changes in the banking and currency laws which the money trust would frame [for itself]." - **Congressman Charles A. Lindbergh, Sr.**

"From now on, depressions will be scientifically created." - **Congressman Charles A. Lindbergh, Sr.**, 1913, in reference to the Federal Reserve Act

"It (Black Thursday, 1929) was not accidental. It was a carefully contrived occurrence...The International Bankers sought to bring about a condition of despair here so that they might emerge as rulers of us all." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency

"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...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." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency

"For a long time I felt that FDR had developed many thoughts and ideas that were his own to benefit this country, the United States. But, he didn't. Most of his thoughts, his political ammunition, as it were, were carefully manufactured for him in advance by the Council on

Foreign Relations - One World Money group. Brilliantly, with great gusto, like a fine piece of artillery, he exploded that prepared "ammunition" in the middle of an unsuspecting target, the American people, and thus paid off and returned his internationalist political support. The UN is but a long-range, international banking apparatus clearly set up for financial and economic profit by a small group of powerful One-World revolutionaries, hungry for profit and power. The depression was the calculated 'shearing' of the public by the World Money Powers, triggered by the planned sudden shortage of supply of call money in the New York money market...The One World Government leaders and their ever close bankers have now acquired full control of the money and credit machinery of the U.S. via the creation of the privately owned Federal Reserve Bank." - **Curtis Dall**, Franklin D. Roosevelt's son-in-law, as quoted from his book, *My Exploited Father-in-Law*, 1970

"As soon as Mr. Roosevelt took office, the Federal Reserve began to buy government securities at the rate of ten million dollars a week for 10 weeks, and created one hundred million dollars in new [checkbook] currency, which alleviated the critical famine of money and credit, and the factories started hiring people again." - **Eustace Mullins**, in his book *The Secrets of the Federal Reserve*

"The Federal Reserve definitely caused the Great Depression by contracting the amount of currency in circulation by one-third from 1929 to 1933." - **Milton Friedman**, Nobel Prize winning Economist, in an NPR interview, January 1996

"Let me end my talk by abusing slightly my status as an official representative of the Federal Reserve. I would like to say to Milton and Anna: Regarding the Great Depression. You're right, we did it. We're very sorry. But thanks to you, we won't do it again (hah!)." - **Ben Bernanke**, Federal Reserve Chairman and one of the world's foremost scholars on the Great Depression, 2008

"The one who cannot see that on Earth a big endeavor is taking place, an important plan, on which realization we are allowed to collaborate as faithful servants, certainly has to be blind." - **Winston Churchill**

"The governments of the present day have to deal not merely with other governments, with emperors, kings and ministers, but also with the secret societies which have everywhere their unscrupulous agents, and can at the last moment upset all the governments' plans." - **Benjamin Disraeli**, Prime Minister of Britain, 1876

"It is useless to deny, because it is impossible to conceal, that a great part of Europe - the whole of Italy and France and a great portion of Germany, to say nothing of other countries - is covered with a network of these secret societies, just as the superficies of the earth is now being covered with railroads." - **Benjamin Disraeli**, Prime Minister of Britain, 1876

"There exists a shadowy Government with its own Air Force, its own Navy, its own fundraising mechanism, and the ability to pursue its own ideas of national interest, free from all checks and balances, and free from the law itself." - **Senator Daniel K. Inouye**, at the joint House and Senate Iran-Contra affair hearings, 1987

"Today the path of total dictatorship in the United States can be laid by strictly legal means, unseen and unheard by the Congress, the President, or the people. Outwardly we have a Constitutional government. We have operating within our government and political system, another body representing another form of government - a bureaucratic elite." - **Senator William Jenner**, 1954

"In the United States today we have in effect two governments... We have the duly constituted government... Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System operating the money powers which are reserved to Congress by the Constitution." - **Congressman Wright Patterson**, Chairman of the House Committee on Banking and Currency, 1968

"I have never seen more senators express discontent with their jobs... I think the major cause is that, deep down in our hearts, we have been accomplices to doing something terrible and unforgivable to this wonderful country. Deep down in our hearts, we know that we have bankrupted America and that we have given our children a legacy of bankruptcy... We have defrauded our country to get ourselves elected." - **Senator John Danforth**, reported in the Arizona Republic of April 21, 1992

"The powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalistic fashion by the central banks of the world acting in concert, by secret agreements, arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basel, Switzerland; a private bank owned and controlled by the world's central banks which were themselves private corporations. Each central bank... sought to dominate its government by its ability to control treasury loans, to manipulate foreign exchanges, to influence the level of economic activity in any country, and to influence cooperative politicians by subsequent economic rewards (lucrative 'consulting' gigs) in the business world... The growth of financial capitalism made possible a centralization of world economic control and use of this power for the direct benefit of financiers and the indirect injury of all other economic groups." - **Carroll Quigley**, Professor of History at Georgetown University (deceased) in his book *Tragedy and Hope: A History of The World in Our Time*, 1966; highly esteemed by his former student, William Jefferson Blythe Clinton

