Title 1
"We are absolutely without a permanent money system...
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. Hemphill, Credit Manager
Federal Reserve Bank of Atlanta, Georgia (1935)

Moonfire Studio Logo Tag

Title 2
"Each and every time a bank makes a loan… new bank credit is created — new deposits — brand
new money."
~ Graham F. Towers, Governor, Bank of Canada, 1934-54

Title 3
"The process by which banks create money is so simple the mind is repelled."
~ John Kenneth Galbraith, Economist

Title 4
"Permit me to issue and control the money of a nation, and I care not who makes its laws."
~ Mayer Anselm Rothschild, Banker

**Title 5  Money as Debt**

1. Two great mysteries dominate our lives: love and money.

2. “What is love?” is a question that has been endlessly explored in stories, songs, books, movies,
and television.

3. But the same can NOT be said about the question “What is money?”

4. It’s not surprising that monetary theory hasn’t inspired any blockbuster movies. But it was not even
mentioned at the schools most of us attended. HE’LL DEMAND YOUR INTEREST
5. For most of us, the question “Where does money come from?” brings to mind a picture of the mint printing bills and stamping coins. Money, most of us believe, is created by the government.

6. It’s true (pause) but only to a point. Those metal and paper symbols of value we usually think of as money are, indeed, produced by an agency of the federal government called the Mint.

7. But the vast majority of money is not created by the Mint. It is created in huge amounts every day by private corporations known as banks. (long pause)

8. Most of us believe that banks lend out money that has been entrusted to them by depositors. Easy to picture. But not the truth.

9. In fact, banks create the money they loan, not from the bank’s own earnings, not from money deposited, but directly from the borrower’s promise to repay.

In return for the Lender’s agreeing to lend the Principal Amount to the Borrower, the Borrower grants and mortgages the Land to the Lender as security for payment of the Mortgage Money and the fulfillment of all the Borrower’s other promises and agreements as set out in this Mortgage until the Borrower has performed all the Borrower’s obligations under This Mortgage.

Peter Pumkineater

10. The borrower’s signature on the loan papers is an obligation to pay the bank the amount of the loan plus interest, or, lose the house, the car, whatever asset was pledged as collateral. That’s a big commitment from the borrower.

11. What does that same signature require of the bank? The bank gets to conjure into existence the amount of the loan and just write it into the borrower’s account.

12. Sound far-fetched?

13. Surely that can’t be true. But it is.
14. To demonstrate how this miracle of modern banking came about consider this simple story:

**Title 6 The Goldsmith’s Tale**

1. Once upon various times, pretty much anything was used as money.

2. It just had to be portable and enough people had to have faith that it could later be exchanged for things of real value like food, clothing and shelter. Shells, cocoa beans, pretty stones, even feathers have been used as money.

3. Gold and silver were attractive, soft and easy to work with, so some cultures became expert with these metals. Goldsmiths made trade much easier by casting coins, standardized units of these metals whose weight and purity was certified.

4. To protect his gold the goldsmith needed a vault.

5. Soon his fellow townsmen were knocking on his door wanting to rent space to safeguard their own coins and valuables.

6. Before long, the goldsmith was renting every shelf in his vault and earning a small income from his vault rental business.

7. Years went by and the goldsmith made an astute observation. Depositors rarely came in to remove their actual, physical gold, and they *never all came in at once*.

8. That was because the claim checks the goldsmith had written as receipts for the gold deposited, were being traded in the marketplace as if they were the gold itself.

9. This paper money was far more convenient than heavy coins, and amounts could simply be
written, instead of laboriously counted one by one for each transaction.

GRAPHIC TEXT 15  “No more-a HEAVY bags of coins! Get your PAPER money wallet-a!”

10. Meanwhile, the goldsmith had developed another business. He lent out his gold charging interest.

GRAPHIC TEXT 16  Ye Olde Goldsmith  LOANS-R-US

11. Well, as convenient claim check money came into acceptance, borrowers began asking for their loans in the form of these claim checks instead of the actual metal. As industry expanded more and more people asked the goldsmith for loans.

