The Financial Hijacking of the American Revolution

by Per Lundgren

2nd edition

Translated/edited by Michael of Zeeland
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To the American People

These are chapters 69 through 85 of the trilogy:

Capitalism Exposed!

The gigantic banking scam – an unprecedented political and economic fraud

by Per Lundgren

A trilogy

PART 2
THE PROBLEM – IN DEPTH

New Economic System

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Preface

The historical developments of the past more than 263 years bears undeniable witness to the fact that extraordinarily many Americans have been neither prosperous nor happy in the capitalist society that has been allowed to operate in America during this time. "The American Dream", i.e., that all who have the will to succeed in the capitalist system can succeed, has proved to be false. Instead, poverty and misery have become an everyday reality for a very large part of the population of the United States. A series of economic crises have unfolded since 1751, when capitalism was first introduced in the then colonial America. The Great Depression in the 1930's and the 2008 financial crisis are so far the deepest crises in the long string of recessions evidenced since the so-called "good years" of Benjamin Franklin's time in the 1700's. These "good years", which lasted until 1750, constituted a rather long period of economic experimentation which saw no recessions, but an ever-prevailing boom in colonial society. It was a period where money was plentiful and available to all of society, not just for the few – usually the most clever – as is the case in the capitalist system. These were the happy years in the colonial society of Benjamin Franklin when neither unemployment nor social exclusion figured in the social landscape. Most people are amazed to learn that for this relative prosperity, absolutely no taxes were levied *because the state made its own money*, i.e., all the money that was needed. But times changed at the beginning of 1751. Since at least1782 the mantra in American politics has been that there is not enough money for all of society's needs. The politicians cry: "We have to impose taxes. We have to raise taxes. Money doesn't grow on trees". In parallel with this, important social reforms that would have benefited the people and the nation have been scuttled. How did it get to be like this? This question is important to ask, as the injustices and economic problems in the US today are close to abysmal. The answer, as my book (the trilogy) shows, is that the American people were *deceived* about their 1773 revolution. In order to understand the cause and root of today's woes in the US, we have to go back to the year 1751.

Capitalism can be abolished! This was the reasoning of those who started the American Revolution after living in "an economic hell" for more than two decades since 1751 in four of the English colonies, and similarly in all 13 colonies since 1764. The word capitalism had not been invented at that time, but the essence and features of capitalism, in the form of inequality, misery and grief to many by totally unnecessary and deeply manipulated *debt* were fully visible. The revolutionaries initially succeeded in their intentions, and capitalism was abolished for about nine months. This book clearly shows how a group of intelligent but empathetically and emotionally underdeveloped bankers, in cahoots with bribed and corrupt allied politicians executed *a secret seven-step plan* from September 1774 until 1793, when capitalism regained its supremacy in America. In this way the bankers and their bought-and-paid-for politicians managed, through a series of betrayals, to sneak capitalism into American society through the back door, despite the fact that the revolution was in full swing. The revolutionaries were deceived across the board by means of lies, exaggeration, fact-distorting populism and a knowledge of higher mathematics. This mathematics was not widely known at the time, and was not yet taught at universities, but the bankers had access to it via a secret store of knowledge which they managed. Once the bankers' 7-step plan is understood, it is also easy to understand how easily today's difficult economic and social problems in the United States can be changed, i.e., corrected,. Yes, the solution is, much to my amazement, in fact already formulated in the US Constitution. The solution turns out to be in four ambiguous constitutional clause formulations that can be used as a "door opener" for the abolition of capitalism. Four clause formulations that the banking powers have in earnest tried to sweep under the carpet since the Constitution was adopted in 1777. My book thus demonstrates in black and white that it is quite possible to reintroduce America's pre-revolution "happy years" in the United States in as little as a few weeks or even faster, when the decision is taken. This would have to be done through a national referendum in which the people "vote to eliminate capitalism," which would mean the abolition of all unemployment and that the entire US national debt would be "spirited away", while the entire tax system could be abolished (!). All this with just a few highly intelligent stokes that constitute "thinking outside the box". “Yes, but without taxes, how can any funding take place?” a proponent of the current system might ask, “Where is the money for this gigantic task?” The answer again is in *the four door openers* in the Constitution!

I want to thank my brother *Göran* for his invaluable help with proof reading, language usage, and for the constructive criticism that has developed this text. Thanks also to my friends *Pia Hellertz* and *Christine Stafström* for their extensive proofreading, editing and extremely valuable viewpoints, their support and inspiration. *Anders Carrington* has made a very valuable contribution to the Web page construction and operation, technical development, some proofreading work and ongoing advice and perspectives. *Lars Forslin* has contributed his considerable expertise in text layout and web design. I would also like to thank *Stefan Frankel* for the extensive work that he has contributed in the form of reading and audio editing of the Trilogy's Part I that became audio files for digital download - filled with human warmth. Stefan is, in his role of renowned and talented director/filmmaker additionally involved in the making of a documentary about the trilogy's main theme, and how the trilogy has come to be realized, with glimpses of me as a person. Thanks also to my English translator Michael of Zealand, who with feeling and warmth has helped me greatly with translating a number of important texts into English, including the new Part I, the scientific thesis concerning fourth generation empiricism, as well as the introductory text The Humane Society, Website texts and the 2nd edition (2017) of The Financial Hijacking of the American Revolution. Sincere thanks to all who have supported and still support!

Concerning *The Financial Hijacking of the American Revolution*: This consists of the last 17 chapters of my trilogy Part II *Capitalism Revealed! The Gigantic Banking Scam - An Unprecedented Political and Financial Fraud* translated into English for an English-speaking audience.

LIST OF CONTENT

Chapter 1 (69)

In the following 17 chapters I turn directly to the people of America

Dear American people! Your revolution of the 1700's is the backdrop on which your proud nation, the United States, declared its independence in 1776. Today, the real facts (971) that caused the colonists to revolt are withheld from the general public. For the primary cause of the revolution was concerned with who was to have *the power over the banknote manufacturing machines!*
As all Americans know, Benjamin Franklin (972) was one of the revolution's main figures. Franklin didn't mince words when he expressed the cause of the revolution:

> *"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." (973)*

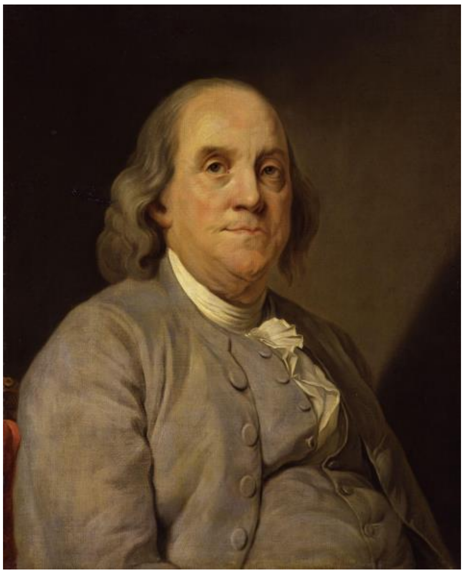
[King George III]

This was plain talk from Franklin. But this is by no means the way the main cause of the revolution is characterized in the current textbooks on American history. Instead, the authors usually overstress the desire of the colonizers for freedom from English domination as the main cause, while *control of the money manufacturing machines* - banknote production – is *at best* mentioned as a side issue. Therefore, what we meet here it is a form of distortion of history - a downright falsification, in fact - that has been fed to millions of Americans, and others for that matter. Because of this concealment of facts (distortion of history) in their history books, the American people do not understand what transpired when the capitalist/central bank economic system was introduced in America. They do not understand that they were deceived. They are presented with a picture that the revolution was a success when in actuality it was a major failure with respect to the reasons that caused ordinary people to become so frustrated that they instigated the revolution.

There are a number of crucial events (974) during and after the revolution that have great significance even in our day. Unseen forces do everything in their power to withhold knowledge of these events from the public, which is why they are not mentioned in the history books. I will describe the events that clearly and unequivocally show how the American people were insidiously lured into an economic system that they did not want - namely, a Central Bank Economy (975), also called capitalism. This happened despite expressing their clear rejection of it through the revolution. To understand this we need to study the prelude - the reason for the revolution.

The main feature of a central bank economy

The central bank economy (capitalism) is characterized by the society's money supply being almost exclusively created through interest-bearing loans in various forms, and the subsequent (and needless) taxation of the people by the state (976). In the capitalist/central bank economic system, we also see the state, (again, unnecessarily) putting itself into debt (national debt). If the revolution had fully succeeded in its intention, and had continued to develop further in the spirit of Benjamin Franklin (977), the United States today would have neither treasury, taxes, poverty nor unemployment.



[Benjamin Franklin]

It is in these basic events we find the cause of the economic situation today in America, the undisputed master of the capitalist/central bank economic system. This process, in which this type of economy was muscled into place, was an ingeniously calculated plan that comprised an abundance of outright lies, deceit and downright bamboozling. It was carried out in *seven stages,* where the decisive milestone would be the formation of America's first central bank, the First (National) Bank of America (978) in 1791. The bank, which would prove to be 100 percent *privately owned,* usurped *power over banknote production* in the fledgling United States of America, as the country simultaneously went into debt (treasury), and a *tax system* was developed – in accordance with central bank economic principles. It is these events that I intend to reveal and inform about, because your history books do not provide a true rendition of what actually happened. The aim is that you, the American people, should understand what *really* is going on in your country today, and that you thereby will be able to take a more well-founded position on your continued development. The choice is yours. My job is that of the communicator - to open your eyes.

People in other nations can also benefit from this report, which is primarily directed at the American people, in that much is also valid for the rest of the world - namely a deep understanding of the three key societal issues **I**, **II** and **III**.

The three critical societal issues

These three critical questions, with the main focus on the United States, are

I. Who will have the power over money production in the United States? That is, control of money (banknotes, coins, electronic money, etc.) created out of thin air with the help of machines.

II. Who should *own* the money that is newly created (from nothing) in the US?

III. According to which rules should this money, created out of nothing, be dispersed in American society?

By replacing the words “United States” the name of another country, the above questions can be applied to virtually any nation.

In the following, I will first briefly describe the events that American history books have been careful to sweep under the rug. Later, I will discuss the events in greater detail.

The dream of America, the promised land (979)

Tales of the fulfillment of the Biblical prophecy (980), "a land flowing with milk and honey", spread during the first half of the 1700's throughout an impoverished Europe, which at that time went through several very deep recessions. Then, over a period of 22 years, between 1751 and 1773, the rumors about America as the promised land slowed somewhat, until 1773, the year that the American Revolution erupted, at which time the rumors surfaced again with renewed vigor (981). It was said that in the American colonies across the Atlantic, one could decide over one's own life. If, as a migrant, one ended up in the right colony, those already living there were welcoming and understanding. The "State", in the form of colonial authorities, didn't meddle in how people lived their lives. Immigrants were free of cumbersome bureaucratic and segregationist rules which were enforced in the home country.

In many ways, life in the "new world" was simpler and more fair - if you ended up in the right place. But with all the new and unfamiliar, it was far from a bed of roses. The rumors in the first half of the 1700's spoke of taxes in the American colonies being so low as to be virtually non-existent compared to the home country. In the colony of Pennsylvania, it was alleged that no taxes were levied at all. Meanwhile, unemployment, widespread social exclusion, poverty, begging and even starvation flourished back in Europe when recessions were at their most devastating in the 1700's. Rumor had it that unemployment and social exclusion were unknown in some of the American colonies - in Pennsylvania for example – and it was said that in America, via their politicians the people - not the banks – had control of the money printing machines such that immigrants could obtain generous financial help to get started, if necessary. There was plenty of money on hand for new arrivals.

The basis of the colonial economy was that everyone should have easy access to the money, which meant that it was easy to buy and sell goods and services (982). (Money is in principle the “lubricant” in a community that facilitates the trading of goods and services between the community's inhabitants. In this way, money essentially becomes a universal commodity which can be traded for services or other commodities). Immigrants were also free to start out on their own in fields such as agriculture, animal husbandry, or they could make a living as hunters in the wilderness. One could survive comfortably on what one accomplished, because the supply of money - and thus the things that money could buy, i.e., goods and services – was not a problem. In this way unemployment and social exclusion were kept in check, because it is human nature to want to work with one thing or the other.

How new immigrants were received in the community

Thanks to the widespread welcoming social attitudes, newly arrived immigrants were absorbed relatively quickly into society, and became an accepted part of it – unlike what takes place in the USA and other countries today, where refugees and immigrants are often, but not always, it should be noted, viewed with suspicion and as a burden rather than as an asset to society. Today's immigration policy in the United States is in many respects hostile toward people compared to what it could be, if the receiving society really made an effort with *heart and soul* to enthusiastically assimilate asylum seekers. It would then be easier to integrate people, who with pride and self-esteem could learn the language, and thus carve out a new life for themselves in this new location, e.g. though entrepreneurship. The skills and knowledge that these people already possess could be taken advantage of to a greater extent than is the case today. In short: *facilitate* the assimilation of fellow human beings. If an immigrant succeeds in obtaining a residence permit, social integration is often more or less discriminatory, with low starting salaries, or cynical employers that willfully exploit these people's vulnerability in a way that is reminiscent of the old-time slave trade. Not many American politicians have told the American people about how successfully – and *at no cost* - Benjamin Franklin solved Pennsylvania's demanding immigration issue in the 1700s. The people arriving here were immediately integrated and became a part of the community, which welcomed with gratitude the skills they had brought with them..

Characteristics of Benjamin Franklin's monetarily financed economy

During the so-called “good years” in Pennsylvania, from about 1723 to 1750, needy residents of the colony could receive very advantageous loans from the "state" (often at a relatively low interest rate) in order to "get started" (983). As an entrepreneur, investment aid could be procured without difficulty - an investment grant which often, but not always, became a pure gift (984). Alternatively, immigrants were likely, in fact very likely, to be granted loans by the state. The aim of the loans was to provide a control mechanism to keep inflation in check in the community, if such inflation-fighting became necessary. The monetarily funded economic system that Benjamin Franklin had initiated allowed this generosity, which would prove to be a benefit to society as a whole. Money, "any amount" - or at least as much as was required - could be created at virtually no cost at all by firing up the printing presses, while being completely free of expensive, interest-bearing bank loans.

In the countries that the settlers had immigrated from to e.g., Pennsylvania, it had been common to meet a *discriminatory* attitude from the banks as to whether or not a loan was granted, something which of course is also true today in capitalist/central bank economic societies.

Hard-pressed immigrants arriving in America in the 1700's were accustomed to the banks in their countries of origin demanding guarantees, i.e., various kinds of collateral and pledges, and it was awkward and difficult to obtain money for investment purposes. It involved much difficulty and fawning for the bank directors. The lack of money was a constant hindrance back home. Today it is much easier for people in general to borrow money than it was in the 1700's (at least in times of booms), but discrimination - who should get loans and who should not - still exists.

The leaders of Pennsylvania, where the book printer, scientist and "amateur politician" Benjamin Franklin excelled, managed in this colony to create a well-functioning monetarily financed economy which possessed *its own banknote printing machine* - Franklin's redesigned book printing press.

The front and back of a threepence note paper currency issued by the province of Pennsylvania and printed by Benjamin Franklin in 1764

This is the type of economy that I here in my appeal to the American people call *a monetarily financed economy* – an economy in which neither the "state" (the colonial government) nor individual settlers had to "borrow money" to finance the state budget or private investment because the money required was made by the state at cost price on their own printing presses. Neither was it necessary for the colonial government to levy any taxes on the people in order to finance the state budget, as I mentioned earlier. All lack of money ceased. If taxes were levied, it was to a lesser extent in order to have a control mechanism in place to curb inflation, if necessary, and as an aid in maintaining a balance with respect to certain imported goods. If the state needed gold or foreign currency for international trade, both could be bought using the colony's banknote money, or gold coins could be borrowed from foreign, mainly English, banks that accepted repayments in the colonists' own currency. Only to a very small degree - compared to how money is distributed to the community in the capitalist/central bank economic system - was money disbursed as loans at interest. Instead, money was disbursed according to Benjamin Franklin's four rules (methods), as four different flows.

