

# 7 Reasons to END THE FED

## 1. IT CANNOT ACHIEVE ITS STATED OBJECTIVES

The Federal Reserve System was supposedly created to stabilize our economy. *Since its inception, it has presided over the crashes of 1921 and 1929; the Great Depression of 1929-1939; numerous recessions; a stock market "Black Monday" in 1987; our current banking crisis; over 1000% inflation and 98% loss of the dollar's purchasing power.* That incredible loss was transferred to the Federal Government in the form of hidden taxation known as inflation. Even after repeated changes in personnel, operating under both political parties, experimenting in monetary policy, dozens of revisions to its charter, it has not achieved its stated objective because stabilizing the economy was never its true objective. Its true objectives were to stop the growing influence of rival banks, obtain a franchise to create money out of nothing for the purpose of lending; control the reserves of all banks so all banks will be motivated to follow the same loan-to-deposit ratios, and to shift the losses from the owners of the banks to the taxpayers.

## 2. IT IS A CARTEL OPERATING AGAINST THE PUBLIC INTEREST

The Federal Reserve was created in 1910 at a highly secretive meeting on Jekyll Island, Georgia by seven men representing the western world's most powerful banking houses. These men denied this for years, but eventually admitted it in various publications. The reason for the secrecy and deception was that the bill was supposed to "break the grip of the money trust", but in actuality it was created by the money trust to strengthen their grip by establishing a banking cartel. A cartel is a shared monopoly which enables its members to control the production and pricing of a product (in this case, money) in order to maximize profitability for themselves. Since its creation, the Federal Reserve has been successful at continually shifting the member banks' losses to the American taxpayer ("bailouts") while allowing the banks to keep their profits. This was one of the key objectives of the bankers that created it.

## 3. IT IS AN INSTRUMENT OF TOTALITARIANISM

In July 1944, prominent socialists met at Bretton Woods & established the World Bank & International Monetary Fund.

The creation of this world central bank created a common fiat money (money not backed by gold) which required all nations to inflate at the same rate. The IMF is funded on a quota basis by its member nations. The greatest share of capital comes from the United States, which contributes about 20% of the total. The IMF then exchanges worthless currencies for dollars so poor countries can pay their bills. The IMF and World Bank's primary objective is to make loans to underdeveloped nations. By charging excessive interest, increasing imports that benefit the lender, devaluing the local currency and destroying the ability to export materials, these nations will never be able to repay the loan forcing them into perpetual debt. These loans never go to private industries, but are given to corrupt Marxist dictators. Some examples include Ethiopia, Vietnam, Laos, Syria, Jamaica and Nicaragua. Through mass detentions, torture, planned famines, and resettlement programs, these governments are responsible for serious human rights violations. The IMF/World bank is the protégé of the Federal Reserve. It would not exist without the flow of American tax dollars. Thus, *the Fed has become an accomplice in the support of corrupt regimes around the world.*

## 4. IT CREATES MONEY OUT OF THIN AIR

Banks acquire assets by the process of Fractional-Reserve Banking. \*Through policies set by the Federal Reserve, banks are not required to keep \$10,000 of reserves against the \$10,000 of deposits. All they need to retain, under a 10% reserve requirement, is \$1,000. The remaining \$9,000 is "excess reserves." This amount can be loaned or invested. If business is active, the banks with excess reserves probably will have opportunities to loan the \$9,000. Of course, they do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrowers' transaction accounts. Loans (assets) and deposits (liabilities) both rise by \$9,000. Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system. *In other words they create money by matching an imaginary asset with an imaginary liability, and then they charge interest on it. The FED charges interest on money that never existed!*

## 5. IT IS THE SUPREME INSTRUMENT OF USURY

Money is created by the act of borrowing. The act of paying it off causes it to vanish. Therefore, the money supply of the nation is backed by nothing but debt. With that, we can see that the name Federal Reserve is misleading. It is not

part of the Federal Government and it has no reserves. Gold and silver in no way back the supply of money. Banks create money by 'monetizing' the private debts of businesses and individuals. *It should then come as no surprise that the Federal Reserve is not interested in reducing debt.* Usury can be defined as excessive interest. If a person were to buy a home at \$100,000 with a \$30,000 down payment, \$70,000 must be borrowed. If the loan is issued at 11% over a 30-year period, the amount of interest paid will be \$167,806. This loan can be justified if we assume the lender actually had something to surrender, that he earned the capital, saved it, and then lent it for construction. The bank, however lends out money it does not earn.