GRAPHIC TEXT 17  $  “I’ll take it in paper please!”  The Town Crier   Trade & Industry Expanding Capital Investment needed immediately!  Ye Olde Goldsmith  LOANS-R-US

12. This gave the goldsmith an even better idea.

13. He knew that very few of his depositors ever removed their actual gold. So, the goldsmith figured he could easily get away with lending out claim checks against his depositors’ gold, in addition to his own.

GRAPHIC TEXT 18  Clerk  GOLD WITHDRAWAL  I promise to pay the bearer of this claim check 1 Ducat of gold  Ye Olde Goldsmith REPAID
What they don’t know won’t hurt them  % of my own gold  % of my depositors’ gold  Hmmmmm

14. As long as the loans were repaid, his depositors would be none the wiser, and no worse off. And the goldsmith, now more banker than artisan, would make a far greater profit than he could by lending only his own gold.

15. For years the goldsmith secretly enjoyed a good income from the interest earned on everybody else’s deposits.

16. Now a prominent lender, he grew steadily richer than his fellow townsfolk and he flaunted it. Suspicions grew that he was spending his depositors’ money. His depositors got together and threatened withdrawal of their gold if the goldsmith didn’t come clean about his newfound wealth.

GRAPHIC TEXT 19  Ye Olde Goldsmith  LOANS-R-US

17. Contrary to what one might expect, this did not turn out to be a disaster for the goldsmith. Despite the duplicity inherent in his scheme, his idea did work. The depositors had not lost anything. Their gold was all safe in the goldsmith’s vault.
18. Rather than taking back their gold, the depositors demanded that the goldsmith, now their banker, cut them in by paying them a share of the interest.

19. And that was the beginning of banking. The banker paid a low interest rate on deposits of other people’s money that he then loaned out at a higher interest.

20. The difference covered the bank’s cost of operation and its profit. The logic of this system was simple. And it seemed like a reasonable way to satisfy the demand for credit.

21. However this is NOT the way banking works today.

22. Our goldsmith/banker was **not** content with the income remaining after sharing the interest earnings with his depositors.

23. And the demand for credit was growing fast, as Europeans spread out across the world. But his loans were limited by the amount of gold his depositors had in his vault.

24. That’s when he got an even bolder idea. Since no one but himself knew what was actually in his vaults he could lend out **claim checks on gold that wasn’t even there!**

25. As long as all the claim check holders didn’t come to the vault at the same time and demand real gold, how would anyone find out?

26. This new scheme worked very well, and the banker became enormously wealthy on the interest paid on gold that **did not exist!**

27. The idea that the banker would just create money out of nothing was too outrageous to believe, so, for a long time, the thought did not occur to people.

28. But, the power to just invent money went to the banker’s head as you can well imagine. In time, the magnitude of the banker’s loans and his ostentatious wealth did trigger suspicions once again.
29. Some borrowers started to demand real gold instead of paper representations. This set off rumours.

30. Suddenly, several wealthy depositors showed up to remove their gold. The game was up!

31. A sea of claim check holders flooded the street outside the closed doors of the bank. Alas, the banker did not have enough gold & silver to redeem all the paper he had put into their hands.

32. This is called a "run on the bank" and is what every banker dreads.

33. This phenomenon of a "run on the bank" ruined individual banks and, not surprisingly, damaged public confidence in all bankers.

34. It would have been straightforward to outlaw the practice of creating money from nothing.

35. But the large volumes of credit the bankers were offering had become essential to the success of European commercial expansion.

36. So, instead, the practice was legalized and regulated.

37. Bankers agreed to abide by limits on the amount of fictional loan money that could be lent out. The limit would still be a number much larger than the actual value of gold & silver in the vault. Quite often the ratio was 9 fictional dollars to 1 actual dollar in gold.

38. These regulations were enforced by surprise inspections.

39. It was also arranged that, in the event of a run, central banks would support local banks with emergency infusions of gold.
40. Only if there were runs on a lot of banks simultaneously would the bankers’ credit bubble burst and the system come crashing down.