Benjamin Franklin's four money disbursement rules (methods)

These were the rules for distributing money in the community in Franklin's time, "the good years" of the 1700's (around 1723-1750):

First Rule (method): The state *bought* (invested in) *services*. It spent generously on matters that were central to the community's needs, the common welfare. There were countless necessities on the list that, to varying degrees concerned and benefited all members of society. For example, schools at both lower and higher levels, care for the disabled and mentally ill, hospitals, the construction of roads, bridges and canals, forest clearing, procurement of timber, mining of ore for the production of metals that could be forged and machined, drinking water culverts, sewage treatment, community sanitation, postal services, administrative government jobs, public decoration and parks, supporting artists, actors, theaters, etc. This is in many respects just like what we have today. As an actor and artist one thus had help from the state. Not in the form of miserly, discriminatory scholarships given only to relatively few in fierce competition as we see today, but to all that according to their ability contributed what they could as an artist or actor. The important thing was that everyone was active, where each could contribute with their particular individuality and talent. The appearance of the product was not so important – the principle was "each according to their ability". For example, if a bridge could be built, it was not important whether the construction was done in the German way or the Irish way. It was important to take advantage of the immigrants' professional skills, and these could vary widely in style. The state interfered as little as possible, with the result that the teams that carried out the work solved its main tasks to a high degree. Today this principle is called decentralization – as opposed to centralization or top-down control. The state could afford the extensive funding, as it easily cranked out its own new banknote money with Franklin's converted book printing press. It did not need to borrow, and thus did not get into debt. Money was like oil lubricating the social machinery.

Second Rule (method): The state *bought* (invested in) *goods*, which constituted the material for the many projects mentioned in the First Rule above.

Third Rule (method): The state granted "gifts" or direct *contributions* to specific *resources and measures* necessary for society to have the right to call itself *humane*. Here, the principle was not concerned with paying, as in the first two methods, but was about *giving*. The importance of this third rule or method can not be overemphasized. The rule implies that all the members of society must be ensured as decent a life as possible. In short, this was about caring for and easing the lives of all, including those who have *a need for help* of one kind or another, the reasons for which may be numerous.

This involved helping people who were ill or disabled, or people who had ended up in other distressing situations, such as financial dire straits, because their homes or barns with livestock had burned down, or those who otherwise had suffered accidents, and needed immediate assistance, such as financial aid, to restart their lives. This could be any number of such needs.

The aim was therefore that also these people could be helped, primarily, to secure a decent life and obtain the support and help they needed both materially and in terms of care. This was in order that they could return to work, but also to help them develop their talents and abilities so that their lives could be as meaningful and happy possible. It also involved helping people who needed to recover from abuse of various kinds, and therefore required special support and specific treatment. Again, none of the costs for providing the necessary relief, aid and resources involved any financial burden on the state in monetary terms, since it was only a matter of printing up the money that was needed. The politicians of today, who of course operate within the capitalist/central bank economic system, constantly talk about the *lack* of money. It was this, among other things, that Franklin clearly understood, and that is why he, naturally, recommended that taxes would not be introduced in Pennsylvania, except for relatively insignificant taxes relating to controlling inflation and foreign trade.

Fourth Rule (method): Provide opportunities for citizens and private companies that wish to make their own *private large investments*, either because they are entrepreneurs by disposition, or driven purely by interest in this sphere. Means were to be provided for these entrepreneurs without involving unnecessary intermediaries such as banks. Historically, the banks had proved to be *discriminatory* as to who should, and who should not, receive the desired capital in such situations. The basic idea in Franklin's Pennsylvania was that everyone who needed investment help would get it. This was to ensure that everyone could get started with their individual projects. This was how the society's developing primordial force was activated - that all should be assisted to quickly start doing what each was good at and enjoyed doing. These investment loans were given with the condition that they would be paid back to the state. Franklin used these loans - at relatively low interest rates compared to the banks – to apply, as mentioned previously, *a check against inflation*, and they proved to be very effective. The state did not really have any need to recoup the loaned money, because it could easily have printed more. The fact that the state could print new money when needed also meant that it could maintain a very humane attitude towards borrowers. If a borrower for any reason had difficulties with repayment, a repayment plan could be negotiated without house and home being taken away from the debtor, as occurs in the capitalist/central bank economy, where private banks run a system that expropriates people's property if they get into financial difficulties.

Disbursement models: A comparison

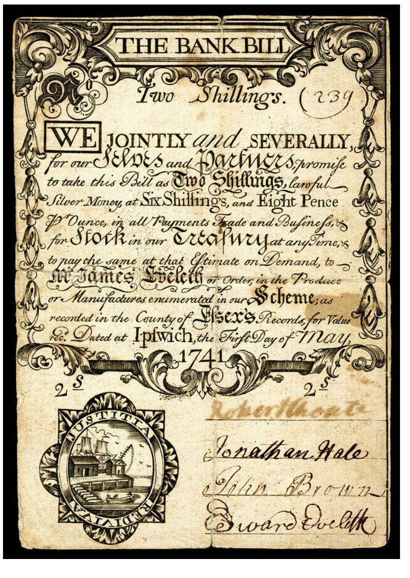
Let us compare Benjamin Franklin's financial system's four rules (methods) and the capitalist/central bank economy's two rules (methods) regarding the disbursement of money into the community

Franklin's financial system (non-inflationary monetarily financed economy), differs strikingly from the capitalist/central bank economic system where, in the case of the United States, the state does not control its own banknote production. Here the government is forced to raise taxes to finance its state budget and take loans at interest to cover the expenses of the state budget in cases where tax revenues are insufficient. Furthermore, individuals are forced to take loans from banks that discriminate between people when they want to borrow for private investment. This causes great difficulties in cases where *all* people need access to money. The consequence is that too little "lubricant" is disbursed in the community, which in turn leads to difficulties in people's exchange of goods and services with each other, as well as hampering the initiation of business projects that require financing. In this way, society's so-called "primordial force" stagnates instead of being encouraged to bloom. In the trilogy's Part I (New Part I, https://nyaekonomiskasystemet.se/), a thorough treatment is given to this fundamentally important social concept: *A society's primordial force*.

The First Rule in the capitalist/central bank economic system

The capitalist/central bank economic system basically compels both the state (as an extension of the people's will), businesses, and a considerable part of the population to *borrow money at interest* to acquire money in hand. Thus the primary capitalist/central bank economic rule (method) means debt. *Virtually all the new money brought into the community* is loan money tainted with both amortization and interest rates.

As seen above, neither the colonial government nor the settlers needed to incur debt to the banks to any significant degree during that period (1723-1750). This led to the bankers on the whole losing opportunities to maintain a foothold, although the colonists had to take some loans in the form of gold and silver coins to maintain foreign trade. The bankers could ultimately take neither money nor property from settlers or colonies as such. This was due to the colonizers printing their own money, which they called *pounds* or Colonial Scrip (986): Pennsylvania pounds, Connecticut pounds, Maryland pounds etc.



[US Colonial (MA 87.15) -Massachusetts-1 May 1741 OBV]

Franklin printed paper money instead of books. It was no more complicated than that, and it worked. Some etched plates, inks, and the right kind of paper, and that was that. In a few days a million pounds worth of Colonial Scrip could be cranked out one after the other - basically as much as was needed. It is no exaggeration to say that they had become filthy rich.

The Second Rule in the capitalist/central bank economic system

The second method of distributing money into the community is a phenomenon that I call "the secret gifts". These secret gifts are a relatively small part of the disbursed money. This *not* loaned money. These are actual gifts that fund bribery and corruption, and end up in secret accounts used for military research as well as the security and intelligence services. With the help of these secret gifts, the protagonists of the capitalist/central bank economic system (the “spiders”) give themselves all the money they need to buy gadgets, travel and real estate of all kinds. It is therefore correct to say that these individuals therefore in principle have their own “printing press in the basement”, where they without effort can give themselves all the money they need for their consumption.

Despite these secret gifts in capitalist/central bank economies comprising a relatively small portion of the total amount of money in society, it is still a very sizable amount, and would be embarrassing to their recipients, if they were to turn up in any public bookkeeping. They are therefore not publicly reported anywhere, and need not necessarily be repaid by the beneficiaries, and the gifts therefore have no interest (yield) attached. These latter funds are considered to be maintenance gifts from the “spiders” to their favorites in some of the high-priority, more or less secret parts of their overall organization. The gifts keep the system well greased and running smoothly. You could say that "you get what you pay for". Those on the receiving end are, of course, very little known to the public.

"Gifts" in the form of "Quantitative Easing"

Some examples of “gifts” are the occasions (2008 and during the period 2010 - 2011) when the US Federal Reserve Bank, FED, suddenly and effortlessly created *enormous* sums of earmarked (NB. *outside the loan system*) money “out of nothing”, and transferred it to specific selected, recipients (in this case, first of all, some American banks, mortgage institutions, the insurance company AIG and other institutions). AIG received a total of about $182.5 billion. The FED alone stood for at least $85 billion of AIG's "monetary injection" - an example of what is called "Quantitative Easing" (QE) in the world of finance. This took place on 16 September 2008, the day after Lehman Brothers had gone bankrupt, and the great financial crisis was triggered).

The FED has similarly brought out two further QE packages (gifts given without necessarily requiring repayment with interest): QE1 (175 + 1250 = 1,425 billion dollars) from 25 November 2008 to 31 March 2010 and the QE2 (600 billion dollars) between November 3, 2010 to June 30 2011 to a range of recipients, including some outside the United States. Altogether, the Fed has thus, since the financial crisis took off, brought out at least 1,425 + 600 + 85 = 2,110 billion dollars, which, by a conservative estimate, corresponds to one-eighth of the US national debt of about 15,718 billion dollars as of 13 May 2011. The money transferred in this way only benefited the average US citizen to a very small degree. Instead, the vast sums of money were swallowed primarily to fill the gaping holes - the negative entries - in the accounting books of privileged recipients. It would appear that the receiving banks, securities brokers and other institutions have chosen to "sit on the money" for the time being, so far with no intention of bringing it out to the community.

Discrimination becomes visible: Privileged receivers

It is important to understand that the huge "injections" of money that various central banks sometimes deliver (e.g., American, Japanese and British central banks, in the 2008 financial crisis) thus *do not* benefit society in terms of wealth creation measures (such as “lubricating-money” for societally useful trade in goods and services), but that the money goes to privileged recipients who are already lying on a bed of roses. The money is given on the grounds that society can not do without these institutions – the banks, securities brokers and insurance companies that are on the receiving end and alleged to be "too big to fail".

The EU warns against the monetarily financed economy

I have chosen to call Franklin's financial system a “well-functioning monetarily financed economy”, because the EU's Treaty of Lisbon (988) officially uses the terminology “Monetarily Financed Economy” when describing the principle of Benjamin Franklin's sort of economy – albeit without mentioning Franklin by name. This is the kind of economy, was in turn supported by the core structure of King Henry I's tally system (989). Please note that the Lisbon Treaty explicitly chose to warn against the use of monetarily financed economies by stating that the system leads to *serious inflation*. On the contrary, as Benjamin Franklin and his colleagues demonstrated in the experiments in Pennsylvania for at least 27 consecutive years (about 1723-1750), it is perfectly possible for a society to apply a monetarily funded economy without inflation occurring. What is then created is known as a *well-functioning* monetarily financed economy. Moreover, there is no need to tax the population, and neither does the state need to take loans from banks. And yet all unemployment and social exclusion is kept completely in check. The truly remarkable thing is that the Lisbon Treaty chooses to keep quiet about this! The Lisbon Treaty is also quiet about a powerful economic experiment on the island of Guernsey in the English Channel.

The Guernsey experiment

The island of Guernsey in the English Channel is an example of economic history which tells of a well-functioning monetarily financed economy, where no inflation occurred. In the early 1800's, Guernsey had a group of local politicians who were skilled operators of the monetarily financed economy. In 1994, Professor Bob Blain (Southern Illinois University) wrote the following about the island of Guernsey:

> *"In 1816 its sea walls were crumbling, its roads were muddy and only 4 1/2 feet wide. Guernsey's debt was 19,000 pounds. The island's annual income was 3,000 pounds of which 2,400 had to be used to pay interest on its debt. Not surprisingly, people were leaving Guernsey and there was little employment.*
> *"Then the government created and loaned new, interest-free state notes worth 6,000 pounds. Some 4,000 pounds were used to start the repairs of the sea walls. In 1820, another 4,500 pounds was issued, again interest-free. In 1821, another 10,000; 1824, 5,000; 1826, 20,000. By 1837, 50,000 pounds had been issued interest free for the primary use of projects like sea walls, roads, the marketplace, churches, and colleges. This sum more than doubled*

the island's money supply during this thirteen year period, but there was no inflation. In the year 1914, as the British restricted the expansion of their money supply due to World War I, the people of Guernsey commenced to issue another 142,000 pounds over the next four years and never looked back. By 1958, over 542,000 pounds had been issued, all without inflation."(236).

Franklin's choice to have no gold backing

Benjamin Franklin and his colleagues did not care to have gold backing as security for their paper money, as this would have significantly obstructed or nullified their experiment. In contrast, gold backing (the gold standard) was strictly applied to the private (mainly English) banks with regard to all the money they lent out, a matter which I will return to later. Here I want to say briefly that the bankers' lending of money was based on a series of serious offenses (embezzlement, counterfeiting, forgery and theft), where gold, which was part of the picture at the time, was a key part of the fraud.

Embezzlement was committed in that gold was used, but the owners of the gold were not informed that their gold had disappeared.

Counterfeiting was perpetrated in that at least 80 percent of the money issued by the bankers lacked gold backing. The bankers defined their paper money bills as backed by gold, but as 80 percent of the gold was missing, these banknotes fit the definition of counterfeit money (992). The process can be likened to a private person, in violation of the law, setting up a printing press in their basement and printing out worthless pieces of paper and then calling them money - something that of course is prohibited by counterfeiting laws. (993)

Forgery (994) was carried out in that the bankers fraudulently claimed that it was their *own* money which they loaned out, and that they drew from their own underlying gold assets. The truth was that the bankers were not using their own gold as backing (995), but used gold that was embezzled from others - gold that only covered 20 percednt of the manufactured banknotes that were brought out into the community. The banknotes that were lent out were thus not only invalid in the sense of being counterfeit money (996), but also impossible to lend out because *only that which is owned can be demanded back as amortization*.

Theft was effectuated by bankers when they began performing foreclosures/expropriations after claiming that *their* loaned money had not been returned, and subsequently laid their hands on the collateral pledged in mortgages that had been drawn up when the loans were taken. In truth, the bankers could not demand collateral because they did not lent out anything of their own.

All of this, the embezzlement, counterfeiting, forgery and the massive thefts were a very sensitive issue for the bankers, since they well aware the entire time that they were breaking the law. The operation continues today on an even larger social scale. Today - since 1971 (997) - the bankers have abandoned the gold standard in America, whereby the embezzlement part has disappeared. Congressional politicians have also passed laws that attempt to hide the ongoing large scale counterfeiting, forgery and theft in America. One can say that these laws, with regard to a small group of individuals (bankers) in American society, attempt to decriminalize three serious offenses (998). These are details that the capitalist/central bank economic system certainly does not want brought to public attention. We now return to Benjamin Franklin's financial system.

Franklin's bill money was not backed by any value at all

Franklin and his colleagues said that their paper money's value would be based on *confidence* alone. It thus did not have gold backing. This was exactly what the English King Henry I had applied in his tally system where plain English timber was used as the material for money – it was without value backing. The value of the ordinary notched wooden sticks as money was based on trust. The king vouched for their value solely with "his word". It was the same with the colonists' paper money. And the trick was to only – *only* - distribute as much money in the community as could be absorbed in *productive enterprises*, because then no inflation would arise. Nor did a shortage of money occur, because it was so easy to obtain the material that money was made of (paper). There was no need to think about having any gold backing (999).