"There does exist and has existed for a generation, an international Anglophile network which operates, to some extent, in the way the radical Right believes the Communists act. In fact, this network, which we may identify as the Round Table groups, has no aversion to cooperating with the Communists, or any other groups, and frequently does so. I know of the operations of this network because I have studied it for 20 years and was permitted for two years, in the early 1960s, to examine its papers and secret record." - **Carroll Quigley**, Professor of History at Georgetown University (deceased)

"Their secret is that they have annexed from governments, monarchies, and republics the power to create the world's money on debt-terms requiring tribute both in principal and interest." - **Carroll Quigley**, Professor of History at Georgetown University (deceased)

"The government of the Western nations, whether monarchical or republican, had passed into the invisible hands of a plutocracy, international in power and grasp. It was, I venture to suggest, this semi-occult power which pushed the mass of the American people into the cauldron of World War I." - **Major General J.F.C. Fuller**, British Military Historian, 1941

"In a small Swiss city (Basel) sits an international organization so obscure and secretive [that few people know about it]...Control of the institution, the Bank for International Settlements, lies with some of the world's most powerful and least visible men; the heads of 32 central banks, officials able to shift billions of dollars and alter the course of economies at the stroke of a pen." - **Keith Bradsher** of the New York Times, August 5, 1995

"The Federal Reserve Bank of New York is eager to enter into close relationship with the Bank for International Settlements...The conclusion is impossible to escape that the State and Treasury Departments are willing to pool the banking systems of Europe and America, setting up a world financial power independent of and above the Government of the United States." - **Congressman Louis T. McFadden**, Chairman of the House Committee on Banking and Currency, quoted from the New York Times, June 1930

"Ever since the Civil War, Congress has allowed the bankers to control financial legislation. The membership of the Finance Committee in the Senate (now the Banking and Currency Committee) and the Committee on Banking and Currency in the House have been made up chiefly of bankers, their agents, and their attorneys...In this way the committees have been able to control legislation in the interests of the few." - **Congressman Charles A. Lindberg, Sr.**

"The Council on Foreign Relations (CFR) is "The Establishment". Not only does it have influence and power in key decision-making positions at the highest levels of government to apply pressure from above, but it also announces and uses individuals and groups to bring pressure from below, to justify the high level decisions for converting the U.S. from a sovereign Constitutional Republic into a servile member state of a one-world dictatorship." - **Former Congressman John Rarick**, 1971

"The Council on Foreign Relations (CFR) is the American Branch of a society which originated in England (The Royal Institute of International Affairs)...and believes national boundaries should be obliterated and one-world rule established." - **Carroll Quigley**, Professor of History at Georgetown University (deceased)

"The Trilateral Commission is intended to be the vehicle for multinational consolidation of the commercial and banking interests by seizing control of the political government of the United States. The Trilateral Commission represents a skillful, coordinated effort to seize control and consolidate the four centers of power - political, monetary, intellectual, and ecclesiastical. All this is to be done in the interest of creating a more peaceful, more productive world community. What the Trilateralists truly intend is the creation of a worldwide economic power superior to the political governments of the nation-states involved. They believe the abundant materialism they propose to create will overwhelm existing differences. As managers and creators of the system they will rule the future." - **Senator Barry Goldwater**, former Republican Party candidate for President, in his book *With No Apologies*, 1964

"The drive of the Rockefellers and their allies is to create a one-world government combining supercapitalism and communism under the same tent, all under their control...Do I mean conspiracy? Yes I do. I am convinced there is such a plot, international in scope, generations old in planning, and incredibly evil in intent." - **Congressman Larry P. McDonald**, 1976, killed in the Korean Airlines 747 (Flight KAL007) that was shot down by the Soviets in 1983

"The interests behind the Bush Administration, such as the Council on Foreign Relations, The Trilateral Commission - founded by Zbigniew Brzezinski for David Rockefeller - and the Bilderberger Group, have prepared for and are now moving to implement open world dictatorship within the next five years. They are not fighting against terrorists. They are fighting against citizens." - **Dr. Johannes B. Koepl, Ph.D.**, 2001, former German Defense Ministry official and advisor to former NATO Secretary General Manfred Werner