1. Over the years, the fractional reserve system and its integrated network of banks backed by a central bank has become the dominant money system of the world. At the same time, the fraction of gold backing the debt money has steadily shrunk to nothing.

2. The basic nature of money has changed.

3. In the past, a paper dollar was actually a receipt that could be redeemed for a fixed weight of gold or silver. In the present, a paper or digital dollar can only be redeemed for another paper or digital dollar.

4. In the past, privately created bank credit existed only in the form of private banknotes, which people had the choice to refuse just as we have the choice to refuse someone’s private check today.

5. In the present, privately created bank credit is legally convertible to government issued “fiat currency,” the dollars, loonies and pounds we habitually think of as money. Fiat currency is money created by government fiat, or decree, and legal tender laws declare that citizens must accept this fiat money as payment for debt or else the courts will not enforce the obligation.

6. So, now the question is… if governments and banks can both just create money, then how much money exists?
In the past, the total amount of money in existence was limited to the actual physical quantities of whatever commodity was in use as money. For example, in order for new gold or silver money to be created, more gold or silver had to be found and dug out of the ground.

In return for the Lender’s agreeing to lend the Principal Amount to the Borrower, the Borrower grants and mortgages the Land to the Lender as security for payment of the Mortgage Money and the fulfillment of all the Borrower’s other promises and agreements as set out in this Mortgage until the Borrower has performed all the Borrower’s obligations under This Mortgage.

Peter Pumpkineater

In the present, money is literally created as debt. New money is created whenever anyone takes a loan from a bank. As a result, the total amount of money that can be created has only one real limit - the total level of debt.

Governments place an additional statutory limit on the creation of new money, by enforcing rules known as fractional reserve requirements.

Essentially arbitrary, fractional reserve requirements vary from country to country and from time to time. In the past, it was common to require banks to have at least one dollar’s worth of real gold in the vault to back 10 dollars worth of debt money created.

Today, reserve requirement ratios no longer apply to the ratio of new money to gold on deposit, but merely to the ratio of new debt money to existing debt money on deposit in the bank.

Today, a bank’s reserves consists of three things: the amount of government-issued cash that the bank has in its vault, the amount of credit it has with the central bank, and the amount of already existing debt money the bank has on deposit.
13. To illustrate this in a simple way… let’s imagine that a new bank has just started up and has no depositors yet. Investors have paid for the bank’s infrastructure and have supplied it with sufficient cash to meet the demand for cash withdrawals. Typically, cash in the vault will amount to no more than one dollar for every 20 or 30 dollars that could be demanded from the bank. The bank has joined the central bank system, which permits the new bank to borrow cash from the central bank if it’s needed.

14. The doors open and the new bank welcomes its first loan customer. The customer needs $10,000 to buy a car. On approval, the bank creates an account for the borrower and types in that the bank owes the borrower $10,000. This $10,000 is not taken from anywhere. It is created on the spot. The borrower does not take this money out in cash. Instead he writes a check on his account to buy the car.

15. The seller then deposits this newly created $10,000 check at her bank.

16. At a ratio of 9:1, this new $10,000 deposit allows the seller’s bank to create a new loan of $9,000.

17. And if that $9000 is then deposited by a third party, it becomes the legal basis for a third issue of bank credit, this time for the amount of $8100.

18. Like one of those Russian dolls, each layer of which contains a smaller doll inside, each new deposit contains the potential for a slightly smaller loan in a decreasing series.

19. Now, at any stage, if the money created is taken in cash and not deposited at a bank, the process stops. That’s the unpredictable part of the money creation mechanism.
20. But more likely, at every step, the new bank credit money will be deposited at a bank, and the reserve ratio process can repeat itself over and over until almost $100,000 of brand new bank credit money has been created within the banking system.

21. All of this new money has been created **entirely from debt**. And all transactions have been carried out with bank **credit**. None of the banks involved have needed to use any of the cash in their vaults.

22. What’s more, under this ingenious system, the books of each bank in the chain must show that the bank has 10% more on deposit than it has out on loan. This gives banks a very real incentive to seek deposits in order to be able to make loans, supporting the general but misleading impression that loans come out of deposits.