More freedom

In Europe, the reputation of the Promised Land, the American colonies, was that there was much greater freedom and tolerance than at home. Freedom and tolerance were often sadly lacking in the old countries in virtually all areas, including the religious. In Sweden, my homeland, there was religious repression in the 1700's. For example, country people were held in "God's nurture and admonition," a responsibility that rested with the parish pastor, often by directive from the government. Thus, for example, catechisms, or household questionings (1000) were held with the public on Sundays before the morning service in church or in the home, i.e., in cottages and cabins in the Swedish countryside. Sweden was a farming community. Industrialism had not yet or only barely begun.

These pastors often appeared in the role of persons in authority who demanded both obedience and flattery. Hearings were held on Christian doctrine and outlines of biblical content. It was expected that the public, who often could not read, write or count, have some such basic knowledge, which could be quite arbitrary. The catechism of interrogations was often a painful experience for people in general. On Sundays they needed to rest and attend to their own affairs before the work week started again, to get a little extra sleep, to be with the family, to attend to one's animals. Ordinary people did not like the state's authoritarian mentality as it was expressed by the pastors. Society was characterized by widespread poverty, inequality, high unemployment and social exclusion, widespread begging, and sometimes even waves of famine. Access to extra money usually meant securing a bank loan, and a widespread discriminatory system regarding who would, and who would not be granted these loans prevailed. People wanted *more freedom* in their lives. Especially well into the 1800's, when the peasant hardships were great, rumors of the promised land America swept through Sweden. Many Swedes, poor crofters, farmhands and city dwellers, had had enough of the homeland. The promise of America and freedom was enticing.

Whole families talked about emigrating. It was the same in Ireland, Finland, Norway, Denmark, Germany, France, Spain, etc. There were some differences, but the pattern was similar in one European country after another. In Sweden, it would take a while before the big emigration waves began in earnest. The first trickle began in the 1820's and accelerated in the last half of the 1800's. In other European countries the emigration wave started already in the 1700's. Often, it involved a risky and arduous voyage across the Atlantic Ocean to the country that beckoned - America.

Those who dared to take the leap

Swedish history tells us that it was the poorest, but also the strongest, bravest and the most enterprising, who dared to take the leap to leave their country, friends and familiar surroundings to become Americans. Vilhelm Moberg (1001) has written a national epic about this time, this great Swedish emigration, when over a million Swedes, out of a population of 4-5 million, emigrated to America: The Emigrants/Immigrants/Settlers (Swedish: ”Utvandrarna/Invandrarna/Nybyggarna”). ABBA composers Benny Andersson and Bjorn Ulvaeus wrote a musical, Kristina (1002), based on the Emigrants' story.

For the immigrants to America who happened to arrive in Pennsylvania during the period between 1723 and 1750, the rumor that the country was "the Promised Land" was especially true. But there were also colonies which were disappointing, where politicians were not friendly to widespread immigration, where slavery and discrimination flourished.

How slavery developed

Some Southern plantations had previously had English convict labor, people that the English Parliament had deported to America as a convenient way of emptying the English prisons of criminals. This strategy, however, became a big problem as it turned out that the crude English thugs were not easy to deal with for the slave-owners and supervisors. English criminals caused bloody uprisings on several occasions, which often went very badly for both supervisors and ruthless plantation owners. This was one of the reasons that plantation owners chose rather to "import" slaves from Africa who had proved to be more compliant. As we all know, millions of Africans were kidnapped and transported in appalling conditions to the Americas on slave ships. There were quiet whispers that Sweden had a hand in these shipments. The New World slave trade (1003) is a terrible chapter in our not-so-distant history, a chapter without no trace of human compassion.

Some colonies had problems with inflation

There were also colonies where the politicians repeatedly failed to adequately manage the monetarily financed system. They released *too much* money into the community, with consequent inflation. This type of economy never worked satisfyingly.

However, there were those in power in the colonies who understood that banknote printing and distribution of money was an extremely temperamental matter that required both discernment and a gentle touch, i.e., to at all times ensure that only just the required amount of money be disbursed in the society – money to be spent on healthy urban planning in each colony. In that case, and only then, would the community grow in a prodigious way and become very strong (1004). One who had a firm understanding of this was the printer Benjamin Franklin. He had carefully studied the success Massachusetts had proceeded with in the late 1600's in similar circumstances. Franklin wrote an essay which was much discussed at the time: *A Modest Enquiry Into The Nature and Necessity of a Paper-Currency* (1005). The essay was widely distributed in the thirteen colonies, and to some extent also internationally, and made Franklin famous. As a printer, Franklin had access to books, and he happily studied economic history at his leisure. The economic system which, thanks to Franklin's foresight and wisdom, was implemented in

Pennsylvania during the "good years" 1723-1750, suffered no or very little inflation. Here the monetarily financed economy worked well, to the benefit of the entire society. Massachusetts had already implemented a monetarily financed economy in 1690 (1006), and this had made itself largely independent of foreign bankers. But it took time for the other colonies to introduce their own printing presses and follow suit, which is why I use the year 1723 as the approximate year in which the colonies' "good years" began.

Ending up right in the right place

As mentioned above, the specific American colony that an immigrant settled in during the 1700's was decisive for the quality of life they would come to lead there. The different colonies were characterized by varying degrees of philanthropy and humanitarianism. It was a question of settling in a colony where the government had a people-friendly approach, and where society flourished economically based on the application of a well-functioning monetarily financed economy. If one ended up in the right place, there was a good chance that the *dream of freedom* would come true – including hopes of a l*ess restrictive government* and *fewer taxes*. These three ideals formed the famous foundation of the American Revolution.

Thus, Benjamin Franklin was the one who created *a unique functional society - without inflation, without taxes and without debt* - using what I call a well-functioning monetarily financed economy. The qualification "well-functioning" emphasizes the fact that he managed to overcome inflation (1007).

The truth about the capitalist/central bank economy

One can also say that Franklin's model of society was humane because a wholesome social atmosphere was created. Everyone had work, there was no social exclusion to speak of, and you did not have to pay taxes. In this type of society, a community spirit was created where people cared about and took care of each other.

Hospitality and generosity are two of the prominent traits of Americans, but today increasingly more Americans find it difficult to get by economically due to high unemployment, low wages, high taxes, bank foreclosures and a dismantling of the government safety net, so that a harder and colder society has gradually gained ground under the capitalist motto: *“If you are weak and not strong, then you only have yourself to blame”*. Increasingly more people are left in the lurch because not even the state has the financial muscle to provide care as it should - and as it did in Benjamin Franklin's time in Pennsylvania in particular, but also in several of the other thirteen colonies. The modern American does not fully understand what is happening deep within the capitalist/central bank economic system because the American history books do not tell the truth about what this system is – as mentioned earlier. Since 1751, American society has seen a long series of a type of severe recessions with high unemployment, social exclusion and bank foreclosures. The depression of the 1930's is a widely known example. I relate these details because it is imperative that the reader clearly see how good life was in several of the colonies during the boom years 1723-1750, and how benign the social atmosphere was in these colonies. Franklin's social model is important in that it shows the way: it is the *state*, the people's will - not private actors of all kinds, such as bankers – that should to be given the responsibility of creating and distributing society's money, if we are striving for a society that seeks the *common good*. Not the best for some, at the expense of the others.

Only then will society be ensured prosperity - also for those who do not want to live a dog-eat-dog life where only one's own needs are met, but also for those who want to live harmoniously with their fellow man. Franklin was a great philanthropist, who provided for *everyone's* best.

The European bankers attempt to make inroads

During the first half of the 1700's, European bankers tried to establish themselves in the American colonies, but they failed. They were ousted with a vengeance by the colonial financial system, the monetarily financed economy. This was despite the fact that the bankers tempted with a redemption guarantee - that their lending money was backed by their own gold. The bankers have falsely claimed from the outset in the 1600's, throughout the 1700's, 1800's,1900's, and up to 1971, that whoever borrowed banknote money from a bank, could at any time go to the bank and convert the notes to the corresponding amount in gold. The truth is that only about 20 percent of the bank's loaned banknotes could be redeemed for gold - gold that in fact was not the banker's own gold at all, but the deposits of wealthy people. Based on this finding, one can conclude that the bankers' promise was based partly on “hot air”, and partly on embezzlement (of parts of deposits). But there's more.

In the trilogy I give evidence that these bankers also engaged in a form of counterfeiting that was so highly developed that it can rightly be called "perfect" counterfeiting, in that they made money backed by nothing more than fresh air. There is the theft by foreclosures/expropriations carried out as an extension of their criminal loans schemes, as well as forgery by way of claiming to lend out something that they did not own. None of the new settlers saw through all this, just as very few people today see through it.

Franklin thus applied a system without any actual or alleged gold backing - the same method the bankers began to use later (1008). And the system still worked just fine. During the colony's “good times”, people in general showed greater interest in Franklin's notes than the bankers' gold-backed banknote money, the former being backed by *confidence*. The lesson learned here was that the absolutely most important factor in achieving an economically prosperous society, is that there is *ample access* to money, that it is in everyone's possession and in circulation in society. That money was *not backed by gold*, was crucial to ensure that the supply of money would be *sufficient because gold is scarce*. This stands in stark contrast to the capitalist/central bank economic system, which stands and falls with the existence of a manipulative, induced, *chronic lack of money*, which stimulates what is the capitalist/central bank economy's lifeblood: the lending of money at interest. Here, gold backing can be seen as an additional method to pave the way to a lack of money.

The money that the bankers lent out thus consisted of 80 percent "fresh air" (counterfeit money, i.e., counterfeiting). Of course, there were laws that prohibited individuals from producing their own money, but bankers circumvented these laws by *pretending* that they never lent out newly created money based on thin air, but that they drew on their own fortunes. This is the private banking sector in a nutshell. That is how the people have always been cheated, both in Europe, in America and elsewhere. The whole thing is in fact a series of conjuring tricks, which is based on concealing this truth: That loan money is *de facto* “fresh air” without an owner. Because none of this has been caught sight of - at least not by the general public - right up until modern times, the general public has over time come to accept the fraud. That banks lend out their own money is seen as a self-evident *matter of course*.

Nothing but pure theft

Recall how the bankers in the first instance committed *embezzlement* when they misappropriated the deposits of their wealthy clients. Secondly, there was the commission of two further offenses, woven together in a highly intelligent manner, namely counterfeiting and forgery. *Counterfeiting*, in that the newly created and lent out “air” money had no real backing. *Forgery*, in that they gave the fraudulent impression that both the gold deposits and said "air money" was owned by them when they lent it out against repayment and interest. Thirdly, the bankers devoted themselves to the *theft* of property by ruthlessly seizing assets or carrying out foreclosures on real estate where borrowers for various reasons could not fulfill their obligations to their creditors. This is a pattern that repeats wherever capitalist/central bank economic operations thrive, i.e., where bankers organize the lending of money at interest

Be aware that the bankers gladly acted ingratiating and articulate as they tried to lure people to take up loans of gold-backed bank notes at interest. When the terms of the loan had been signed, it was not uncommon that kindness turned into the opposite, especially if the borrowers for some reason happened to become insolvent. The bankers then had a tendency to show a more disagreeable side, where they confiscated the people's assets, such as real estate, house and home, and sometimes even whole companies. Please note that this always concerns money that had been “lent out”, something which in essence is impossible because, once again, only something that is owned can be lent and recovered. The money that the banks lent out was not owned by the banks in a legal sense - only by assertion. What is called "foreclosure" or "expropriation" these days, is on closer inspection nothing more than pure and simple theft.

The bankers are out-competed

In the American colonies during the "good years", people discovered fairly soon that life was both easier and more enjoyable if one did not have to take bank loans, and instead embraced the local government's “people-friendly” perspective, which was to use and have confidence in its own colonial money rather than bankers' gold-backed banknotes. The only thing that needed to be borrowed from the banks during these "good years" (1723-1750) was a certain amount of gold and silver coins, and perhaps also a certain amount of foreign currency to cover foreign trade, as well as certain mandatory fees to the mother country England. At this time, the colonies had no own gold and silver deposits. This meant that the bankers faced considerable difficulties establishing themselves in the colonies. There was only a small demand for their services (lending of gold backed currency money, gold and silver coins as well as foreign currency) during this period, for the simple reason that the colonists' own monetarily financed economic system, based on Benjamin Franklin's vision (1009), was far superior.

The bankers were simply out-competed - and with a vengeance. In Europe, the banking sector was quite well developed at this time, and their goal was to export the same system to North America. This is the system we today call the *capitalist/central bank economic system*, which is based on a manipulated *money shortage* in the community, thereby creating the need for both the public and the state to *borrow money at interest* – all for the benefit of the banks. The public, as well as businesses must borrow at interest for whatever it wants to achieve. The state must borrow at interest to fund its budget, i.e., all the obligations incumbent upon the state.

Taxation of the people - milking the cash cow

In a capitalist/central bank economy the state budget can be funded in three ways - firstly by *taxing* the people, secondly, to a certain extent by the state generating income when *acting as a business*, and thirdly, by borrowing at interest, i.e., through *national debt*. Analysis of these ways of funding the state budget brings us to these conclusions:

1) that loans at interest, both to the public and to the state budget, enrich the *banking system* through real income in the form of interest and repayments of the principal.

2) that the *taxation* of the people constitutes *two major benefits* - from the banker's point of view:

a. the people account for the majority of the state budget through their labor (their taxes), contributing to public impoverishment that perpetuates the money shortage and stimulates the public's need to borrow money (from banks). Meanwhile, people's time is unnecessarily used for work at the expense of their leisure time, and thus indirectly thwarts their ability to develop their interests and pastimes, or spend time with family, relatives and friends, as well as finding the time and energy to spend on analyzing society and its foundations.

b. Taxes can, as I have mentioned earlier, be used by bankers as a buffer against the risk taken by them when they create loans.

Should things go wrong in risky lending activities, i.e., if principal and interest are not flowing in as planned, and red numbers start turning up in accounting records, with an efficient tax system and reliable political front men in place, it is always possible to activate the "*third sword*", the tax-funded *bank rescue package*, implemented by parliament/congress (1010).

Therefore, *taxation* of the public, or - if you will – "milking the cash cow" is a very important cornerstone of the capitalist/central bank economic system. Compare this with Benjamin Franklin's monetarily financed economic system, where money was produced in abundance, benefited all, and was owned directly by the people, not by private bankers. No money shortage emerged in Franklin's society - on the contrary. Inflationary tendencies, if there even were any, were actively countered, and loans from the banking system were as unnecessary as taxes. As described in the foregoing, the American colonists allowed themselves this economic experiment with their own money manufacturing equipment (note printing), spearheaded by Benjamin Franklin – much to the dissatisfaction of the European-ruled banking industry in the colonies. These bankers exerted influence over the bribed and corrupt English Parliament and, one can assume, the likewise corrupt English King George II (who was appointed by the English bankers).

[King George II]

This is the reason that England, with the bankers operating behind the scenes, constantly made plans to deprive the colonists of the right to use their own money manufacturing equipment - plans they would come to implement as the prelude to the American Revolution. Recall Benjamin Franklin's own words:

> *"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.*

Chapter 2 (70)

The difficult years 1751-1773

This is a long chapter because important extra information has been added so that this book may be read as is, without necessarily requiring that you read the author's entire trilogy. The trilogy is a supplement for those who want to immerse themselves in the various details discussed in the general analysis you have before you now.

In 1751 and in 1764 respectively, the English Kings George II and George III issued laws that aroused great indignation in the American colonies. The first law in 1751 (Currency Act of 1751) (1011) forbade the four colonies of New England (Massachusetts Bay Colony-the northernmost part of which today consists of Maine - New Hampshire, Rhode Island and Connecticut) to print their own paper money (1012) . In other words, England banned the settlers in these four colonies from using their own money manufacturing machines (printing presses). From different starting points in the early 1700's, each colony had begun printing their own money, in accordance with the monetarily financed economy of Benjamin Franklin and Massachusetts politicians (1013). This was during the period known as the "good years" in the colonies. The politicians who managed those colonies with a relatively straightforward state apparatus, were now forced to begin borrowing at interest from foreign banks to fund the colonies' expenses. This meant that taxes then had to be levied on the people to finance the state budget - among other things, to bear the cost of necessary investments in roads, bridges and other infrastructure. People in general were forced by the English laws of 1751 and 1764 to take relatively high-interest loans from banks if they needed money for private investments for their livelihood, such as to buy a cow or build a forge. Even then it was not certain that the loans would be granted because of the widespread discrimination practiced by the banks.