"The technetronic era involves the gradual appearance of a more controlled society. Such a society would be dominated by an elite, unrestrained by [obsolete] traditional values. Soon it will be possible to assert almost continuous surveillance over every citizen and maintain up-to-date complete files containing even the most personal information about the citizen. These files will be subject to instantaneous retrieval by the authorities." - **Zbigniew Brzezinski**

"It (world government) cannot happen without U.S. participation, as we are the most significant single component. Yes, there will be a New World Order, and it will force the United States to change its perceptions." - **Henry Kissinger**

"The New World Order will be built...an end run on national sovereignty, eroding it piece by piece will accomplish much more than the old-fashioned frontal assault." - **Council on Foreign Relations Journal**, 1974, page 558

"We shall have world government, whether or not we like it. The only question is whether World Government will be achieved by conquest or by consent." - **Paul Warburg**, member of the Council on Foreign Relations and architect of the Federal Reserve System, in an address to the U.S. Senate, February 17, 1950

"The most powerful clique in these elitist groups have one objective in common - they want to bring about the surrender of the sovereignty and the national independence of the United States." - **Rear Admiral Chester Ward**, U.S. Navy, was a member of the CFR for sixteen years

"In March, 1915, the J.P. Morgan interests, the steel, shipbuilding, and powder interest, and their subsidiary organizations, got together 12 men high up in the newspaper world and employed them to select the most influential newspapers in the United States and sufficient number of them to control generally the policy of the daily press...They found it was only necessary to purchase the control of 25 of the greatest papers. An agreement was reached; the policy of the papers was bought, to be paid for by the month; an editor was furnished for each paper to properly supervise and edit information regarding the questions of preparedness, militarism, financial policies, and other things of national and international nature considered vital to the interests of the purchasers." - **Congressman Oscar Callaway**, 1917

"These International Bankers and Rockefeller Standard Oil interests control the majority of newspapers and the columns of these papers to club into submission or drive out of public office officials who refuse to do the bidding of the powerful corrupt cliques which compose the invisible government." - **Theodore Roosevelt**

"If you don't read the newspaper, you are uninformed; if you do read the newspaper, you are misinformed." - **Mark Twain**

"There is no such thing, at this date of the world's history, in America, as an independent press. You know it and I know it. There is not one of you who dare to write your honest opinions, and if you did, you know beforehand that it will never appear in print. I am paid weekly for keeping my honest opinions out of the paper I am connected with. Others of you are paid similar salaries for similar things, and any of you who would be so foolish as to write honest opinions would be out on the streets looking for another job. If I allowed my honest opinions to appear in one issue of my paper, before twenty-four hours my occupation would be gone. The business of the journalist is to destroy the truth; to lie outright; to pervert; to vilify; to fawn at the feet of Mammon, and to sell his country and his race for his daily bread. You know it and I know it and what folly is this toasting an independent press? We are the tools and vassals for rich men behind the scenes. We are the jumping jacks, they pull the strings and we dance. Our talents, our possibilities and our lives are the property of other men. We are intellectual prostitutes." - **John Swinton**, former Chief of Staff of the New York Times, called by his peers "The Dean of his profession", was asked in 1953 to give a toast before the New York Press Club

"We are grateful to the Washington Post, The New York Times, Time Magazine and other great publications whose directors have attended our meetings and respected their promises of discretion for almost forty years. It would have been impossible for us to develop our plan for the world if we had been subjected to the lights of publicity during those years. But, the world is now more sophisticated and prepared to march towards a world government. The supranational sovereignty of an intellectual elite and world bankers is surely preferable to the national autodetermination practiced in past centuries." - **David Rockefeller**, in an address to the Trilateral Commission meeting in Baden- Baden, Germany, 1991

"For more than a century, ideological extremists at either end of the political spectrum have seized upon well-publicized incidents to attack the Rockefeller family for the inordinate influence they claim we wield over American political and economic institutions. Some even believe we are part of a secret cabal working against the best interests of the United States, characterizing my family and me as 'internationalists' and of conspiring with others around the world to build a more integrated global political and economic structure - one world, if you will. If that is the charge, I stand guilty, and I am proud of it." - **David Rockefeller**, found on page 405 of his memoirs

"I think the subject which will be of most importance politically is mass psychology...Various results will soon be arrived at: that the influence of home is obstructive...although this science will be diligently studied, it will be rigidly confined to the governing class. The populace will not be allowed to know how its convictions were generated. When the technique has been perfected, every government that has been in charge of education for a generation will be able to control its

subjects securely without the need of armies or policemen...Educational propaganda, with government help, could achieve this result in a generation. There are, however, two powerful forces opposed to such a policy: one is religion; the other is nationalism...A scientific world society cannot be stable unless there is a world government." - **Bertrand Russell**, 1958