23. Now, it can’t said that any one bank got to multiply the initial $10,000 of bank credit into $100,000 of bank credit. However, the banking system is a closed loop. Bank credit created at one bank becomes a deposit in another, and so on and so on.

24. In a theoretical world of perfectly equal exchanges, the banks would owe each other nothing at the end of the day, and the $10,000 created out of thin air as a loan by the first bank could indeed become almost $100,000 of new loan money in the banking system.

25. If that sounds ridiculous, try this. Actual reserve ratios can be much higher than 9:1. For some types of accounts, twenty to one and thirty-three to one ratios are common.
26. There are also many exceptions where NO reserve requirements apply at all!

27. So…while the rules are complex the common sense reality is actually quite simple. Banks can create as much money as we can borrow.

Title 8
"Everybody sub-consciously knows banks do not lend money.

When you draw on your savings account, the bank doesn’t tell you you can’t do this because it has lent the money to somebody else."

~ Mark Mansfield, economist and author

GRAPHIC TEXT 53 Bank Credit 95% Government-created Money 5% Loan $9,000
The amount of the loan (the Principal) is created from the borrower’s promise to pay. Principal payments “un-create” the loan, ceasing to exist as money.

Title 9
“I am afraid that the ordinary citizen will not like to be told that banks can and do create money ...And they who control the credit of the nation direct the policy of Governments and hold in the hollow of their hands the destiny of the people”
~ Reginald McKenna, past Chairman of the Board, Midlands Bank of England

28. Despite the endlessly presented mint footage, government-created money typically accounts for less than 5% of the money in circulation. More than 95% of all money in existence today was created by someone signing a pledge of indebtedness to a bank. What’s more, this bank credit money is being created and destroyed in huge amounts every day, as new loans are made and old ones repaid.

GRAPHIC TEXT 54 Debt BIG BANK #1 #2 #3 GOVERNMENT
THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE
Announcing: New Federal Banking Regulations
MONETARY THEORY WILL NOT BE STUDIED

29. Banks can only practice this money system with the active cooperation of government.

30. First, governments pass legal tender laws to make us use the national fiat currency.

31. Secondly, governments allow private bank credit to be paid out in this government currency.

32. Thirdly, government courts enforce debts.
33. And lastly, governments pass regulations to protect the money system’s functionality and credibility with the public while doing nothing to inform the public about where money really comes from.

(DVD CHAPTER 3: THE SIMPLE TRUTH)
Title 10 The Simple Truth

GRAPHIC TEXT 55 Mortgage
In return for the Lender’s agreeing to lend the Principal Amount to the Borrower, the Borrower grants and mortgages the Land to the Lender as security for payment of the Mortgage Money and the fulfillment of all the Borrower’s other promises and agreements as set out in this Mortgage until the Borrower has performed all the Borrower’s obligations under This Mortgage.

Peter Pumpkineater loan agreements cash

1. The simple truth is that, when we sign on the dotted line for a so-called loan or mortgage, our signed pledge of payment, backed by the assets we pledge to forfeit should we fail to pay, is the only thing of real value involved in the transaction.

GRAPHIC TEXT 56 Loans & Mortgages For Sale Mortgage $ portable, exchangeable and saleable the borrower’s promise to pay is a form of money

2. To anyone who believes we will honour our pledge, that loan agreement or mortgage is now a portable, exchangeable, and saleable piece of paper. It’s an IOU. It represents value and is therefore a form of money. This money the borrower exchanges for the bank’s so-called loan.

GRAPHIC TEXT 57 Real World “Can I borrow a hammer?” IOU “That only works at the bank Dad” Money World

3. Now a loan in the real world means that the lender must have something to lend. If you need a hammer, my loaning you a promise to provide a hammer I don’t have won’t be of much help.

4. But in the artificial world of money, a bank’s promise to pay money it doesn’t have is allowed to be passed off as money and we accept it as such.