The first attempt to impose the capitalist/central bank economic system

It should be noted that the 1751 Act was the first attempt from the English to impose the capitalist/central bank economic system (1014) in America, and that it was imposed in all four colonies in New England. The English ruling powers in the form of the English Parliament and the royal family, with powerful bankers in the background, made it clear that *only* the capitalist/central bank economic system would be allowed in these four colonies. Thus the distribution of money out into the society could essentially only take place via interest-bearing bank loans - forcing the state to incur a totally unnecessarily debt interest (national debt), an immense change from what the situation had been for the several decades spanning the “good years”. At this time, the word “capitalism” had not yet coined, but the concrete effect of the 1751 Act was to introduce precisely this and nothing else: the capitalist/central bank economic system. The 1764 Act, thirteen years later (Currency Act of 1764) (1015), expanded the money printing ban to also apply to the other nine colonies, including the highly autonomous border lands. Thus all competition to the capitalist/central bank economic system was eliminated in all thirteen colonies. Furthermore, the 1764 Act forced the colonial governments and public contractors in all thirteen colonies to begin paying the now well-entrenched taxes to the English mother country with gold and silver coins. Before then, England had allowed all the colonies except for New England to pay these taxes in the colonies' self-produced currencies (pounds, also called Colonial Scrip), or with some of the coveted goods they traded with.

Four heavy burdens – and an annoyance

The two laws (The Currency Act of 1751 and 1764) meant in practice that four heavy burdens were suddenly laid on the shoulders of all thirteen colonies. An annoyance also arose.

The ***First Burden***: The settlers in general could no longer apply directly to the colonial governments to borrow money in the simple and easy manner they were accustomed to, where virtually everyone who needed loans, was granted them. Now, they were forced instead to turn to intermediaries (banks) who acted as the wholesalers of money in society, and who demanded a much higher rate than the colonial governments had done.

The ***Second Burden***: The tax to England now had to be paid in gold and silver coins - precious metals that there was a shortage of, and which were difficult to obtain. The Currency Act stipulated that those who did not own gold and silver coins, had to borrow them from the banks. As I mentioned earlier (1016), there was already a shortage of gold and silver coins in the colonies before 1764 - partly due to the colonies' foreign trade deficit, and partly because the colonies lacked their own gold and silver deposits. The shortage was now worsened dramatically with the new tax demands. The consequence was that many ordinary people and business owners faced acute difficulty obtaining of gold and silver coins for the required tax burden to England. The taxes were not particularly oppressive, but they still caused frustration in that payment was forced in gold and silver coins.

The ***Third Burden***: The enforced capitalism meant that gold-backed currency money was introduced, with the result that an immediate shortage of banknote money was created due to the global gold shortage. Compounding this problem was the fact that the banks discriminated as to who would be granted the banknote money (be allowed to borrow at interest). The colonials' own paper money lacked gold backing - which meant that the amount of notes was not dependent on the existence of the rare commodity.

The ***Fourth Burden***: The 1764 Act put an end to the domestic colonial production of paper money ("fiat currency" in the sense that it was legal tender, but without gold backing). Neither was the use or already existing bills allowed - the use of domestic currencies was simply banned, with the result that taxation of the people, in order to bring money into the state budget, had to be implemented. In other words, a fourth burden was imposed on the colonies, even though this burden was not regulated by the 1764 Currency Act. It emerged as a consequence of the colonial governments being forced, as was the ordinary man, to take up interest-bearing bank loans, and thus begin building a national debt. The colonial government's loan repayments and interest were somehow to be paid at the same time as the additional spending required in the situation where they could no longer print their own money. The solution was to begin levying otherwise completely unnecessary taxes on the people – taxes which had now become an absolute necessity.

A matter of great annoyance for the colonists was the fact that they any lacked representation (in the English Parliament) that could affect the tax legislation.

The breeding ground for the American Revolution

Seen in a wider perspective, the laws introduced in 1751 and 1764 proved to be the incentive for the events that caused England to lose its North American colonies. The laws which gave rise to the four completely unnecessary burdens caused such great social upheaval that fertile ground for the American Revolution created. It was English exploitation and bullying in full measure.

A deep recession with high social exclusion

The settlers were faced with the fact that the easy and simple times were a thing of the past. They now faced a time where obtaining the gold and silver coins for the English tax - obtaining any money at all - was complicated and difficult.

The *money shortage* due to the banks' discrimination over who could borrow, and the shortage of gold in the banking system meant that wages were not paid out to the same extent as before, sometimes not at all. Necessary investments were abandoned. “We can not afford it”, said the politicians in chorus (does this mantra sound familiar?). Meanwhile, the colonial governments began to introduce taxes that otherwise would have been completely unnecessary. Personal and business bankruptcies became commonplace. Increasingly, the banks came to use the fine print clause in debt notes and thus extorted indebted people's assets and properties. This is the same scenario that played out in the contemporary United States after the Lehman Brothers crash, September 15, 2008 (1017), which affected many people. From 1764 until 1773, the colonies saw the ownership of houses and homes, livestock, plots, forest and water areas - everything of value that people could possibly own - increasingly transferred to the banks. The banks served as vacuum cleaners, gradually sucking up these estates, just as the pattern is right now in America. People who had lost their homes suddenly had nowhere to go, and poverty, begging and social exclusion became increasingly apparent. In the end, people who might previously had lived prosperously on their own plots and farms, were now living in hovels, or appeared as a beggars at the roadside and in the cities (1018).

Social exclusion and unemployment, which had previously been almost unknown - in Pennsylvania completely unknown, as Benjamin Franklin writes about in one of his famous letters - was now a common sight in all thirteen colonies. Just one year after the introduction of the second Currency Act in 1764, the misery was fully visible in Pennsylvania.

The dream of the American promised land is shattered

Many settlers realized that the situation was fast becoming just as bad as in the old country. The dream of the Promised Land lay in ruins (1019). The question was asked: By what right did the English royal family and Parliament, with the European bankers behind the scenes (at least English, German, Italian, French) - who cared nothing for ordinary people - ...by what right did they place themselves above the colonizers? For this was how the foreign power and the banking might behaved. The people of the colonies now saw the cynicism clearly. The dream that spoke of America as the Promised Land (1020), where there was less government, lower taxes and more freedom, was no more, and was instead beginning to resemble what had been left behind at home, with bureaucratic red tape, and politicians constantly repeating the same mantra - that unfortunately there was no money. Every penny was counted, **generosity had been** replaced by stinginess, in contrast to the earlier boom years.

Banks lied about their money

Before continuing with this text, it is important that the reader understands the following: The banks lent out paper money, as did the colonizers. But unlike the colonizers own pounds (Colonial Scrip), it was purported that the banks' paper money was backed by gold. What ordinary people do not know, is that the private bankers in the colonies at that time lied to the people straight to their face about the banks' gold backing being trustworthy (1021). People were not informed that the bank notes that private banks lent out to both the colonial governments and to the people themselves, in fact completely lacked gold backing. It was merely a false claim that the banks in the colonies had one hundred percent gold backing for the money they lent out, that it was backed by their own gold.

Furthermore, in the middle of these events, some bankers began to move gold (which really belonged to wealthy depositors) across the Atlantic to England, France, The Netherlands, Germany, Italy, etc., causing an even greater lack of lending money in America, because the banks (at the time) could only lend out money relative to the size of the existing gold deposits (1022). The banks argued that they were forced to restrict lending in the colonies, because the necessary gold to back the loans (actually gold and silver) was needed in Europe. This meant that the banking powers *consciously and deliberately*, besides the basic fraud of claiming to have their own gold, induced a pronounced shortage of both bank note money and gold and silver coins in the colonies, in addition to the shortages that lending at interest causes in itself (1023). This clarifies how lending at interest always and unfailingly, sooner or later, leads to a shortage of money in the community, because it is a Ponzi scheme (it creates a mathematical impossible situation (1024)).

A mathematically impossible situation

In the capitalist/central bank economic system, money is disbursed into the community as loans at interest. But the borrowed money is just enough to barely to cover repayment of the loan's principal - not the loan's interest. This creates a shortage of money because the money to the pay the interest is missing. To solve this shortage, borrowers often take out additional loans. These additional loans then go to three items of expenditure:

a) the payment of previously taken loan's principal,
b) the payment of previously taken loan's interest, and finally
c) to create a seeming surplus of money to buy goods and services with and make further investments in the community.

In reality, an increasingly deeper money shortage is created, not only in one's own private economy, but in the national economy as well. A Ponzi scheme of ever-increasing shortage of money is created and leads to a collapse. The collapse is the recession, while the boom is the phase where the real lack of money builds up. From this explanation, it will be relevant to talk about the mathematically impossible situation that drives a Ponzi scheme. In the trilogy, these details are treated in depth.

This money shortage in the colonies, with several exacerbating factors, led to an increasingly severe recession during the period 1751 to 1773. The fact that it was so difficult to get hold of money was the main reason for unemployment and social exclusion increasing to the extent it did.

The capitalist/central bank economic system – money shortage by design

The capitalist/central bank economic system is deliberately designed to create a shortage of money in the community, even in the so-called upturns (1025). There is a struggle for the money available in society, a fight for a piece of the cake. But there isn't enough to go around, and that is deliberate. The consequence is that many people suffer from a shortage of money, while some hoard up money in excess, often at the expense of others and the society's.

Community planners in a humane society must ensure an inhibitory lack of money does not occur in the community. Absolutely all community residents must have generous amounts of money in their pocket books so that everyone can readily buy things from each other, i.e., exchange goods and services with each other. It is not the money itself that is the magic - the magic is that all people receive the money in their hand like a lubricant that facilitates the activities and business operations in which exchanges of goods and services take place.

The capitalist/central bank economic system is like a car whose transmission is howling because the gears are heating up due to too little lubricating oil in the gearbox. Finally the cast iron gears tear apart with a dreadful rattling. The car will screech to a halt you are not quick to disengage the transmission so it can roll to a gentle stop without engine power. When severe recessions show up in the capitalist/central bank economic system, this is what happens in society. One social function after another breaks down and collapses. Society's lack of money ("lubricating oil") is so extensive that increasing "friction" appears in the community. It is only relatively small parts of society that have an abundance of money - more than they need - while the rest of society is completely unnecessarily brought to its knees. This is exactly what was experienced during the difficult years from 1751 to 1773 in one colony after the other until all 13 American colonies were effected

We can now see where the worst downsides of the capitalist/central bank economic system's lie: the progress-inhibiting money shortage that is the result of this system. A lack that stimulates what is in effect the capitalist/central bank economic system's lifeblood: *the lending of money at interest*. The same loans at interest in themselves actually accentuate the *shortage*. What we witness is a true "vicious circle" which inexorably brings down social structures at the expense of the general population. In a system backed by gold this shortage can then be further aggravated by those who manipulate access to gold.

Fighting inflation

As important as it is to ensure that there is always sufficient amounts of money in the community for all members of society, one must also maintain an overview of the national economy (finance minister and government leader) to ensure that *inflation* is kept in check. That is, ensure that not too much money is distributed into the community. To use our analogy with the gearbox again: A transmission that has had too much lubricating oil added to it will rupture and leak oil because the pressure becomes too great for the gearbox. In the trilogy, Part II and III, I go through a series of special rules (societal keys) that have to be followed very closely to prevent inflation arising in a humane, well-functioning monetarily financed economy (as opposed to the capitalist/central bank economic system). I emphasize: Benjamin Franklin was so adept in the role of Pennsylvania's "Minister of Finance" and "Head of State" that taxation did not have to be implemented, and nor was there any inflation during those famous good years. This was while everyone had enough money in their pocket books such that social exclusion and unemployment were unheard of. The relatively tiny taxes that were levied were earmarked with regard to foreign trade.

Why the capitalist/central bank economic system exists as an economic system

So it was through the two English laws of 1751 and 1764 (The Currency Acts) that the *capitalist/central bank economic system* was first introduced in America. The *capitalist/central bank economic system* is an economic system where a *money shortage* is intentionally engineered in order to enrich the system's creators at the expense of broader masses. In the trilogy, I go through, in detail, the four goals that capitalism's creators day in and day out realize using its tool, the capitalist/central bank economic system. These four goals (1032) are:

1) To add ***hamper a country's democratic development*** in order to facilitate the continuation of their operations (1033).
2) To ***generate profits*** (1034) with the help of interest through lending in many different forms of society.
3) To provide the logical preconditions for ***large wealth transfers*** of property and other assets for the benefit of the shareholders (1035).
4) To turn the global world economy into ***a giant casino*** (1036).

At this point it is important to recognize that society's lack of money creates a need to *borrow* money in order to realize human projects and dreams. This is something that in the long run only favors lenders and is detrimental to both borrowers and society, in that this system inevitably leads to the buildup of destructive, debt-driven Ponzi schemes - ultimately because *interest* is mixed into the loan process. It can not be expressed more clearly than this. The capitalist/central bank economic system thus allows no more than relatively few members of society to benefit. The rest are doomed to become losers in this game because the system itself is constructed in this way. There is just not enough room for more than a few to do really well. The cake to be shared is so small that a fierce battle ensues over who gets to eat it at the expense of the rest. Objectively considered, therefore, we can assert that the capitalist/central bank economic system is a ruthless, heartless and brutal system – apart from being very inefficient if we want society to make any real progress towards wealth creation. The constant allegations of lack of money creates political arguments for holding back social progress, or even dismantling that which has already been achieved (1037).

The modest prosperity which today has been allowed to manifest has been financed by what in essence are completely unnecessary taxes. The capitalist/central bank economic system *enforces* economic and social crises, which the system's architects and foremen, the “spiders” (top banking leaders), have a complete overview of. Events are carefully manipulated in order to ensure realization of their four goals (1038). Astoundingly, their ultimate goal is to build a global plutocratic empire, with the rest of humanity as a meek, enslaved collective at their service. This global plutocratic empire has a name: the NWO (New World Order).

NWO (New World Order)

Increasingly, more US citizens are now aware of the possibility of this very intelligently organized, well-funded and human-hostile organization, the New World Order. Much of the structure is already in place thanks to the systematically implemented redistribution of material wealth and, in the last half century, the extensive dismantling of welfare that had already been achieved. An uneducated and apathetic population without confidence is relatively easy to control. The capitalist/central bank economic system is simply a case of a monumental act of sabotage against humanity in general, where a small elite, which we now have identified as a group, leaches off the quality of life of the masses. That is the stark and objective big picture of the capitalist/central bank economic system. In America, which is perhaps the part of the world that has been most characterized by raw capitalism, the system was introduced for the first time during the years 1751-1773. Then came the American Revolution in December 1773, which basically, in about 9 months, managed to throw out the capitalist/central bank economic system from the 13 American colonies. But with the help of a secret and highly intelligent seven-step plan, which I detail below, the big “spiders” managed to reintroduce the capitalist/central bank economic system in the colonial America that was to become the United States we have today.

The difficult years that shattered American society

American society was smashed to smithereens between 1751-1773. The *freedom* that the settlers so dearly coveted was seriously eroded during these "difficult years". Widespread unemployment and social exclusion took their toll on common sense, and the compulsion to grovel for the bank to borrow money did not make things easier. Many had seen it all before in the old country. Taxes were imposed, one after the other, although they in truth were not particularly high to begin with, as mentioned earlier. But it was alarming because it reminded recent immigrants of the situation at home. Was this really the promised land? they asked themselves.

Politicians motivated the introduction of taxes with the need for money to cover the colonial government's spending, to repay the "national debt", to pay interest, and to be able to afford the building of bridges, roads, canals, etc. In short, what today is called the state budget. The English taxes were not seen as a major problem. They were not burdensome, about one or at most a few percent of one's income. However, there was indignation that was no representation in the English Parliament, which made it impossible to influence the laws imposed on the colonies. The colonists wanted participation, but were denied it. There were certainly colonists who believed that the English tax laws were illegitimate, but it must be emphasized that the matter never formed any real basis for the revolution that later followed.