"There is a small circle of men who control the world's finance. Each member, before initiation, knows its religion to be reward for friends and extermination of enemies. Once a man is within the magic circle...punishment for disloyalty is sure and terrible, and in no corner of the Earth can he escape it, nor can any power on Earth protect him from it. The magic circle is at the receiving end of the greatest information bureau in the world." - **Thomas Lawson**, in his article in *Everybody's Magazine*, 'Frenzied Finance', 1904

"Lenin is said to have declared that the best way to destroy the Capitalistic System was to debauch the currency...Lenin was certainly right. There is no more surer, more subtler means of destroying the existing basis of society than to debauch the currency. By a continuing process of [leveraged] inflation, governments can confiscate secretly and unobserved, an important part of the wealth of the citizens. The process engages all of the hidden forces of economics on the side of destruction and does it in a manner that not one man in a million can diagnose...If governments should refrain from regulation (taxation) and allowed matters to take their course (price explosion) the [even less than] worthlessness of the money becomes apparent and the fraud upon the public can be concealed no longer." - **John Maynard Keynes**, Economist

"The study of money, above all other fields in economics, is one in which complexity is used to disguise truth or to evade truth, not to reveal it. The process by which banks create money is so simple that the mind is repelled." - **John Kenneth Galbraith**, Economist, in his book *Money: Whence It Came, Where It Went*, 1975

"If two parties, instead of being a bank and an individual, were an individual and an individual, they could not inflate the circulating medium by a loan transaction, for the simple reason that the lender could not lend what he didn't have, as banks can do...Only commercial banks and trust companies can lend money that they manufacture [out of nothing] by lending it." - **Professor Irving Fisher**, Economist, in his book *100% Money*, 1935

"Commercial banks create checkbook money whenever they grant a loan, simply by adding new deposit dollars in accounts on their books in exchange for a borrower's IOU." - **Federal Reserve Bank of New York**, in publication 'I Bet You Thought', page 19

"The decrease in purchasing power incurred by holders of money due to inflation imparts gains to the issuers of money." - **St. Louis Federal Reserve Bank**, Review, Nov. 1975, page 22

"Mr. Greenspan needs to make his decision independent of what I think. I learned a pretty good lesson during the transition, and that is I commented out loud about one of the actions he took (whoa!). That's the last time I'm going to comment about the actions Mr. Greenspan takes. He's an independent voice, and needs to be an independent voice." - (**Notional**) **President George W. Bush**, speaking in regards to the Federal Reserve Board Chairman, 2001

"To modern minds, it seemed bizarre to think of the Federal Reserve as a religious institution. Yet the conspiracy theorists, in their own demented way, were on to something real and significant. The Fed does in fact function in the realm of religion. Its mysterious powers of money creation, inherited from priestly forebears, shielded a complex bundle of social and psychological meanings. With its own form of secret incantation, the Federal Reserve presided over awesome social ritual, transactions so powerful and frightening they seemed to lie beyond common understanding. Above all, money was a function of faith. It required implicit and universal social consent that was indeed mysterious. To create money and use it, each one must believe, and everyone must believe. Only then did worthless pieces of paper take on value." - **William Grieder**, former Assistant Managing Editor of The Washington Post, in his book *Secrets of the Temple: How the Federal Reserve Runs the Country*, 1987

"Banking establishments are...moral and religious institutions (usury is sacred?)...What has been [the young tradesman's] anxiety to stand well in the estimation of his banker? ...Has not the frown of his banker been of more influence with him than the jeers and discouragements of his friends? Has he not trembled to be supposed guilty of deceit or the slightest misstatement, lest it should give rise to suspicion, and his accommodation be in consequence restricted or discontinued?...And has not that friendly advice been of more value to him than that of priest?" - **G.M. Bell**, a Scottish bank Director

"Those who swallow down usury cannot arise except as one whom Satan has prostrated by his touch does rise. That is because they say, trading is only like usury; and Allah has allowed trading and forbidden usury. To whomsoever then the admonition has come from his Lord, then he desists, he shall have what is already passed, and his affairs is in the hands of Allah; and whoever returns to it - these are the inmates of the fire; they shall abide in it..." - **The Qur'an**, Surah Al-Baqarah

"And they come to Jerusalem: and Jesus went into the temple, and began to cast out them that sold and bought in the temple, and overthrew the tables of the moneychangers...And the scribes and chief priests...sought how they might destroy him: for they feared him, because all the people were astonished at his doctrine. - Mark 11:15-18" - **The Bible**

"If thou lend money to any of my people that is poor by thee, thou shalt not be to him an usurer, neither shalt thou lay upon him usury. - Exodus 22:25. Take no usury of him, or increase: but fear God...thou shalt not give him thy money upon usury. - Leviticus 25:36-37. Unto thy brother thou shalt not lend upon usury: That the Lord thy God bless thee. - Deuteronomy 23:20" - **The Bible**