Title 11 “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

GRAPHIC TEXT 58 New Credit Account $10,000
THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE
5. Once the borrower signs the pledge of debt, the bank then balances the transaction by creating, with a few keystrokes on a computer, a matching debt of the bank to the borrower. From the borrower’s point of view this becomes “loan money” in his or her account, and because the government allows this **debt of the bank to the borrower** to be converted to **government fiat currency**, everyone has to accept it as money.

GRAPHIC TEXT 59  Basic Truth  Loan Agreement  Joe Borrower

6. Again the basic truth is very simple. Without the document the borrower signed, **the banker would have nothing to lend!**

GRAPHIC TEXT 60  governments  corporations  small businesses  families  Debt  ?
Where does it all come from?  “I ponder no longer!”  loan agreements  cash

8. Have you ever wondered how everyone... governments, corporations, small businesses, families can all be in debt at the same time and for such astronomical amounts? Have you ever questioned how there **can be** that much money out there to lend? Now you know. **There isn’t.** Banks do not **lend** money. They simply **create it from debt.** And, as debt is potentially unlimited, so is the supply of money.

GRAPHIC TEXT 61  Debt  Money

9. And, as it turns out...the opposite situation is also true.

DVD CHAPTER 4: NO DEBT NO MONEY
Title 12
No Debt, No Money

GRAPHIC TEXT 62  Debt  $  BANK  ?
1. Isn’t it astounding, that despite the incredible wealth of resources, innovation and productivity that surrounds us, almost all of us, from governments to companies to individuals, are heavily in debt to bankers!

2. If only people would stop and think - How can that be? How can it be that the people who actually produce all the **real wealth** in the world are in debt to those who merely lend out the money that represents the wealth?!!!

GRAPHIC TEXT 63
New Credit Account  money = debt  NO debt  NO money

3. Even more amazing is that once we realize that money **really is DEBT**, we realize that **if there was no debt there would be no money!!!**
Title 13
“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

Title 14
“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.”
~ Robert H. Hemphill, Credit Manager of Federal Reserve Bank, Atlanta, Georgia

(DVD CHAPTER 5: PERPETUAL DEBT)

Title 15 Perpetual Debt

GRAPHIC TEXT 66 “your loan” Principal Interest $ ? Overall Money Supply

1. And that’s not all. Banks create only the amount of the Principal. They don’t create the money to pay the Interest. Where is that supposed to come from?

2. The only place borrowers can go to obtain the money to pay Interest is the general economy’s overall money supply. But almost all that overall money supply has been created exactly the same way—as bank credit that has to be paid back with more than was created!
3. So everywhere, there are other borrowers in the same situation, frantically trying to obtain the money they need to pay back both Principal and Interest from a total money pool which contains only Principal.

4. It’s clearly impossible for everyone to pay back the Principal plus the Interest unless every penny of interest the lenders take in is recycled back to those who need this money to make their payments. This means interest earnings must be 100% spent so that borrowers can earn these dollars repeatedly. While much IS spent as interest to depositors, operating expenses and dividends, some of the interest income becomes new loans at interest, or investments, creating additional demand for money and an ultimate shortage of debt-free money available for borrowers to earn.

5. The big problem here is that for long term loans such as mortgages and government debt, the total Interest far exceeds the Principal, so unless a lot of extra money is created to pay the Interest, it means a very high proportion of foreclosures, and a non-functioning economy.

6. To maintain a functional society the rate of foreclosure needs to be low. And so, to accomplish this, more and more new debt money has to be created to satisfy today’s demands for money to service the previous debt. But, of course, this just makes the total debt bigger. And that means more interest must ultimately be paid, resulting in an ever-escalating and inescapable spiral of mounting indebtedness.

7. It is only the time lag between money’s creation as new loans and its repayment that keeps the overall shortage of money from catching up and bankrupting the entire system. However, as the banks’ insatiable credit monster gets bigger and bigger, the need to create more and more debt money to feed it becomes increasingly urgent.
8. Why are interest rates so low? Why do we get unsolicited credit cards in the mail? Why is the US government spending faster than ever? Could it be to stave off collapse of the entire monetary system?