As we know by now, the cause of the revolution was that the colonies were prohibited from manufacturing and using their own money, but instead had foisted upon them a financial loan scheme that only had drawbacks (1039). In addition to having to pay tax to England, the tax had to be paid in gold and silver coins which no one owned, but had to be borrowed at interest from foreign banks. A growing revulsion for the English supremacy was felt in American communities. However, broad popular support for the idea of independence was first awakened a few years after the revolution had been triggered - fairly late. It was the English King George III's informal declaration of war, that the English superpower insidiously attempted to quell the colonies in America with violence, that aroused anger and thoughts of liberation. More on this shortly.

But first, the colonists experienced the "difficult years" from 1751 to 1773, when the capitalist/central bank economic system administrative apparatus sprang up in one after the other of the 13 colonies. This apparatus was based on even the colonial governments being placed under the laws that would force them to base their respective economies on *interest-bearing loans*, leading to an accumulation of "national debt" - in principle, the same trend that we see in the US today. During the period 1751 – 1773, the colonial governments and the colonists themselves, became increasingly controlled by the banking system which had its roots in Europe. More and more regulations, restrictions and increased bureaucracy controlled people's everyday lives. The Promised Land no longer lived up to its former reputation. The three ideals: *less government, lower taxes and more freedom*, became increasingly sidelined, and the general talk in the settler communities focused more and more on the *increased* power of the state, the *higher* taxes and the *diminished* freedom - all as a result of the two English laws of 1751 and 1764, the capitalist/central bank economic system foundation that the current US government is built on.

Modern America – a comparison

The *increased* power of the state which took root during the difficult years in the colonies, has over time developed a Big Brother mentality in line with the capitalist/central bank economic system's major objectives, a mentality that is now embodied in the intrusive *Patriotic Act* law, assisted by the national surveillance organ *Homeland Security*, which in principle has transformed the United States into an Orwellian surveillance society, which stores detailed information about their citizens. This was made clear to the American people and the world in June 2013 by whistle-blower and former NSA employee Edward Snowden and the English newspaper the Guardian. Today the United States has become a nation that receives newly arrived visitors at its airports and other border controls with suspicion, even rudely, and sometimes intrusively, I would say. I myself have met this intrusive discourtesy and it feels very unpleasant. Visitors have put up with suspicion and submit to intimate questioning about both one thing and another, and sometimes body searches of their bare skin. The official justification has come to be, that "anyone who does not have anything to hide has nothing to fear". That state-controlled psychology is based on everyone having something to hide, and therefore something to fear. Is there anyone who does not have one or more personal secrets they do not want to share with others? Basically everyone has "something to fear”. In this way, surveillance-USA implements a basic atmosphere of fear in American society, a society which in its origins and foundation is welcoming, sincere, generous and visionary. It is worth remembering that it is the objective of the hidden power to create fear and mistrust in society. This is the effect of the oft-repeated mantra “He who has nothing to hide, has nothing to fear”, the justification for surveillance.

In Sweden the trend is the same, though the United States and especially Britain have progressed much further down this road of tyranny - a tyranny of small steps. Small steps, year after year, according to the principle of “slowly boiling the frog”. "You become accustomed to something that only a few decades ago would have been considered grotesque", as a Swedish opposition politician said when expressing his opposition to the surveillance society. It is obviously a serious matter I bring up here. The privacy of the individual is so serious that I have reason to return to it in Part III of the trilogy, with a special sub-analysis of the matter. Indeed, there is a significant element of callousness and psychological manipulation to it all, that it is allowed to control an entire society in parallel with society being exposed to hardships of varying nature and degrees, as well as the dismantling of democracy and welfare. The result is a society without the natural joy of life, the joy that life itself is supposed to give to all. Is this the society we want in Sweden or elsewhere, in America for example? Is such a society *humane*?

Here one can object that despite everything, we live in a harsh reality with terrorism and serious crime, and that the surveillance society is a natural and necessary consequence of that. But does this argument really hold, when you think about it more closely? Rather, it is a fact that terrorism and crime are a *consequence*, primarily, of the unequal distribution of tangible assets globally, caused by a far worse hidden crime, namely the irregularities that have been going on for centuries, and in our time escalate toward the final goal, i.e, the organized, highly intelligent crime which is the theme of this trilogy. Here we must make an effort to distinguish between the chicken and the egg. If we want to get to grips with something evil, we must first identify the actual root of the problem. In this case, it is the plutocratic economic system called the *capitalist/central bank economic system* that is the root of the evil. And only when the root is removed can the building of a truly humane society begin. It should be clear that today's modern American state apparatus has evolved into something completely different in nature to the revolutionary ideals of the colonizers: *less government*, *lower taxes*, *more freedom*. These three ideals were at the heart of the matter and the guiding principles of the colonial settlers in the late 1700's.

The colonizers remember the “good years”

Today, American politicians rarely, if ever, bring up the subject of how things have turned out regarding the ideals of *smaller government, lower taxes, more freedom*, i.e., how the current social situation looks compared to the revolution's goals, and what it was like during the "good years" in the American colonies. In December 2012 the federal tax represented about 15-16 per cent of GDP in the US, while the tax burden with state taxes included, was around 32 percent of GDP. According to Ellen Brown (2007) in her book *“Web of Debt”* the average American tax burden is even higher, when all the taxes, also indirect taxes, are included. It should be understood that taxes of this magnitude were not even contemplated in the revolutionaries' wildest imagination nor among their worst fears. That time's comparatively mild tax burden was, as mentioned, not the reason for the revolution. The revolution gained its power from the fact that the people were suffering because of the forced dismantling of welfare that occurred during the difficult years preceding the revolution in 1773. This social deterioration was in turn a result of the call from the authorities for a loan-at-interest economy, which stood in sharp contrast to what had been there before. The colonizers had not forgotten how life had been during the good years of 1723-1750. They remembered how well they had prospered. *They had something to compare with*.

In the US today, one has nothing to compare with. No one remembers anymore, and no, or very few, history books tell the truth. Instead, the real story - anything that could be used for comparison - is intentionally hidden, e.g., sensitive details such as the colonists' ability to print their own money, and how economically prosperous the colonies became as a consequence (especially in Pennsylvania under Benjamin Franklin's farsighted leadership). There was a genuine desire to assist and take care of each other, and people could socialize and enjoy life together because there was an abundance of money and conditions which were sufficient for everyone. The colonial governments did not incur debt during this period. Concepts like “national debt” did not exist. No taxes had to be collected from the people to fund the "state budget" because this was financed with the paper money they manufactured themselves. People were largely able to achieve their life goals without having to take out loans. Yes, the land "flowing with milk and honey" seemed to be a reality.

As the revolution gained strength in the mid-1770's, increasingly more settlers realized it was the two laws from 1751 and 1764, proclaimed by George II and George III, that were the real reason that things had gotten worse. They remembered how easy it had been to get access to money when their own politicians printed up paper money with the help of Benjamin Franklin's re-purposed printing press. They remembered that one could easily obtain money through their political contacts, even if they happened to be simply dressed and had dirt under their nails. That one did not need to show a pledge or provide collateral to obtain extra money (which in reality were loans at a relatively low interest rate). A firm handshake and trust were enough. In some cases, a pledge was applied, but it was not like now, with brutal foreclosures where people were made homeless and lost everything they owned if they could not immediately pay what they owed the bank. It was with the advent of the capitalist/central bank economic system's private banks and their foreclosures that the brutality began.

Before the bank loans

Prior to the introduction of the banks' loan system, the colonial government had always been responsive to negotiations concerning loan repayments. They could be repaid later if one was in trouble financially. The colonial government of that time had absolutely no lack of money, but this was more of an ethical and moral issue. They had granted a loan, and the loan would also have to be repaid, at least at some point. Meanwhile, the state had, through the repayment agreement, a control mechanism that could hold inflation in place: the opportunity, if necessary, to withdraw money from the social machinery.

Summary

In summary, one can say that people in general were treated in a *humane* way during the colonial "good years" before the capitalist/central bank economic system made its debut. The bank loans, at a comparatively high interest rate under severe conditions, in the subsequent difficult years, resulted in people being treated in the completely opposite way. It was then that the mental climate went on to become hard and cold in the colonies. The colonists also vividly remembered that colonial governments did not have to levy any taxes at all, or in some cases, at most, modest taxes, because they could generally print up as much of their own paper money as they needed for their spending. The possibility of modest taxes, combined with repayment conditions on money lent out (1041), constituted the control mechanism against inflation that the colonial governments made use of in cases where a control mechanism was needed at all. There were many good things to remember from the good years, and those memories were discussed, both by the people in general among themselves and between the people and the politicians. A case was built, supported by *these recollections* of the time when America really was the promised land that lived up to the three ideals: *less government, lower taxes and more freedom.*

The modern Tea Party

Today's Tea Party movement in the US is a disguised marketing campaign for the capitalist/central bank economic system. It speaks of "less government control" and "lower taxes", but not at all with the clarity - with reference to America's former revolutionary ideals – presented here. Today's conservative Tea Party movement (1042) in no way tells us the profound and clear truth about what happened economically in the colonies during the first "the good years" and then under the "difficult years" that ensued prior to the American Revolution. Neither does it tell of what happened in this respect during the years of the revolution, or in the years after the revolution, right up until 1791, when the capitalist/central bank economic system again fully consolidated its iron grip on the newborn United States. I see the modern Tea Party movement instead choosing to talk about lower taxes in a way that accommodates the capitalist/central bank economic system. They talk about taxes in a way that indirectly supports central bank economic thinking (lower taxes, but implicitly funded through increased *lending at interest* by the government, business, and society's individual inhabitants).

When I as a constitutional logician analyze talk by representatives of the modern Tea Party movement about less taxes - of course, in the context of America's capitalist system - I see that the logical consequence of lower taxes (at the cost of increased lending) will necessarily play into the capitalist/central bank economic system's hands, because it will result in an exacerbation of the money shortage. This logical conclusion is that lending at interest (a pillar of the capitalist/central bank economic system) in society, inevitably generates a proportional lack of money (1043). This statement is a mathematical fact. The Tea Party movement is therefore to be considered to be basically a capitalist/central bank economic system movement, even if it gives the impression of speaking the language of the revolutionaries (less government, lower taxes).

What the Tea Party movement's leaders never mention

I have never heard of the Tea Party movement telling the American people that the revolution erupted because the American people of the time *had had enough of the capitalist/central bank economic system* during the last nine years prior to the revolution (for all the 13 colonies, and for a further 13 years for four of the colonies). I do not hear the modern Tea Party movement say a word about the gigantic Ponzi scheme and the extensive record falsification that is ongoing in the private banking industry in the United States. It does not tell us what actually happened when the capitalist/central bank economic system was introduced in America by the two laws in 1751 and 1764 (The Currency Acts). Instead, they speak of the capitalist/central bank economic system as the only and obvious choice, so it is equally obvious that their proposed tax cuts must be effectuated within this system's limits.

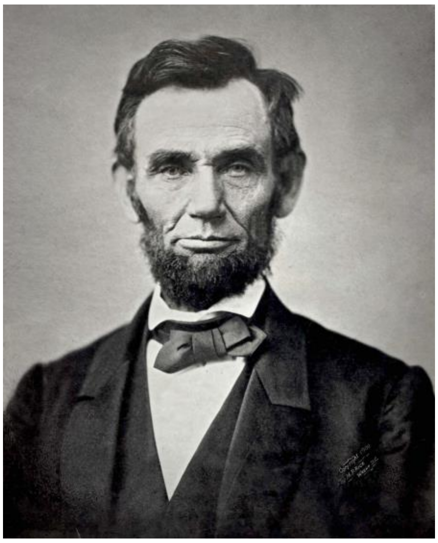
Add here's the rub...

Taxes are an essential building block of the capitalist/central bank economic system. The obligatory repayment of the national debt principal and interest is effectuated through taxes - to the benefit of the banks. And it is through taxes that the substantial expenditures of the state, the state budget, will be paid *in the long run*. To then loudly call for the lowering of taxes within the framework of the capitalist/central bank economic system must inevitably undermine the government's ability to manage its expenses and duties...unless increased government *borrowing* temporarily covers the state's lost tax revenues - which will ultimately require *increased taxes* in order to keep pace. This proves that the Tea Party movement's assiduous talk of lower taxes in the context of a capitalist/central bank economic system is nonsense, other than possibly as a temporary solution, with the consequence of *increased taxes* and *increased government debt* (which is already astronomical). So, as mentioned, this talk of lower taxes plays directly into the hands of the capitalist/central bank economic system.

Taxes are no solution

As Benjamin Franklin showed just over two and a half centuries ago, and as I show in this text, taxes, whether they are low or high, are not the solution to the problem if you want to build prosperity. The best and simplest approach is to abolish taxes altogether. But this requires that a *new economic system* is given the opportunity to replace the current widespread and imperfect capitalist/central bank economic systems.

Benjamin Franklin showed the way in his time, while President Abraham Lincoln subsequently refined Franklin's model by removing the “pretend' debt notes in favor of *fiat money* (banknote money without gold backing), where the notes were a legally sanctioned method of payment - legal tender - based solely on trust.



[Abraham Lincoln]

In this way, Lincoln abandoned the shortage-producing, expensive and societally dangerous gold backing that the manipulative private banks were so devoted to. The banknote money that Lincoln disseminated in society became a kind of commodity that was traded for goods and services in barter. In the deepest sense, it is trade in accordance with barter that takes place when money is involved - something I sort out logically in the trilogy. This was the brilliant gist of Lincoln's *Legal Tender Act* of 1862. However, it is unclear if Lincoln "went all the way", i.e., whether his state-produced dollar bills were *regulated with regard to ownership* as initially being government *property*, which is a mandatory criterion for *genuine fiat money*. Lincoln's "unfunded" notes (in the sense that they were only based on confidence) were brought out into society as a *commodity* in accordance with the four rules (methods) that his predecessor Benjamin Franklin had used (1044). In the trilogy's third and final part I further develop and adapt Lincoln's economic system to modern requirements, as a proposal based on a mathematical and logical foundation. My proposal makes the system more efficient and effective, while respect for the principle of *genuine fiat money* is introduced, along with the concept of "human kindness", i.e., a general philanthropic, humanitarian attitude and outlook on life, which needs to be defined and governed constitutionally. The aim is that all members of society should thrive. Not just a relative few at the expense of the others, as is often the case today. A major strength of this proposal is that it provides a very strong protection against inflation.

The real Tea Party - Boston Harbor December 16, 1773

The colonial settlers realized that the solution to their debt woes, including their dependence on banking that had been introduced with the currency laws of 1751 and 1764, was to resolutely remove the prohibition that the English Parliament had placed on the colonists' own money manufacturing equipment (banknote printing presses). To begin with, they did not dare to carry this plan out fully. There were variations from colony to colony, but they were mostly content with just discussing it. Meanwhile, things worsened in the first nine months of 1774 - which conveniently can be compared with what is going on in today's United States, where banks appropriate people's houses and homes - or with the events of June 2011 in Wisconsin, where the governor in cooperation with a number of state politicians executed a coup that resulted in a major economic deterioration that affected, among others, public employees in this region (significant cuts in pension and health insurance, as well as removal of the employees' right to bargain collectively over wages and benefits). A further example is the drastic measure in 2013 that the US government announced through its defense minister - the unpopular decision that about 600,000 civilian employees in the US defense would be without pay for 11 days because the state had to save and that there unfortunately was a shortage of money.

These current events are strongly reminiscent of what happened repeatedly during the period prior to the revolution, and during approximately the first nine months of the revolution in the colonies: a seemingly endless string of completely unnecessary socio-economic cutbacks.