"There must be no lending at interest because it will be quite in order for the borrower to refuse absolutely to return both interest and principal." - **Aristotle**

"The trade of the petty usurer is hated with most reason: it makes a profit from currency itself, instead of making it from the process which currency was meant to serve." - **Plato**

"Meanwhile, we hand the small thieves [their punishments]...Little thieves are put in the stocks, great thieves go flaunting in gold and silk...Therefore is there, on this earth, no greater enemy of

man (after the Devil) than a gripemoney, and usurer, for he wants to God over all men. Turks, soldiers, and tyrants are also bad men, yet must they let the people live, and confess that they are bad, and enemies, and do, nay, must, now and then show pity to some. But the usurer and money-glutton, such a one would have the whole world perish of hunger and thirst, misery and want, so far as in him lies, so that he may have all to himself, and everyone may receive from him as from a God, and be his serf forever." - **Martin Luther**

"Lucre (fiat debt legal fiction life control certificates) is the black magick synthetic quintessence of this illusory world that we live in; it can be converted into 'anything' and 'anything' can be converted into it. I am convinced that it has a primitive form of consciousness all of its own - an encoded form of pure ego created for the absolute usurpation of all credit, debit and value - as if the whole of reality itself exists purely in debt to the international banking dynasties. These vampire dynasties want everyone else either enslaved to them or dead because they consider themselves to be god-like. The divine right of kings has become the divine right of bankers and their evil is law. Their over-systems are made entirely out of worthless pieces of fraudulent vampire paper bearing their signatures, totally unworthy of being legal tender, and are continually refined over time to enable them to feed upon the masses of humanity as much as they dare to. You are all economic thrall subjects to Wall Street sociopaths who worship rational egoism." - **MIB Dissident, Cthulhu Priesthood**, The Sovereign Trust Bank of Royal Imperial Commerce

"The most sinister and anti-social feature about bank-deposit money is that it has no existence. The banks owe the public for a total amount of money which does not exist. In buying and selling, implemented by check transactions, there is a mere change in the party to whom the money is owed by the banks. As the one depositor's account is debited, the other is credited and the banks can go on owing for it all the time. The whole profit of the issuance of money has provided the capital of the great banking business as it exists today. ***Starting with nothing whatever of their own, they have got the whole world into their debt irredeemably, by a trick.*** This money comes into existence every time the banks 'lend' and disappears every time the debt is repaid to them. So that if industry tries to repay, the money of the nation disappears. This is what makes prosperity so 'dangerous' as it destroys money just when it is most needed and precipitates a slump. There is nothing left now for us but to get ever deeper and deeper into debt to the banking system in order to provide the increasing amounts of money the nation requires for its expansion and growth. ***Our money system is nothing better than a confidence trick...***The "money power" which has been able to overshadow ostensibly responsible government is not the power of the merely ultra-rich but is nothing more or less than a new technique to destroy money by adding and withdrawing figures in bank ledgers, without the slightest concern for the interests of the community or the real role money ought to perform therein...to allow it to become a source of revenue to private issuer's is to create, first, a secret and illicit arm of government and, last, a rival power strong enough to ultimately overthrow all other forms of government...An honest money system is the only alternative." - **Frederick Soddy**, Nobel Prize winner (Chemistry), author of 'Wealth, Virtual Wealth & Debt', 1921

"That is what our money system is. If there were no debts in our money system, there wouldn't be any money." - **Marriner S. Eccles**, Chairman and Governor of the Federal Reserve Board

"Each and every time a bank makes a loan (or purchases securities), new bank credit is created - new deposits - brand new money." - **Graham F. Towers**, Director, Bank of Canada

"Thus, our national circulating medium is now at the mercy of loan transactions of banks, which lend, not money, but promises to supply money they do not possess." - **Irving Fisher**, Economist and Author

"If our 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 the bond lets money brokers collect twice the amount of the bond and an additional 20%, whereas the currency pays nobody but those who contribute directly in some useful way. It is absurd to say that our country can issue \$30 million in bonds and not \$30 million in currency. Both are promises to pay, but one promise fattens the usurers and the other helps the people." - **Thomas Edison**, *The New York Times*, December 6, 1921

"Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the U.S. Agency for International Development (USAID), and other foreign "aid" organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization. I should know; I was an EHM." - **John Perkins**, former NSA Operative and Chief Economist at Charles T. Main Associates of New York, in his book *Confessions of an Economic Hit Man*

"I spent 33 years in the Marines. Most of my time being a high-class muscle man for big business, for Wall Street and the bankers. In short, I was a racketeer for capitalism. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912. I helped make Mexico, especially Tampico, safe for American oil interests in 1914. I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenue in. I helped in the rape of half-dozen Central American republics for the benefit of Wall Street...In China I helped to see to it that Standard Oil went its way unmolested." - **Major General Smedley D. Butler**, U.S. Marine Corps; General Butler was twice awarded the Medal of Honor (1914, 1917); General Douglas MacArthur described Butler as "one of the really great generals in American history."