9. The rational person has to ask: Can this really go on forever? Isn’t a collapse inevitable?

Title 16
“One thing to realize about our fractional reserve banking system is that, like a child’s game of musical chairs, as long as the music is playing, there are no losers.”
~ Andrew Gause, monetary historian   The Secret World of Money, 1996

GRAPHIC TEXT 72    WE ACCEPT CLAIM CHECKS    LUIGI’S FRUITA
Daily Wrapup    Huge Influx of Spanish Gold causes massive INFLATION
money supply    volume of trade

10. Money facilitates production and trade. As the money supply increases, money just becomes increasingly unless the volume of production and trade in the real world grows by the same amount.

GRAPHIC TEXT 73    ANNUAL ECONOMIC GROWTH HAS BEEN STEADY AT 3%
STEADILY ACCELERATING THAT IS…    LAST YEAR’S TOTAL    THIS YEAR’S TOTAL
STEADY AT 3%?    EXPONENTIAL CURVE

11. Add to this the realization that when we hear that the economy is growing at 3% per year, it sounds like a constant rate. But it’s not. This year’s 3% represents more real goods and services than last year’s 3% because it’s 3% of the new total. Instead of a straight line as is naturally visualized from the words, it is really an exponential curve getting steeper and steeper.

Title 17
“The greatest shortcoming of the human race is our inability to understand the exponential function.”
~ Albert A. Bartlett, physicist

GRAPHIC TEXT 74    money supply    volume of trade    resource & energy use

12. The problem, of course, is that perpetual growth of the real economy requires perpetually escalating use of real world resources and energy. More and more stuff has to go from natural resource to garbage every year ...forever, just to keep this system from collapsing!

Title 18
“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist.” —Kenneth Boulding, economist

13. What can we do about this downright scary situation?
There can be shortages of resources and skills - but why should there ever be a shortage of money?

4 Simple Questions

14. For one thing, we need a very different concept of money.

15. It’s time more people asked themselves and their governments four simple questions.

16. Around the world, governments borrow money at interest from private banks. Government debt is a major component of total debt and servicing that debt takes a big chunk of our taxes.

17. Now, we know that banks simply create the money they lend… and that governments have given them permission to do this.

18. So the first question is… why do governments choose to borrow money from private banks at interest when government could create all the interest-free money it needs itself?

19. And the second big question is: why create money as debt at all? Why not create money that circulates permanently and doesn’t have to be perpetually re-borrowed at interest in order to exist?

20. The third question: How can a money system dependent on perpetually accelerating growth… be used to build a sustainable economy?

21. And finally: What is it about our current system that makes it totally dependent on perpetual growth? What needs to be changed to allow the creation of a sustainable economy?
Title 19: Usury

We'll not tolerate Usurers in this Kingdom. Just say NO to Usury.
Holy Bible  Old Testament  Quran  Sutras  “To profit from money alone is like unto thievery”

Daily Wrapup  Pope says NOPE to Charging Interest  Usurers “should get a job”

Canal Street Journal

1. At one time, charging any interest on a loan was called usury and was subject to severe penalties, including death. Every major religion forbade usury.

2. Most of the arguments made against the practice were moral. It was held that money's only legitimate purpose was to facilitate the exchange of real goods and services. Any form of making money from simply having money was regarded as the act of a parasite or of a thief.

3. However, as the credit needs of commerce increased, the moral arguments eventually gave way to the argument that lending involves risk and loss of opportunity to the lender and therefore attempting to make a profit from lending is justified.

4. Today, these notions seem quaint. Today, the idea of making money from money is held as the ideal to strive for. Why work when you can get your money to work for you?

5. However, in trying to envision a sustainable future, it is very clear that the charging of interest is both a moral and a practical problem.

Wall Street Journal  “And... I did it all without producing one actual useful thing”

6. Imagine a society and economy that can endure for centuries because, instead of plundering its capital stores of energy, it restricts itself to present day income. No more wood is harvested than grows in the same period. All energy is renewable: solar, gravitational, geothermal, magnetic and whatever else we discover. This society lives within the limits of its non-renewable resources by reusing and recycling everything. And the population just replaces itself.
7. Such a society could never function using a money system utterly dependent on perpetually accelerating growth. A stable economy would need a money supply at least capable of remaining stable without collapsing.