The event in Boston Harbor December 16, 1773 (1045), which has come to symbolize the run-up to the revolution, played out when a group of about 50 angry settlers, some dressed as Mohawk Indians, boarded three British tea trade vessels, and in protest against the English taxes (including a tax on tea), threw a large number of boxes of tea overboard. This was just the last straw that broke the camel's back. The tea tax itself was not very provocative, even if the people found it irksome in principle. Suddenly, the revolution was a fact in the colonies. This immediately unleashed a colossal force, which included bringing back into service the old, defunct printing presses in all 13 colonies, which resumed production of their own banknote money in full scale - this time without asking England for permission. Just as before the hated English currency laws were introduced, they printed paper fiat money, in the narrow sense, i.e., without gold backing, but as legal tender, and as *"pretend" debt notes* (1046) for a *"pretend" loan* from the people. The idea of "pretend" notes is important to understand, and is explained in detail further on. The settlers had seized control of the money manufacturing machines, and manufactured their own paper money. Because every printing press in principle was already in place and ready to be fired up, it all went very fast. All they had to do was just put in the new printing plates, or use the old ones if they remained, and start cranking out new money.

"Pretend" debt notes – historical background

A number of countries took part in the colonization of the Americas: England, France, Spain, Portugal, the Netherlands, Germany, Russia, Scotland, Denmark, Sweden, Ireland. When North America was colonized by, among others, England in the early 1500's, the English settlers brought with them the economic system that was used on a large scale in England at that time, namely the English *tally system*. The capitalist/central bank economic system was then far from being introduced in England, even if there already were, as we know, purposeful and long-term plans afoot to usher in a type of economy that would serve the moneylenders, i.e., the capitalist/central bank economic system which was gradually introduced into England in the early 1640's. These historical circumstances, on the one hand economically dramatic and society-changing events in the mother country, and on the other hand considerably calmer economic conditions in the English colonies on the Atlantic (due to the great distances separating them), allowed the Anglo-American colonies to more or less live their own life, from an economic point of view, well into 1600's. As for the capitalist/central bank economic system development in England, economic history shows that the banking powers worked very gingerly during the first decades after the 1640s, because the English people were deeply rooted (conservative) in this old tally system from the 1100s.

Only after 46 years (in 1694) was the Bank of England in place. Only well into the 1800s (in 1850) were the last remnants of the old tally system with its tally sticks of wood as money without gold backing completely dismantled. First then was the capitalist/central bank economic system 100 percent implemented as the universal economic system in England. Today not much is said in English schools about the 540-year-long economic tally system. They do not tell how people thrived and were prosperous, at least relatively speaking, in England under King Henry I in the 1100s. They do not tell how men and women in King Henry I's England only needed to work about half a year to secure their supplies. The rest of the year, about six months, they are free to do whatever they wanted as long as they did not harm others or the nation. People were free to indulge in their favorite pastimes and many people had a harmonious existence in a society that was doing relatively well. But what was the tally system?

It is important to understand that what we call "money", can be defined, and therefore described, in different ways depending on the economic system it uses. First a true quote: "Anything can be used as money, as long as people agree that it has value." Because the capitalist system is based on "debt" (loans at interest), it is easy to deduce that the money in this system is a form of "debt certificate". The note you hold in your hand tells you that the state that issued the bill "is in debt to the bank note holder" by the amount the banknote denomination expresses, either in the form of gold, if the capitalist/central bank economic system applies the gold standard, or in the form of "air" if it is fiat money, such as in the US today. In both these examples, the state issued certificates of indebtedness. But money is not always the evidence of debt. In a different economic system, money can rather be treated as a "commodity" among other commodities. Such is the system which King Henry I introduced in England in the early 1100s.

The tally system

In the tally system, the concept of a "universal commodity" is another word for money. How it works is strictly logical: Before money was invented, people exchanged goods and services with each other in pure barter. This meant that those who traded with each other, traded partly 1) ownership, and 2) values. In negotiating with each other, it was agreed that "What I own and you want is perceived as having the same value as what you own, and I want", and so a switch was made. They agreed on equal values and switched ownership. Once the goods and services were exchanged the bartering was completed. No one was in debt to the other. No debt notes exist at this stage, since the notion of debt does not need to be mixed into the *fundamental* trading principle just described. Of course, you could later borrow from and be in debt to each other, but then we would be talking about a different business process, namely *loans* and repaying of the borrowed goods and services, and not basic barter, which means – please note – the implemented and completed change of ownership and understanding of equal values.

Barter – the downside

The difficulty with bartering before money was invented was that people who traded with each other *of necessity* needed goods and services that could be exchanged. If a person wanted to trade for a sheep skin owned by another person and could only offer fish and nuts in exchange, while the holder of the coveted sheepskin only wanted venison, there would be no trade because the goods to be exchanged do not match each other. *Money is an idea was introduced to create a solution to the matching problem.* And it is here that the original idea of money comes into the picture, as I see it, namely that money is the invention of a generic commodity (a universal medium of exchange) *which is always attractive to the counterpart in barter,* defined as implemented and completed exchange of ownership and agreement on equal values. Money as *debt certificates* (the capitalist/central bank economic system definition of money) is a much later invention. With money as a universal commodity, the matching problem was solved. That is, money was introduced from the start as a *new type of commodity* with the characteristic that it could be used as a medium of exchange against *all* other goods and services appearing in barter in this fundamental stage, (NB:) *without any debt needing to occur or having to introduce "debt notes" (proof of guilt)* in this context.

The conceptual design of a universal commodity of course meant huge progress for the development of human civilization, because barter without involving debt was suddenly facilitated enormously. Countless exchanges of goods and services could now be carried out much more smoothly because the universal commodity - money - served as the lubricating oil which facilitated exchanges in barter.

The problem of form

The next problem to solve was that of the form that money should have. Should the money be lightweight and easy to carry around, or should it be unwieldy and bulky? Historical hindsight shows that money has had all sorts of forms - from the unwieldy and bulky to the small and manageable. A development that passed through, for example, large bulky metal pieces into more manageable coins, wooden sticks and later notes (pieces of paper with text or printing on), and in the modern era of electronic money in digital form in computer networks.

Prince Henry, the bookworm

King Henry I was crowned King of England in 1100. As Prince, Henry became known as a very inquisitive person who studied all possible disciplines. This was at a time when illiteracy was widespread in both England and other countries. Among other things, it seems likely that Prince Henry would have came across literature that described money in even earlier times, or perhaps how some farmers in England had already solved the problem when it came to using the universal exchange commodity, money. Intelligent as Prince Henry evidently was, he managed to solve a very advanced problem related to society's choice of economic system.

The core problem

At the heart of the problem is how to introduce universal exchange commodity money on an extensive social scale without having to involve the concept of debt, so that people who are used to trading goods and services with each other could continue with the simple process of replacing 1) ownership and 2) value with each other, without incurring *debt*. King Henry realized that it was he and no one else in England who had the power to create universal commodity money by royal decree. As king, he would be the first, initial owner of the money that was produced. In this way, Henry avoided both counterfeiting and inflation. He alone had full overview and control of the flow of money (tally sticks) and how they were produced and distributed in English society. It was important that neither too little nor too much money (tally sticks) was created. Henry also understood the vital importance of divorcing money from any underlying value other than *the royal edict* that the king through Law specified. And that was the end of that matter.

A detail of monumental importance

This aspect was of crucial significance, because it meant that the universal commodity, money, could in principle be manufactured from any material, and yet it was guaranteed by the king's law to have the value that the king decreed. Money (tally sticks) was then created in various denominations by carving differently shaped notches into the tally sticks. At the same time, Henry solved a related problem: England would obviously have an enormous need for money (universal commodity). This meant tackling the daunting task of distributing the tally sticks into English society, i.e., allowing simultaneous access to the benefits of the new money to as many citizens as possible. Enormous quantities of the universal commodity money in form of tally sticks needed to be manufactured. By selecting wood which was easy to split lengthwise from the English forests, Henry guaranteed that there would always be a plentiful supply of money in the nation, because all that was required to make new money was simply to fell so or so many trees. Thus the problem of a money shortage was avoided.

A king with a humane disposition

Henry I wanted the best for England and the English people. He wanted the people to thrive and wanted England as a nation to prosper in all possible ways – something can not necessarily be said of the 27 successors who also practiced the tally system during the 540 years it was in use. History shows that although the 27 regents that followed Henry had very different skills and humanitarian views, they more or less continued the use of King Henry's tally systems, while they began to apply completely unnecessary taxes and incur debt at interest (national debt). The original tally system thus began a progressive degeneration in the direction of the capitalist/central bank economic system.

Then, when the capitalist/central bank economic system was introduced in England from the 1640's through a coup d'etat, historical evidence shows that this new system's representatives did not share King Henry's humane disposition and neither was their goal to assist society in flourishing. I believe it is very important for historians to research historical documents that tell the story of how things were in England under King Henry I's reign, so that the outside world understand this pivotal issue: that King Henry's tally sticks were a universal commodity *free of debt and debt notes*. The introduction of tally sticks began in the year 1100, when Henry became king. At the same time, King Henry forbade the interest principle (The Ursury Law). Already as prince, Henry had seen with his own eyes the misery that lending at interest brings to a society. This is a very important detail which I investigate in depth in Part II of the trilogy.

Distributing the tally sticks

According to which rules (methods) were the tally sticks brought out into English society? As I described earlier, Benjamin Franklin's rules (methods) for the distribution of money into the community in the American colonies, one should understand that Franklin quite obviously is not the first person in the development of human civilization to disburse money according to these four rules. It is my opinion that there are reasons to suspect that King Henry I used similar rules, and that Franklin might simply have read about the English tally system in a book and more or less mimicked this system. Identifying the precise details surrounding these facts is a task for the historians among us.

Tally sticks were not "debt notes"

Here, I wish to emphasize for the reader that it was *not* some kind of debt note that King Henry I introduced as money in the form of tally sticks (although the tally sticks may have been used as "receipts" or "notes" elsewhere in the business context), but that they acted as a *universal commodity* with a defined ownership and value. As a consequence, the phenomenon "public debt" never occurred, nor did it even need to be created in England under King Henry I's time. All the king needed to see to was the creation of goods and services in English society that he could use in foreign trade in order to obtain what lacked and was needed. King Henry thus made himself independent of money (revenue) from the English people, and others. He did not borrow any money or consider levying taxes to any great extent, because he himself chose the economic system (also making him extremely wealthy), by taking control over England's money manufacturing process. This was at a time when the capitalist/central bank economic system, i.e., the moneylenders of the time, did attempt to put England under their control, but King Henry, one could, forbade the capitalist/central bank economic system in England, because he realized that it brought misery and sorrow to the people, while only benefiting a small elite.

This matter of King Henry's choice of economic system is a touchy subject. It involves two major religions, and many history books right now prefer to sweep the whole issue under the carpet. Here it may be appropriate to recall that both the Christian Bible as Islam's Qur'an explicitly warn against building communities on the interest principle, i.e., the principle that is the very cornerstone of the capitalist/central bank economic system. King Henry was the only ruler of what was then Europe that responded to this ban, and his law forbade the capitalist/central bank economic system (usury – loans at interest) in his country. Historically, the Roman Catholic Church, which more than anyone else during this time was the Bible's official guardian and proponent, and which was an extremely powerful force in Europe at the time, chose *not* to follow the Bible's warning against lending at interest (the moneylenders' very lifeblood). This is to say that the Roman Catholic Church chose to *look the other way* on the sensitive interest question. The Qur'an's guardians and proponents, however, chose in the 1100's to keep their countries free from usury (money lenders). It thus followed the Koran to the letter with regard to interest. Both English and American school history books are remarkably frugal with information about these particularly delicate details. King Henry I outlawed usury, but today the situation is different. A wide range of Muslim countries now apply on lending money what can actually be described as interest, even if they still avoid using the word itself, and instead call the interest "fees" of various kinds. But this is just a front. In reality we are dealing with the capitalist/central bank economic system. In the trilogy, I make an analysis of the exact, strict logical-mathematical basis of the Bible's and the Qur'an's clear warnings against interest: a society that chooses to apply lending at interest as an economic cornerstone (as the main method of bringing money into the community) will inevitably see that economy degenerate into a giant Ponzi scheme. This is based on pure logic and mathematics. When the Ponzi scheme eventually collapses, the social exclusion and widespread economic misery created will affect the majority of the population. That is how recessions manifest themselves in the capitalist/central bank economic system. The boom is the actual construction phase of the Ponzi scheme in the form of speculative bubbles by means of loans at interest. When the bubbles burst, what is known as the recession strikes, and gigantic sums of borrowed money can suddenly no longer be paid back.

The cornerstone of King Henry I's tally system

The ruler who uses the tally system becomes both extremely wealthy and debt free, while the people are given the opportunity to do extraordinarily well with staggering wealth. Not a bad combination! If King Henry levied taxes, it was not to cover the treasury's current expenses, but to *balance inflationary tendencies*, something that historical research must now confirm. Taxes thus had the function of being a control mechanism to keep inflation in check. With respect to the king's and the court's expenditure (for construction of buildings, servants, food, animal husbandry, etc., which surely were expensive), these could also be easily paid for by the self-produced money. All of these costs of course involved thousands of people in the community: castles, fortresses and protective city walls for example, had to be built, and paying for these with tally stick money was a way to bring them out into English society and getting the tally system off to a practical, functioning start. Perhaps this is the basic principle of the tally system, something for modern state leaders to ponder and emulate. There is a huge difference between having to raise taxes to fund government spending and using taxes as a small control mechanism against inflation. A control mechanism that may never or very rarely even need to be used.

For the sake of clarity

I will also say a few words about what happens if you replace the above foundation (a foundation in a context called an axiom of constitutional logic), i.e., money as a universal commodity, with its opposite. That is, if a society's leadership chooses to introduce an economic system in which the state (as an extension of the people) is basically forced into poverty, a constant lack of money, and at worst bankruptcy (compare modern day Greece). Such an economic system is not at all difficult to design logically. All that is needed is to force the state to put itself into debt by depriving the state the opportunity (privilege) of using its own money-producing machines. It is thus in such a society that money, strictly logically, will adopt the character of debt notes, because the state is forced to borrow its money instead of making its own. The concept of debt will thus simply loom larger than the concept of a universal commodity in general trade. "Money as debt notes" is in itself proof that the money finds its way into the community through debt, where the debt note is proof of the debt created.

Here is a real-world example that gives evidence of the above: In December 1977, the New York Federal Reserve Bank published a guide to the general public. The aim was to explain the Federal Reserve System. The informative guide carefully explained how money is made (how it is created “out of thin air”) in accordance with the process described here:

> *"...Commercial banks create checkbook money whenever they grant a loan simply by adding new deposit dollars to accounts on their books in exchange for a borrower's IOU ... Banks create money by monetizing the private debts of businesses and individuals. That is, they create amounts of money against the value of those IOUs ..."*

A state (as an extension of the people) with such a capitalist/central bank economic system is then logically *forced* to levy taxes on the people! State power in such a nation, which of course should serve the people and create as much welfare as possible, is in this system forced to "terrorize" the people with what would otherwise be completely unnecessary taxes - in order to obtain the money required to cover government expenditure - expenditure which includes obligatory repayment of principal and interest on all the loans that the state had to take to manage government spending (public expenditure). In such a society, life becomes progressively more or less a nightmare for large groups of the population, due to the constant shortage of money, while the state itself also experiences a constant lack of money. "Those who are in debt are not free" as the saying goes.

This type of state system already exists, as our current reality demonstrates. Operating in the background is a secret, secluded group of individuals who, when it comes to so-called "democracies", are society's true leaders, unlike the elected leaders. The identities of these real but hidden rulers who have power over society's money manufacturing machines, are known only to very few. This small secret group of individuals willfully wields control over both the state (an extension of the people) as well as the broader community (individuals), through *their power* to force society to accept the money that in essence is only to be released into the community in accordance with the general rule of loans at interest. Such a society is built on debt being the method whereby money is distributed in the community. The debt must also be paid back with the addition of interest, so that a societal money shortage is guaranteed to arise in accordance with the inescapable rules of a Ponzi scheme (see analysis later in the text). In such a society, increasingly more people - and the state as well – are gradually brought to their knees.