"I wouldn't go to war again as I have done to protect some lousy investment of the bankers. There are only two things we should fight for. One is the defense of our homes and the other is the Bill of Rights. War for any other reason is simply a racket." - **Major General Smedley D. Butler**, U.S. Marine Corps, from a speech in 1933

"War is a racket. It always has been. It is possibly the oldest, easily the most profitable, surely the most vicious. It is the only one international in scope. It is the only one in which the profits are reckoned in dollars and the losses in lives. A racket is best described, I believe, as something that is not what it seems to the majority of the people. Only a small 'inside' group knows what it is about. It is conducted for the benefit of the very few, at the expense of the very many. Out of

war a few people make huge fortunes." - **Major General Smedley D. Butler**, U.S. Marine Corps, from a speech in 1933

"We have about 50% of the world's wealth, but only 6.3% of its population...Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity...To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives...We should cease to talk about vague and unreal objectives such as human rights, the raising of living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better." - **George Kennan**, Director of State Department Policy Planning, Truman Administration, 1948

"For globalization to work, America can't be afraid to act like the almighty superpower that it is. The hidden hand of the market will never work without a hidden fist. McDonald's cannot flourish without McDonnell-Douglas, the designer of the F-15, and the hidden fist that keeps the world safe for Silicon Valley's technology is called the United States Army, Air Force, Navy and Marine Corps." - **Thomas Friedman**, New York Times, March 28, 1999

"It (World Bank) has condemned people to death [as human sacrifices to 'the system']...They don't care if people live or die." - **Joseph Stiglitz**, former Chief Economist of the World Bank, Chairman of the President's Council of Economic Advisors (Clinton Administration), shared the 2001 Nobel Prize in Economics

"All wars are economic in origin." - **Bernard Baruch**, Advisor to Woodrow Wilson and Franklin D. Roosevelt on Economics

"If my sons did not want wars, there would be none." - **Gutle Schnaper**, Mayer Amschel Rothschild's wife

"Money plays the largest part in determining the course of history." - **Karl Marx**, in 'The Communist Manifesto', 1848

"If the U.S. monopoly capitalist groups persist in pushing their policies of aggression and war, the day is bound to come when they will be hanged by the people of the whole world. The same fate awaits the accomplices of the United States [in China]." - **Mao Zedong**, in *The Little Red Book*, Chapter 6, 1964

"Fascism should rightly be called corporatism as it is a merge of state and corporate power." - **Benito Mussolini**

"The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than the democratic state itself. That in its essence is fascism: ownership of government by an individual, by a group or any controlling private power." - **Franklin D. Roosevelt**

"The only sure bulwark of continuing liberty is a government strong enough to protect the interests of the people, and a people strong enough and well enough informed to maintain its sovereign control over its government." - **Franklin D. Roosevelt**

"A popular government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or, perhaps both. Knowledge will forever govern ignorance. And a people who mean to be their own Governors, must arm themselves with the power that knowledge gives." - **James Madison**

"Information is the currency of democracy." - **Thomas Jefferson**

"Educate and inform the whole mass of the people...They are the only sure reliance for the preservation of our liberty." - **Thomas Jefferson**

"I may be alone with my thoughts, on my island located on my inland sea. Previously, I would be helpless to influence my national government. With the internet, although physically isolated, I can associate with millions across my country and across the globe. No longer am I one person, and no government can afford to ignore me. I have become a power bloc, in both theory and in fact. Even if I ignore today the ability I now have to associate with others, no government can afford to ignore the possibility that someday I may, for some reason, choose to exercise this ability to associate. The individual, isolated or not, has become important." - **Andrew Grosso**, Attorney, Chairman of the ACM Committee on Law and Computer Technology

"This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government, they can exercise their Constitutional right of amending it, or their revolutionary right to dismember or overthrow it." - **Abraham Lincoln**, First Inaugural Address, March 4, 1861

"When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and...whenever any Form of Government becomes destructive of these ends [of Life, Liberty and the Pursuit of Happiness], it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect (provide for) their Safety and Happiness..." - **Declaration of Independence** of the American Colonies, 1776