8. Let's say the total volume of this stable money supply is represented by this big circle. Let's also imagine that moneylenders must actually have existing money to lend. If some people within this money supply begin systematically lending money at interest, their share of the money supply will grow. If they continually re-loan at interest all the money that gets paid back, what's the inevitable result?

9. Whether it's gold, fiat or debt money doesn't matter. The moneylenders will end up with ALL the money! And after the foreclosures and bankruptcies are all filed, they'll get all the real property too!

10. Only if the proceeds of lending at interest were evenly distributed among the population would this central problem be solved. Heavy taxation of bank profits might accomplish this goal. But then why would banks want to be in business?

11. If we were ever able to free ourselves of the current situation, we could imagine banking run as a non-profit service to society, disbursing its interest earnings as a universal citizen dividend, or lending without charging interest at all.

Title 20

"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."

~ Wright Patman, Congressman (1928-1975) Chair of House Banking Committee (1963-1975)
1. If it is the **fundamental nature** of the system that causes the problems, tinkering with the system cannot ever solve those problems. The system itself must be replaced.

2. Many monetary critics call for a return to gold-based money, claiming that gold has a long history of reliability. They ignore the many scams that can be played with gold: shaving coins, debasing the metal, cornering the market, all of which were abundantly practiced in ancient Rome, and contributed to its fall.

3. Some advocate silver, it being more abundant than gold and therefore more difficult to corner.

4. Many question the need to bring back precious metals at all. No one wants to go back to carrying heavy sacks of coins to go shopping. It’s a certainty that paper, digital, plastic or more likely biometric ID money would be the real medium of trade with the same potential for creating unlimited debt money we have now. Beyond that, if gold again became the sole legal basis of money, those who have no gold would suddenly have no money!

5. Other monetary reform advocates have concluded that greed and dishonesty are the main problems, and that there may be better ways to create an honest and equitable money system than returning to silver or gold.

6. Inventive minds have proposed a variety of alternate ways to create money. Many **private barter systems** create money as debt much as banks do, but it is done openly and without charging interest. An example is a barter system in which debt is expressed as pledges of hours of work, all
work being valued equally at a dollar figure that then allows hours to be equated with the dollar price of goods.

7. This kind of money system can be set up by anyone who can devise a way to do the accounting and find willing and trustworthy participants. Setting up a local barter money system, even if it were little used now, would be prudent emergency planning for any community.

8. Monetary reform, like electoral reform, is a big topic, and one that requires a willingness to change and to think outside the box. Monetary reform, again, like electoral reform will not come easily because the enormously powerful interests that benefit from the existing system will do their utmost to maintain their advantage.

9. Now that we have seen that money is just an idea and that, in reality, money can be whatever we make it; here is one very simple alternative monetary concept to consider. This model is based on systems that have worked in the past, in England, and America, systems that were undermined and destroyed by the goldsmith bankers and their fractional reserve system.

10. To create an economy based on permanent, interest free money, money could simply be created and spent into the economy by the government, preferably on long-lasting infrastructure that facilitates the economy, such as roads, railroads, bridges, harbours, and public markets.

11. This money would not be created as debt. It would be created as value, that value being in the form of whatever it was spent on. If this new money facilitated a proportional increase in trade requiring its use, it would cause no inflation whatsoever.

12. If government spending did cause inflation, there would be two courses of action available.

13. Inflation is equivalent in effect to a flat tax on money. Whether the money goes down in value
20% or the government takes 20% of our money away from us, the effect on our buying power is the same. Viewed this way, inflation in place of taxation might be politically acceptable if well spent and kept within limits.

14. Or, government could choose to counter inflation by collecting tax monies that it then takes out of use, thus reducing the money supply and restoring its value.

15. To control deflation, which is the phenomenon of falling wages and prices, the government would simply spend more money into existence.

16. With no competing private debt money creation, governments would have more effective control of their nation’s money supply. The public would know whom to blame if things went wrong. Governments would rise and fall on their ability to preserve the value of money.