## 6. IT GENERATES AN UNFAIR TAX

So, if you get a loan, you are getting money that another person placed in the bank for safe storage. If for any reason, there is a run on the bank and customers demand their money, the only way for the bank to produce is to have the Federal Reserve create it out of thin air. *This process is inherently inflationary because it increases the supply of money.* If the total money supply increases, prices will increase at the same rate after money moves through the system. This is unfair to the lower and middle classes because by the time the newly created money moves through the system, prices will have increased to their market value. Additionally, inflation is problematic to families living on fixed incomes because they will have to give up essential goods they are dependent on. Prices go up, not because of greedy businesspersons, but because the currency has been devalued. The Federal Reserve is the mechanism that allows this fraud to occur.

## 7. THE FEDERAL RESERVE ENCOURAGES WAR

Every American war fought since the creation of the Federal Reserve has been financed by money that has been created out of nothing. *If this method was not available to policy-makers in Washington, it is likely that all of these wars would have been drastically limited or not fought at all.* One can argue for the use of fiat money, if war is absolutely necessary, but there can be no debate for its use in a time of peace. Furthermore, the ability of governments and banks to use fiat money to fund the wars of other nations is a powerful temptation for them to become embroiled in those wars for personal profit or political reasons. What better reason to abolish the Federal Reserve?

Sources: 1. The Creature from Jekyll Island by G. Edward Griffin 2. The Case Against The Fed By Murray Rothbard 3. \*Modern Money Mechanics released by Chicago FED

TAKE PEACEFUL ACTION

Trim out the form  
below and let congress  
know how you feel!

SUPPORT  
H.R. 1207  
& H.R. 833



## TAKE PEACEFUL ACTION

Write in your House of Representative members name. Then at the bottom add your name & address including your zip code+4 digits which you can find at <http://zip4.usps.com>. Cut-out the form and mail to your representative.

You can find your representatives name and address at [www.govtrack.us](http://www.govtrack.us)

Attn.,

I am sending you this correspondence to let you know that I support **H.R. 1207 Legislation to amend title 31, United States Code, to reform the manner in which the Board of Governors of the Federal Reserve System is audited by the Comptroller General of the United States and the manner in which such audits are reported.** Also I support **H.R. 833 Legislation to abolish the Board of Governors of the Federal Reserve System and the Federal Reserve banks, to repeal the Federal Reserve Act.**

**I am requesting your support of H.R. 1207- to shed light on the Federal Reserve system and H.R. 833 - to reestablish sound Constitutional monetary policies for the United States of America. Your decision will determine my vote in your next election.**

Thank you,

# A REALISTIC SOLUTION

## 16 Steps to Constitutional Money

1. Repeal the legal tender laws.
2. Freeze the present supply of Federal Reserve notes, except for what will be needed in step 11.
3. Define the "real" dollar in terms of precious-metal content.
4. Establish gold as an auxiliary monetary reserve which can be substituted for silver based on a free market ratio.
5. Restore free coinage at the U.S. Mint and issue silver dollars as well as gold pieces.
6. Payoff the national debt with Federal Reserve Notes created for that purpose.
7. Pledge the governments hoard of gold and silver (except the military stockpile) into be used as backing for all of the Federal Reserve Notes in circulation.
8. Determine the weight of all the gold and silver owned by the U.S. government.
9. Determine the number of all the Federal Reserve Notes in circulation and then calculate the real-dollar value of each one by dividing the value of the precious metals by the number of Notes.
10. Retire all Federal Reserve Notes from circulation by offering to exchange them for dollars at the calculated ratio.
11. Convert all contracts based on Federal Reserve Notes to dollars using the same ratio.
12. Issue Silver Certificates.
13. Abolish The Federal Reserve System.
14. Introduce free banking. No more bailouts.
15. Reduce the size and scope of government.
16. Restore National Independence

Websites with articles that you wont get from mainstream news.

infowars.com  
prisonplanet.com  
dailypaul.com  
ae911truth.org  
freedom-force.org  
historycommons.org  
bordc.org  
augustreview.com  
blacklistednews.com  
cuttingthroughthematrix.com  
dissidentvoice.org  
federal-reserve.net  
fromthewilderness.com  
georgewashington2.blogspot.com  
globalresearch.ca  
lewrockwell.com  
patriotsquestion911.com  
restoretherepublic.com  
righttoaddress.com  
roguegovernment.com  
theinternationalforecaster.com  
truthalliance.net  
truthr.org  
truthring.org  
waynemadsenreport.com  
wearechange.org  
wikileaks.org

If you want to learn more about this topic the following books are a good place to start...

**The Creature From Jekyll Island**  
by G. Edward Griffin

**The Case Against The Fed**  
By Murray Rothbard



[meetup.com/wearechangeppgh](http://meetup.com/wearechangeppgh)

**Ron Paul**  
**REVOLUTION**

[ronpaul.meetup.com/1834](http://ronpaul.meetup.com/1834)



**THE FEDERAL  
RESERVE BANKING  
SYSTEM IS THE  
CAUSE OF OUR  
ECONOMIC CRISIS.**

Support H.R. 1207  
and H.R. 833

**END  
THE  
FED**