Meanwhile, the politicians say that because we are short on money, we can not implement all the humane and society-friendly reforms that we would like. Here the state takes an outstandingly hypocritical stance because it does inform us that the basic, logical design of the economy deliberately causes a lack of money rather than facilitating generous access to it – and that all this only nourishes the "lending economy". The politicians say “we're not magicians”, when there is too little money to go around. While the people believe the words of the politicians, they fail to understand that in reality the true power in society lies with the small, elite group of individuals who have ultimate control (power) of society's monetary manufacturing processes - a small group of people who do not want society's or the people's best, but only their own. An example of such an economic system is the capitalist/central bank economic system.

The capitalist/central bank economic system - a theme with variations

A capitalist/central bank economic system can be built in different variants, if one should have such ambitions. Right now a financially strong group of individuals in England plan to build a special variant of the capitalist/central bank economic system called Positive Money. On my website www.organiskekonomi.se I make a detailed analysis of Positive Money, which proves to be *an even more socially destructive* variant of the capitalist/central bank economic system than the one we see at present in the world. However, to start with, a fantastic (but fake) boom will be the case. But then, when the inevitable recession hits, an economic and social hell will be felt – one that make the depression of the 1930s and the 2008 global financial crisis seem like a picnic in comparison. You can read more about this on my website. Now let us return to the English tally system of the1100s.

King Henry I's genius

The core of King Henry I's brilliance was to ensure that a large part of the then English population had plenty of money (tally sticks) to work with. It cost the king nothing beyond the felling of trees to produce tally sticks. Henry realized that a society begins to flourish in a thousand and one ways when a large part of the population can afford to, and has the money to, exchange goods and services with each other. The king realized that money is only a lubricant that eases and promotes people's activities (activates society's primordial force), with the result that society in earnest "gets up to speed" when everyone has money in their pockets.

The history books again

A number of English history books mention little or nothing at all (probably on orders from higher up) about the dramatic events in the 1640's that were the start of the introduction of the capitalist/central bank economic system in England - namely the coup and the beheading of the then English king, Charles I. The books portray these events as something good for England and the English people, when the truth is that the capitalist/central bank economic system was ushered in and has gradually gained a secure foothold, and which came to destroy England both economically and socially. The banking forces who took power carried out, step by step, a plan to create a largely bribed and corrupted English parliament and a compliant royal family, where both of these were responsive to the wishes and directives of the bankers – i.e., the little confidential group of individuals that, operating from behind the scenes, had power over society's money creation. My text shows also that America also, eventually, has had the capitalist/central bank economic system forced upon it. The imposition has been in accordance with *a secret 7-step plan*.

Some delicate details

Let us take a closer look at the sensitive details touched on above. For the early English colonists in America it was *natural* to deal with money in accordance with the system that they had used at home, e.g., in England. The tally system had very deep roots for the English settlers. In the late 1600's, the capitalist/central bank economic system takeover of the mother country England, began to be felt in the 13 English colonies in North America. The colonists realized that they could no longer openly make use of King Henry I's tally system in this situation, as this would challenge the power of the bankers, the - by now - obedient (bribed and corrupted) English crown, as well as the at least partly bribed and corrupt English Parliament. Colonial leaders in Massachusetts came up with a special solution in this situation. It was hoped it would appease the English banking power, as the solution, at least on the surface, had the appearance of being a capitalist/central bank economic system. The hope was that the bankers thus would let the 13 colonies each retain their well-functioning, though masked tally system. Also on this point, a wide range of English as well as American history books choose not to discuss in an understandable and clear manner what this solution looked like. The history books claim incorrectly that the 13 North American colonies used *debt notes* as paper money on an extensive social scale. But that is not true at all. Instead, it used the paper money according King Henry I's model, i.e., where the money was used as a "universal commodity" – as with the English tally sticks. I will clarify this here with reference to our earlier discussion on the subject: Money at this time in the colonies, beginning in Massachusetts during the 1690's (in this case paper money instead of wooden sticks), was used according to the original idea for the money, the idea that money is a general medium of exchange (universal commodity) which *is always attractive to the counterpart in a trade* (defined as undertaken and completed change of ownership with an agreement on equal values). For the 13 colonial governments, it was important that this universal commodity be accessible and available in the greatest possible quantities - preferably unlimited. That was why they chose paper (which was easier to handle than wood sticks) as material for its tally money. As with King Henry, this meant that the 13 colonial governments made themselves independent of the proceeds of money from the people. They did not have to borrow any money for the "state budget". They hardly needed to levy any taxes at all, because they were "filthy rich" in that they took control of their own money production. The insignificant taxes that were in effect served as a control mechanism to keep inflation in check and foreign trade balanced. A relatively low interest was applied to special investment loans that the colonial governments granted to some people in the population with special needs (e.g. contractors). The details of these small taxes and interest-bearing loans could vary somewhat depending on which colony was involved. But the basic principle was the same in all the colonies: the economic system concerned was a covert tally system.

Details of the colonial economic system

Here you must understand that in time there came to be *two kinds* of money in circulation in the colonial society (although both types had the same appearance, because they were made with the same printing presses). Both types were "tally money" in that they were "pretend" debt notes. The first type of money circulating in the 13 colonies was thus from loans that colonial governments had granted to those parts of the population with specific investment needs (investment loans). As always in connection with the borrowing of money, the borrowers (investors) had to sign a debt recognition, i.e., evidence of debt, but the debt certificate squirreled away by the colonial governments in a safe place, so no real notes were used as money in the community. This is important to understand. Instead, the colonial governments started up their printing presses to produce completely *new* paper money of the "universal commodity" type (tally money), as loan money to investors, notes that one *pretended* (with regard to English officials) were locked into the debt notes associated with the investment loans. This was the first kind of tally of money in circulation which can be said to have been *"pretend" notes*, even though they in fact were a type of universal commodity. *An accurate recounting of history* would then be that the 13 colonies, one colony after another, in the manner described, beginning in Massachusetts in 1690, began to use circulating paper money in the community in the form of "pretend" debt notes (the principle of tally sticks) *which gave the impression of being ordinary capitalist/central bank economic system debt notes*. This is the critically important point: The truth is that the "pretend" debt notes were paper money (fiat money) within a tally system that gave the appearance of being capitalist. Politicians of Massachusetts constructed, one might say, a very clever illusion (a kind of pretend play). The purpose of the illusion was to give the impression that the people (as the state) of Massachusetts had submitted to England's demands for the introduction of the capitalist/central bank economic system.

The ingenious illusion expanded

More lubricating oil (money) was needed by the treasury and the social machinery to create real wealth in the colonies, and this is where we come to the second type of "tally money" in circulation in the colonial societies. The colonial governments came up with the brilliant idea that one take a "pretend" loan from the people and let the debt notes for this loan act as money, "debt note money" which was printed with the same equipment and therefore looked the same as the investors' "debt note money". They *pretended* to be using capitalism and its debt note money. The reality was that the government of Massachusetts did not take any loans at all from the people in order to get money into the treasury. There were no real debt notes in circulation, only fictitious ones of two varieties. Since the Massachusetts colonial government was not indebted itself, it thus created no debt. One did not get into debt by making one's own money out of thin air using a book printing press converted to a bill printing press. It is no more remarkable than that. They pretended to apply a capitalist system with debt notes, but strictly logically they were "pretend" debt notes.

America and the woes of capitalism

There were many politicians working to keep capitalism's woes from making its way to the American continent during the first half of the 1700's. The above is an in-depth, *clear and logical* account of the historical background of how Benjamin Franklin's economic system with "pretend" debt notes (two types) worked. Here I will also present a historical background to help understand the logic behind some tricky details regarding the secret seven-step plan. It is vital to understand that during the first 50 years of the 1700's in the 13 Anglo-American colonies, a long line of politicians did not want the capitalist/central bank economic system brought to America, i.e., the same reasoning that King Henry I had used in England in the 1100s, when he wanted to protect England from moneylenders. Therefore, a group of politicians in Massachusetts used their intellectual capabilities to try to keep the capitalist/central bank economic system out of America. The illusion, with its "pretend" debt notes spread gradually from Massachusetts to the 12 other English North American colonies. By 1723 or even earlier, all 13 colonies had introduced the "pretend" debt notes. In practice, the introduction of "pretend" debt notes as paper money secretly continued the exceptionally well-functioning tally system - but in the guise of the capitalist/central bank economic system. In everyday language this paper money was referred to as *pounds* or *colonial scrip*. However, they eventually came to be called debt notes in the vernacular by those who used them, even though they were actually "pretend" debt notes, and everyone knew that the 13 colonial governments had no debt to the people. As many readers who read these lines are unfamiliar with the complexity and ingenuity that camouflaged the tally system in use the colonies during the boom years 1723-1750, I would like to emphasize some details that are fundamentally important to understand, already at a first reading of this text.

The monetary manufacturing machines are dusted off

When the colonial governments once again started up their own money manufacturing machines shortly after the incident in Boston Harbor in December 1773, the thirteen colonies were once more in opposition to England and the bankers, in that they had begun producing their own paper money of the kind called fiat money: money that lacked gold backing, but which instead was backed by *confidence*. However, this fiat money could, in the narrow sense, also be called imitation fiat money. Fiat money in *the real sense* requires, as mentioned, a more elaborate definition that includes initial ownership (a clear owner at the moment the money is produced in the machine) (1047)

It should thus be emphasized that the colonials' self-produced money at this stage was formally not authentic fiat money, but in practice it was treated as such. This is the same as indirectly asserting that the state was the initial owner of the machine-made money. This was thus the second time that colonial governments, seen with English eyes, *pretended* to borrow money from the people, while supplying the community with *de facto* fake debt notes which came to serve as a form of money called *pounds*. The first time had been in the good years during the first half of the 1700's. It should be understood that the 13 colonial governments in no way hoodwinked the settlers. On the contrary, they were straight-forward in all they undertook. They said it like it was, that a remarkable construction was used in that by taking up "pretend" loans from the people, the people received "pretend" certificates of debt ("receipts") in their hands, which could then be used as money. The debt also had to be "repaid", but not a word was said about when or how. People therefore had no expectation of any refund, even though a very vague promise had been made in this respect. Nothing had in fact been lent out.

A small, but important detail

This small, but very important detail, that the colonial governments were fully open about their dealings with the people, that they had not placed themselves in any real debt to the people, and that no one was in debt to anyone else, caused the governments' actions to be accepted by the people. A number of American books/history books do not recount these crucial details - details that can be derived by using constitutional logic where the details are important for understanding what really separated the colonizers “pretend” debt notes from the real debt notes used within the capitalist/central bank economic system.

This particular detail also plays a major role in what would later unfold: a whole series of betrayals of the American people that a certain faction of revolutionary politicians began committing when the revolution was about nine months old, in the fall of 1774. An overview of this series of betrayals is the subject that the next chapter deals with. The important point to grasp here is that as the colonies' own money production resumed, the “pretend” debt notes began in practice to be used as if they were genuine fiat money, i.e., they had the people's confidence. The genius of the colonial governments consisted of restoring the colonial economic system, in the first nine months of the revolution, as it had applied during the good years, decades earlier. This resulted in an economic stimulus early in the revolutionary stage, without creating any real debt, and without any binding promises being made. This was all before the capitalist/central bank economic system, through a series of betrayals, began to be introduced,. People in general were of course not familiar with the details of how this ingenious economic game with England worked. They only perceived that the situation in society, with the new system of their own colonial money, had now suddenly become very favorable again. There was no longer the crippling lack of money. Colonial politicians had thus succeeded in creating an economic system, a *monetarily financed economy*, where the colonial government in real terms did not have to borrow one cent, neither from greedy bankers nor from their own people. Neither did they need to levy taxes on the people. And yet they had access to an abundance of money. As fantastic and innovative as Henry I's tally system was in its time! (1051) The public eagerly exchanged (traded) goods and services using “pretend” debt notes that the colonial governments had issued with the big “pretend” loans from the people as the basis. Here in the beginning, during the first, early years of the revolution, with variation from colony to colony, society flourished again - at least financially!

The colonies did not seek independence from Mother England

Though the revolution was thus suddenly a fact, the 13 colonies did not by any means want to free themselves from the mother country, England. But dissatisfaction with England's overbearing attitude was rampant, and finally the rage boiled over, nine months into the revolution. Enough ordinary people had "slammed their fist on the table", and a critical mass of outraged ordinary people – a mass of sufficient strength to start the revolution - had been created. This was a fact! The few English soldiers who were in place to ensure that English law and supremacy was maintained had no chance of quelling the uprising. As if on cue, in one colony after the other, the politicians saw to it that their own colonial paper money production was started up again, just as they had done during the good years from 1723 - 1750. Now the people spoke with one voice against the bank loan system that the English had tried to impose on them, the system that today is called the capitalist/central bank economic system. And, as mentioned several times, the revolution's primary intention at this early stage was *not* emancipation from the mother country, but liberation from forced dependence on loans from foreign banks.

People needed money for investments in daily life, and the colonial governments needed money for public works (i.e., the state budget). A popular force was roused in the community. This force wanted to again begin using Benjamin Franklin's well-functioning monetarily financed economic system to obtain the above necessary and important funding. No sooner said than done! They started making their own money with the help of Franklin's simple and efficient four rules. The capitalist/central bank economic system had been a plague, and now they had been liberated from it.

Eliminating taxes

Taxes and the tax system could be eliminated almost entirely because, being able to produce their own money, the colonial governments no longer any need taxes. I therefore stress: *The revolution concerned the right of the colonies to produce their own money with their own money printing machines.*

In general, the colonies still obeyed England in the early stages, which is why they initially continued paying taxes to the motherland, in *gold and silver coins,* while at the same time taking steps to reintroduce their own colonial money. However, the English Currency Act of 1764 ensured that the tax was not paid with colonial currencies, or goods and services, as had been the case prior to 1764. And the same restriction was of course still in place now, as the colonies' own currencies were reintroduced in the midst of the revolution. With regard to the taxes due to England, the colonies were still forced to buy gold and silver coins from the English bankers, as the colonies had no gold or silver deposits of their own. But as this tax was not particularly burdensome, it was not a big problem. Note that the colonies had also incomes from foreign trade, such as through the export of cotton, tobacco, furs, etc.

No need for taxation

On the whole, the colonial governments could delight their populations with the fact that taxes to pay for the "state budget", and "national debt", were no longer necessary to the extent witnessed before. Their own self-produced money was sufficient for this. As this is a matter of great importance, I repeat that the revolution in its initial phase, starting from the rebellion in Boston Harbor in December 1773 until the first fighting in April 1775, which in turn was followed by an informal English declaration of war in August 1775, was *not* about to the 13 colonies wanting to free themselves from the English mother country. Instead, the motive of the people in general was a return to the conditions that prevailed in the colonies during the good years of 1723 - 1750, when the availability of wealth and money in society had been relatively very good. This was the primary cause of the revolution.

If we look at how the regained independent national economy in the colonies came to be formed, when the revolution had become a fact, it can be seen that the important *inflation-fighting control mechanism* came to be handled slightly differently in different places, but in general it was handled as during the boom years from 1723 to 1750. Some colonies such as Pennsylvania, chose to re-impose a particular interest on the loans the colonial government granted to private investors, i.e., to businesses and people in general who were entrepreneurs, but they refrained from levying taxes other than those required to pay for the gold and silver tax to England. Other colonies used a modest tax in addition to the English tax, combined with loans with or without interest, in order to implement a control mechanism to keep inflation in check. It is also important to note this was not a case of generally raising taxes to fund the colonial governments' “state budgets ". The matter was handled elegantly by the colonial governments through manufacturing their own money, so no "public debt" was created. The colonial "public debt" disappeared when control over paper money production was regained.

A tremendous need for money

Meanwhile, it is important to point out that when the war with England broke out in 1775, a colossal need for money to cover war spending arose. This situation gave rise to inflation in many places, but not to the degree that came to be attributed to the introduction of the 14^{th} paper currency, *continentals* - which is whole story in itself, and something I will return to. What came to be enacted was in fact a major betrayal of the leadership of the revolution.