17. Government would operate primarily on taxes as it does now, but tax money would go much, much further as none of it would be required to pay interest to private bankers. There could be no national debt if the federal government simply created the money it needed. Our perpetual collective servitude to the banks through interest payments on government debt would be impossible.

Title 22
“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

(DVD CHAPTER 9: THE INVISIBLE POWER)
Title 23 The Invisible Power

Title 24
“None are more enslaved than those who falsely believe they are free.” ~ Goethe

GRAPHIC TEXT 101 VOTE for BOB DEBT BANK CREDIT Economy
1. What we have been taught to believe is democracy and freedom has become, in reality, an ingenious and invisible form of economic dictatorship. As long as our entire society remains utterly dependent on bank credit for its supply of money, bankers will be in the position to make the decisions on who gets the money they need and who doesn’t.

Title 25
“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 born in sin. Bankers own the Earth. Take it away from them, but leave them the power to create money, and with the flick of the pen they will create enough money to buy it back again...

Take this great power away from them and all great fortunes like mine will disappear, and they ought to disappear, for then this would be a better and happier world to live in. But if you want to continue to be slaves of the banks and pay the cost of your own slavery, then let bankers continue to create money and control credit’.
~ Sir Josiah Stamp Director, Bank of England 1928-1941
(reputed to be the 2nd richest man in Britain at the time)

GRAPHIC TEXT 102  What was the question again?  Central Bank
depressions inflations bank panics war infiltration media control mass deception
assassination “education” Anonymity is essential

2. Few people are aware today that the history of the United States since the Revolution in 1776 has been, in large part, the story of an epic struggle to get free and stay free of control by the European international banks. This struggle was finally lost in 1913, when President Woodrow Wilson signed into effect the Federal Reserve Act, putting the international banking cartel in charge of creating America’s money.

Title 26
"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 (1879-1953) monetary theorist & consumer advocate
3. The power of this system is deeply ingrained. So is the educational and media silence on the subject.

4. Years ago, a Canadian Deputy Prime Minister informally surveyed scores of non-economists, both highly educated professionals and common sense people on the street and found that not one of them had an accurate understanding of how money is created. In fact it’s probably safe to say that most people, including the front line employees of banks, have never given the matter a moment’s thought.

5. Have you?

Title 27
“All of the perplexities, confusion, and distress in America arises, not from the defects of the Constitution or Confederation, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit, and circulation.”
~John Adams, Founding Father of the American Constitution

5. The modern money as debt system was born a little over three hundred years ago, when the first Bank of England was set up with a royal charter for fractional lending of gold receipts at a modest ratio of 2:1.

6. That modest ratio was just the proverbial foot in the door. The system is now worldwide, creates virtually unlimited amounts of money out of thin air, and has almost everyone on the planet chained to a perpetually-growing debt that can NEVER be paid off.

7. Could it have all happened by accident? Or is it a conspiracy? Obviously, something very BIG is at stake here.

Title 28
“Whoever controls the volume of money in our 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 A. Garfield, assassinated president of the United States
Title 29
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. By the adoption of these principles, the taxpayers will be saved immense sums of interest. The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government’s greatest creative opportunity.
~Abraham Lincoln, assassinated president of the United States

Title 30
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 sovereignty of Parliament and of democracy is idle and futile... Once a nation parts with control of its credit, it matters not who makes the nation’s laws... Usury once in control will wreck any nation.
~ William Lyon Mackenzie King Prime Minister of Canada who nationalized the Bank of Canada

Title 31
"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's the charge, I stand guilty, and I am proud of it."
~ David Rockefeller, international banker Memoirs (2002) pg. 405

Title 32
Only the small secrets need to be protected.
The big ones are kept secret by public incredulity.
~ Marshall McLuhan, media “guru”
Money as Debt owes its origins to the work of many dedicated educators and advocates of monetary reform. It is intended as a general introduction to the conceptual basis of money and a general description of the current worldwide debt-money system. Specific details may not apply or may apply differently in some countries.

To learn more visit the Reference Pages at: moneyasdebt.net

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