"When we got organized as a country and we wrote a fairly radical Constitution with a radical Bill of Rights, giving a radical amount of individual freedom to Americans, it was assumed that the Americans who had that freedom would use it responsibly...[Now] there's a lot of irresponsibility. And so a lot of people say there's too much freedom. When personal freedom is being abused, you have to move to limit it (just too damn much freedom for our own good?)." - **President Bill Clinton**

"America is at that awkward stage; it's too late to work within the system, but (still?) too early to shoot the bastards." - **Claire Wolfe**

"A Government that makes peaceful revolution impossible, makes armed revolution inevitable."  
- **John F. Kennedy**

"The high office of President has been used to foment a plot to destroy the American's freedom, and before I leave office I must inform the citizen of his plight." - **John F. Kennedy**, speaking at Columbia University, 10 days before his assassination

"Every communist must grasp the truth; political power grows out of the barrel of a gun." - **Mao Zedong**

"Democracy is two wolves and a lamb voting on what to have for lunch. Liberty is a well-armed lamb contesting the vote!" - **Benjamin Franklin**

"When the government fears the people, you have liberty; when the people fear the government, you have tyranny." - **Thomas Jefferson**

"It is not the function of the government to keep the citizen from falling into error; it is the function of the citizen to keep the government from falling into error." - **Judge Robert H. Jackson**, U.S. Supreme Court Justice

"Liberty has never come from government! Liberty has come from the subjects of government. The history of liberty is the history of resistance!" - **Woodrow Wilson**, 1912

"Dissent is the highest form of patriotism." - **Benjamin Franklin**

"In the beginning of a change, the patriot is a scarce man, brave, hated, and scorned. When his cause succeeds however, the timid join him, for then it costs nothing to be a patriot." - **Mark Twain**

"Society in every state is a blessing, but Government, even in its best state, is a necessary evil; in its worst state, an intolerable one." - **Thomas Paine**

"They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety [and they will very quickly lose both]." - **Benjamin Franklin**

"Trade liberty for safety or money and you'll end up with neither. Liberty, like a grain of salt, easily dissolves. The power of questioning - not simply believing - has no friends. Yet liberty depends on it." - **Thomas Jefferson**

"And can the liberties of a nation be thought secure, when we have removed their only firm basis, a conviction in the minds of the people that these liberties are of the gift of God? That they are not to be violated but with his wrath [incurred by the ownership of slaves]? Indeed I tremble for my country when I reflect that God is just: that his justice cannot sleep forever...The Almighty has no attributes which can take side with us in such a contest...I think a change is already perceptible, since the origin of the present revolution. The spirit of the master is abating, that of the slave rising from the dust, his condition mollifying, the way, I hope, preparing, under

the auspices of Heaven, for a total emancipation; and that this is disposed, in the order of events, to be with the consent of the masters, rather than by their extirpation (total elimination)." - **Thomas Jefferson**, in 'Commerce Between Master and Slave', 1782

"If you aren't ready to die for it, put the word "freedom" out of your vocabulary." - **Malcolm X**

"You can have peace. Or you can have freedom. Don't ever count on having both at once." - **Robert A. Heinlein**

"Liberty means responsibility. That is why most men dread it." - **George Bernard Shaw**

"The eyes of our citizens are not sufficiently open to the true cause of our distress. They ascribe them to everything but their true cause, the banking system; a system which if it could do good in any form is yet so certain of leading to abuse as to be utterly incompatible with the public safety and prosperity. The Central Bank is an institution of the most deadly hostility existing against the principles and form of our Constitution." - **Thomas Jefferson**

"Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and of democracy is idle and futile." - **William Lyon Mackenzie King**, Prime Minister of Canada, 1935

"All the ingredients for ending poverty of a person always come neatly packaged with the person himself. A human being is born in this world fully equipped not only to take care of himself (which all other life-forms can do too), but also to contribute in enlarging the well-being of the world as a whole. Poverty is not created by the poor people. So we shouldn't give them an accusing look. They are the victims. Poverty has been created by the economic and social system that we have designed for the world. It is the institutions that we have built, and feel so proud of, which created poverty. It is the concepts we developed to understand the reality around us, made us see things wrongly! It is the failure at the top - rather than lack of capability at the bottom - which is the root cause of poverty. Concepts, institutions, and analytical frame conditions which created poverty, cannot end poverty. If we can intelligently re-work the frame conditions, poverty will be gone, never to come back again...Try to imagine how the economists would have built their theory if they had started out with an axiom that all men and women are created equal, that each of them is endowed with unlimited creativity, and each of them is a potential entrepreneur. In some important ways our designing of the theoretical framework of economics or the misrepresentation of it is responsible for perpetuating poverty." - **Professor Muhammad Yunus**, Creator of Grameen Bank in Commonwealth Lecture 2003, Winner of the 2006 Nobel Peace Prize

"Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings." - **Nelson Mandela**

"While they prate of 'economic laws', men and women are starving [to death]. We must lay hold of the fact that 'economic laws' are not made by nature. They are made by human beings." - **Franklin D. Roosevelt**

"Money is a new form of slavery, and distinguishable from the old simply by the fact that it is impersonal - that there is no human relation between master and slave." - **Leo Tolstoy**

"Throughout the ages, the devices of cunning men have turned money to their nefarious purposes. Money, beginning with private enterprise as a means of escaping the limitation of barter, soon developed the cheat to exploit the honest trader who, in an effort to protect himself, turned to government for protection, only to find that now he had two thieves, the private money changer and the political plunderer working hand in glove against him. By this combination the money changer gained the prestige of political sanction through legislative license and the state secured a deceptive device for laying taxes upon the citizenry [by means of the hidden tax called inflation]. It was and remains a vicious alliance." - **E.C. Reigel**

"The greatest enemy of mankind is his ignorance of the inherent money power in all of us. When the realization of this comes to man, he will like Samson, push down the walls of his prison." - **E.C. Reigel**

"Nothing is more dangerous to the power of the elite than the public discovery and understanding of the private control of the money supply." - **Antony Sutton**, in his book *The Federal Reserve Conspiracy*

"The issue which has swept down the centuries and which will have to be fought sooner or later is The People vs. The Banks." - **Lord Acton**, Historian and Lord Chief Justice of England, 1875

"The people must be helped to think naturally about money. They must be told what it is, and what makes it money (as binding social contract), and what are the possible tricks of the present system which put nations and peoples under control of the few." - **Henry Ford**, in his book *My Life and Work*, 1922

"Although we have so foolishly allowed the field of circulating medium to be filched from us by private individuals, I think we may recover it...The states should be asked to transfer the right of issuing paper money to Congress, in perpetuity." - **Thomas Jefferson**, in a letter to John Eppes, 1813

"The treasury, lacking confidence in the country, delivered itself bound hand and foot to bold and bankrupt adventurers and bankers pretending to have money, whom it could have crushed at any moment." - **Thomas Jefferson**, in a letter to Treasury Secretary Gallatin, 1815

"Banking doesn't involve fraud, banking is [the heart of] fraud." - **Tim Madden**, Monetary Historian and Consumer Advocate

"The best way to rob a bank is to own one." - **William K. Black**, the title of his book on banking

"And the banks - hard to believe in a time when we're facing a banking crisis that many of the banks created - are still the most powerful lobby on Capitol Hill. And they frankly own the place...We don't own them, they own us." - **Senator Dick Durbin**, May 2009

"Those who believe that history is only made by the men on the stage and determined by the most evident economic, social, political, and cultural factors, do not see and do not seek any other explanation; and yet this is exactly what every force operating in secret desires." - **Julius Evola**

"When plunder becomes a way of life for a group of men living together in society, they create for themselves in the course of time, a legal system that authorizes it and a moral code that glorifies it." - **Frederic Bastiat**, Political Economist, in his book *Economic Sophisms*

"A definite factor in getting a lie believed is the size of the lie. The broad mass of the people, in the simplicity of their hearts, more easily fall victim to a big lie than to a small one." - **Adolf Hitler**

"What luck for rulers that men do not think." - **Adolf Hitler**

"The perfect slave is the slave who thinks that he is free." - **Goethe**

"Telling the truth is always revolutionary." - **Antonio Gramsci**

"For we are opposed around the world, by a monolithic and ruthless conspiracy, that relies primarily on covert means for expanding its sphere of influence, on infiltration instead of invasion, on subversion instead of election, on intimidation instead of free choice. It is a system which has conscripted vast human and material resources into the building of a tightly knit, highly efficient machine that combines military, diplomatic, intelligence, economic, scientific and political operations. Its preparations are concealed, not published. Its mistakes are buried, not headlined. Its dissenters are silenced, not praised. No expenditure is questioned. No secret is revealed. That is why the Athenian Lawmaker Solon decreed it a crime for any citizen to shrink from controversy. I am asking your help in the tremendous task of informing and alerting the American people, confident that with your help, man will be what he was born to be - Free and Independent." - **John F. Kennedy**, 1961

"Hold on, my friends, to the Constitution and the Republic for which it stands. Miracles do not cluster, and what has happened once in 6,000 years, may not happen again. Hold on to the Constitution, for if the American Constitution should fail, there will be anarchy throughout the world." - **Congressman Daniel Webster**

"The harder the conflict, the more glorious the triumph." - **Thomas Paine**



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