Chapter 3 (71)

The betrayal

"There are two ways to conquer and enslave a nation.
One is by the sword. The other is by debt. "

- John Adams, 3rd President of America

[John Adams]

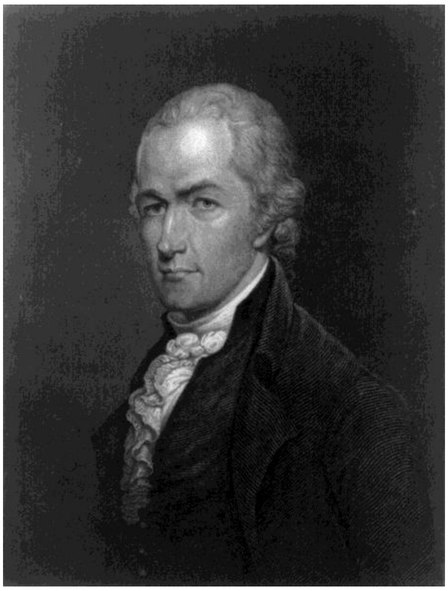
This is the story of how England succeeded, with both sword and debt, to reintroduce the capitalist/central bank economic system in America. England, which held sovereignty over the American colonies at the time, had failed in its first attempt in the years 1751- 1773. With the English Parliament, the monarchy - and the bankers working behind the scenes - England succeeded, with brutal methods in the late 1700's, in their second attempt at foisting capitalism on the colonies against their will. The subject of the previous chapter was the first attempt, or rather intrusion, which, via the introduction of two laws in 1751 and 1764 (the Currency Acts), ignited the American Revolution. The revolution saw to it that the capitalist/central bank economic system was kicked out of America and remained out for about nine months, after which it began creeping back via a cunning betrayal that dabbled in illusionism.

In 1773, at the outset of the revolution, the 13 colonies spontaneously breached the above mentioned laws and started making their own paper money again. With this measure the colonial governments could again avoid taxing the population to finance the colonial "state budgets". They avoided putting themselves in debt to the banks, and thereby averted the need to repay principal and interest on "public debt". Any debt the treasury already had could quickly be paid off by printing new money, and that was the end of that. The move to re-start their own paper money manufacturing machines was like resurrecting the "good years" in the colonies. Businesses and the general public were now no longer forced to borrow money from foreign banks to finance their investments and projects. The colonial governments could again distribute money into the community in accordance with the four basic rules (methods) that Benjamin Franklin had defined in his earlier economy, e.g., in Pennsylvania. There was now the potential to rekindle the good years in the colonies. But it would soon prove that at least some of the European bankers wanted otherwise.

A treacherous plan

The plan of first choice that the bankers had this time was to fool the settlers into adopting the capitalist/central bank economic system that the revolution had clearly demonstrated they did not want. This objective was to be attained by surreptitious means, through highly intelligent betrayal, various lies and psychological populism (that in an exaggerated way, simplifies and distorts the facts).

This is where the *weapon of debt* first comes into play. The bankers would come to use this weapon in an indirect, insidious and illusionary way. The debt weapon required a relatively long period of time to appear, and it required the complicity of a fifth column, i.e., a collaborating subversive group - the capitalist-loyal front men. Such a front man appeared on the scene in 1781 – one who would prove to be reliable in the long run - the then prominent lawyer and politician Alexander Hamilton. He would later become the independent America's first finance minister.



[Alexander Hamilton]

Intelligent premeditation

The plan was very intelligently calculated. Step by step, the colonies would be tricked into a debt trap which would have serious secondary consequences for the new nation in the form of, among other things, an increasingly severe *national debt* and *a completely unnecessary taxation system.*

My analysis as a constitutional logician uncovers a historical perspective (historical documentation) of events that enables the discernment of *seven distinct stages* through which capitalism surreptitiously came to be reinstated in what would become the United

States of America. I do not present speculation, but "hard facts", to the American people - facts which can be checked and confirmed. This chapter offers *an overview* of the seven-stage plan of the bankers. Each of the individual seven steps are treated in *detail* in chapters 4-10 (72-78).

The debt weapon – a seven-stage plan

in order to restore capitalism in America, forces behind the capitalist/central bank economic system devised a plan with stages:

Stage 1: Ensnare the nation in debt

The intention of stage 1 was to ensure that the nation ended up in debt. What is meant by “nation” here is the people and the Revolutionary Council (the council that would soon become the continental congress) which at that time was the embryonic form of what would later become the American government. To reach this goal without arousing people's suspicions (it should be remembered that the revolution was based on the people's loathing of, and indebtedness to, the foreign banks), the banking powers were compelled to take a hefty "detour" through a decision on a 14th common colony currency - continentals (1052).

[Continental currency third-Dollar, obverse]

This currency was created with the justification that it would facilitate trade and other dealings between the colonies. All the colonies had come to reintroduce their own local currencies early in the revolution, and this seemed to inhibit trade between them. (This is the same argument used when the Euro was introduced through the Economic and Monetary Union (EMU) cooperation across wide parts of Europe in the in the late 1990's).

Here is a brief summary: Each of the 13 colonies had for a while, when the revolution was a fact, a self-made local fiat currency, pounds - a complex and inconvenient currency system from the community's point of view. Voices were raised that a 14th single currency, viable in all the colonies, would greatly facilitate trade between them. This currency came to be called “continentals”. Nobody knew it, but the hidden banking powers were behind this idea. This 14th currency would, like the 13 local currencies, be based on a fictitious (i.e., “pretend”) loan from the people, it was argued. However, there was a significant difference: The local currencies were of course based on a very vague promise that the colonial governments in the future – it was undetermined when or in what manner - would "pay back" the fictitious loans to the people in some form of “real” value. This was a way of stimulating interest in currencies and to give them "a value", even if the "value" in practice was ultimately built solely on "confidence" – i.e., the “value” was only “pretend”.

The 14th currency, the continentals, also came to be encumbered with a promise of "refunds" to the people. However, though the loan itself was fictional – they pretended that a loan had been granted by the people although it had not - in that continentals were created “out of thin air” in a printing press. Thus, and I stress this, continentals were not borrowed from the people in the colonies. But this time the hidden capitalist powers has skillfully assured that repayment would be accomplished with a guaranteed, specific value, and not just some “pretend value” - ***but with real gold!*** The public no doubt felt this to be extraordinarily attractive. The people perceived that they lent out “pretend” money, but were now promised real gold in the future as compensation! What a deal! No wonder that the proposal won approval. In this way – to see it from a more mathematical perspective - a fictitious loan was, by way of an illusion, transformed into what was understood to be a "genuine loan". And, as always when something seems too good to be true, there was something fishy about it. One can say that a baited trap was laid with this incredibly magnanimous promise of repayment in pure gold. The bankers, working behind the scenes, exploited poor people's desire for a better life at no price, like organizing a lottery in which everyone will win the top prize. Of course there were some who smelled a rat, but not enough for the bankers plan to fail - which is proof that human greed is deeply rooted, and often trumps reason. It should be noted that the continentals were not introduced to finance the Revolutionary War, as this had not yet commenced when the decision to implement continentals was taken in the fall of 1774. That continentals in practice, in addition to the 13 colonial local currencies, came to be used to finance the revolution, is quite another thing, and was a consequence of the need for money of all kinds.

We have touched on some complicated details, so let us summarize: In the above manner, historical reveals that a completely unnecessary US government debt was introduced - a debt that today is astronomical. The government debt started with a "loan" that was not really a loan, because the people had not lent anything out. The "Loan" was then modified (redesigned), by constructing an illusion. It suddenly become a seemingly real loan by ***guaranteeing*** repayment to the people in pure gold. By constantly repeating the lie (illusion), year after year, that the national debt was based on a real loan, the lie eventually became a truth. It was all a gigantic fraud. The creation of a "loan" that was not really a loan at all, and the creation of a "debt" that really not a debt at all. And the US government and the banking industry chose to "forget" to remind the American people how it all had started in the Revolutionary Council back in the fall of 1774

Stage 2: Create inflation

Once the continentals had been created and taken into use in the community, stage 2 was initiated. This involved deliberately undermining the continentals' value by manipulating a violent inflation of the currency. The bankers' plan had from the outset by no means ever included the actual reimbursement of the gold for the benefit the people, as promised, but rather that the clever capitalists and the banks' front men should profit. The inflationary process could be divided into three steps:

c. Firstly, the continentals-currency's value was eroded significantly through domestic overproduction of continentals banknotes, with a dilution of the currency in circulation as a result (which of course had the consequence that the debt to the people in the form of promised gold grew in parallel with this overproduction).
d. The currency in circulation was even further diluted through organized counterfeiting (1053), which essentially occurred with English assistance in what was a pure currency warfare action (where the depreciation in practice came to be diluted even further by additional criminal domestic falsification of continentals-notes).
e. In parallel with this, and the fact that people increasingly lost confidence both in continentals-banknotes in themselves as well as the promise of gold refunds, capitalist speculators were waiting in the wings, ready to buy up massive amounts of continentals for a song - which they did. They were part of the plan.

Stage 3: Blame fiat money for the inflation

The third stage of the bankers' plan involved the spreading of a fact-distorting rumor: That the inflation was caused by all of the 14 co-existing currencies. The real reason was in fact the continentals-currency and only to a lesser extent, or not at all, for some of the local currencies. Word spread, through deliberate rumor-mongering (manipulation and populism), that it was the "unfunded notes", i.e., fiat money, which lacked gold backing (i.e., the local colonial currencies) that caused inflation. Without any objective analysis being done, the monetarily financed local currencies (pounds) were brought into disrepute. It should therefore be mentioned that in the good years, there were a few colonies that were unable to properly manage Franklin's financial system, with the result that inflation to some extent also arose in isolated local currencies. However, these local inflations were in no way as serious as the inflation in the ubiquitous continentals.

A factual analysis would quickly have identified the ubiquitous colonial inflation as being caused almost exclusively by continentals. Furthermore, an analysis would have been able to clarify that the continentals-currency *de facto* represented an entirely different economic system than the other 13 local currencies, which were fiat money. That said, the continentals, unlike the 13 local currencies, could be seen as financed notes, in that a promise had been made for repayment in gold. But as we know, the propagandists painted all 14 currencies with the same brush, both as a cause of inflation and as belonging to the same economic system. Ordinary people, who lacked the skills to understand the huge difference between the two colonial currency systems - continentals and pounds - were tricked into believing the propaganda: that all the currencies were equally responsible for the troublesome inflation.

Stage 4: Create a new nationwide debt-based currency

When the continentals-currency collapsed as intended, due to the bankers' actions in the second and third stages, stage four was launched. This stage consisted of the bankers' political front men suggesting a natural remedy for the obvious inflationary failure of the fourteen currencies in use (primarily the continentals) at this time (around 1781). They suggested that the governing political body, the Federation Congress, replace the ravaged continentals-currency with a new paper currency. It was proposed that the new currency, like the continentals, should span the entire nation, which the colonies now had joined. It was suggested that the new banknote currency would be issued by a private bank, with a state-appointed bank manager at the helm, in the form of certificates of deposit as promissory notes and debt notes. This meant that the new banknote currency would build on the old tried-and-trusted private banking concept: rich people's deposits (1054). I will return shortly to a detailed explanation of how this was supposed to work. The important point is that the Federalists (the bankers' front men) argued that the new currency would help with what was necessary: to tighten the overall money supply in America. This public measure (1055) was to be executed in a manner that would forbid the settlers in the 13 colonies, in the twinkling of an eye, from using the local pound notes in everyday commerce. In other words, the same effect in principle that the English currency laws of 1751 and 1764 (The Currency Acts) had achieved: forbidding the colonies to use their own local currencies. Now a basically identical edict (measure) had been issued from their own government (Federal Congress). The edict stated that the American public as of a given date would begin to use both the new private bank certificates of deposit, as well gold and silver coins - as in the days under English hegemony. If one had neither certificates of deposit nor gold or silver coins, these could be borrowed later in two ways: Coins could be borrowed from the Federal Congress or private banks, while the private bank alone provided loans of certificates of deposit (banknote money). These measures immediately lead to two major achievements for the up-and-coming capitalist/central bank economic system: a shortage of money was created in the states, i.e., in former colonies, because far too few gold and silver coins, and banknote money (certificates of deposit) was dispersed into an already geographically immense America with a colossal need for expansion in every way.

A capitalist/central bank economic system had once again been brought in – this time through the back door. The result was an almost immediate, totally unnecessary recession which gradually deepened, and eventually led to a rebellion in Massachusetts in 1786 (a second minor revolution, one might say (1056)), a point I will return to in detail later. All of this could easily have been avoided, if a well-managed economic system such as Benjamin Franklin's model (1057) had instead been implemented in the new nation's initial phase.

The front man politicians, the so-called Federalists, campaigned to have the new banknote currency (certificates of deposit) manufactured by a private bank, where the director would be appointed by the government. They argued (falsely) that both the inflationary woes that had plagued the people for so long, as well as the unfinanced notes that caused the woes would disappear if the new notes were financed, i.e., backed by gold. They asserted that responsibility for banknote production and distribution could with confidence be placed in the hands of those who were adept at managing money, i.e., specialists in private banking. This would also bring an end to the much-resented currency speculation, it was said, because the financed notes had the advantage that they could immediately redeemed at the bank for the amount of gold that the note corresponded to. These financed notes could hardly give rise to speculation as no speculators would have success offering less for the bank notes than they could be redeemed for.

The Federalists, however, in their propagandizing eagerness 'forgot' to tell us that the basis of the gold-backed currency money made by the private bankers was entirely based on fraud (1058). But there was an ulterior motive: That the Federal Congress (the American state) would buy their money (through loans) from a private operator to cover its colossal needs, including the state budget, i.e., put the new nation in debt even further (in addition to the completely unnecessary debt incurred by the gold promise). And so it came to be. Decisions on the new currency were made by the Federal Congress in 1781, and the bank became a reality the next year. And of course, the private banks' lending to the state (which in this early stage in the nation's history was synonymous with the Federal Congress) followed the customary bank modus operandi: deposit embezzlement (1059), perfect counterfeiting (1060) and forgery (1061). These important historical events meant that the capitalist/central bank economic system had made another huge gain - i.e., in both American government and society - without the common people realizing it.

Stage 5: Undermine the independence of the 13 colonies

Stage five of the bankers plan was to support a populist policy of coherence (federalism), whose goal with respect to the 13 independent colonies, which by now had become states, was to

IV. deprive them of the ability to produce their own paper money
V. greatly curtail their ability to pass their own laws and
VI. greatly curtail their ability to make independent political decisions concerning the construction of public works that were under development for the states.

This theme which has been repeated during the construction of the European Union in the late 1900's and now in the 2000s. The European people need to be informed of these facts because, in basic terms, the entire foundation of the creation of the modern European Union is a fraud

The takeover of these powers - a), b) and c) - would occur stepwise via the gradual formation of a federal banker-controlled authority - something that was done in small increments. This authority first took the form of the *Revolutionary Council*, which would later be called the *First Continental Congress,* which in turn became the *Second Continental Congress,* which then became the *Federal Congress*, which in turn finally came to form the *United States Congress* with a president at it's head, and which had its first sitting on 4 April 1789. For each reorganization made, one can justifiably argue that the "responsiveness to the people" was diminished, while "responsiveness to the banking system" grew. The hidden powers, i.e., the bankers, reached an extremely important milestone in their seven-stage process on September 17 1787, namely when the Constitutional Convention in Philadelphia adopted *the US Constitution* (1062). The bankers (whose bidding was done by the above mentioned Federalists) succeeded in inserting a deceptively worded, highly important clause into this entirely justifiably famous and most exemplary constitution: Article 1, Section 8 - which regulates US Congressional powers. The introductory clause reads:

> "*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 of the United States; but all Duties, imposts and excises Shall be uniform throughout the United States.*"

It should be emphasized that the US Constitution is in many ways an astonishing document. But in at least one important aspect, the one just mentioned, the Constitution is *a direct betrayal* of the people in that it directly sidesteps the issue that triggered the American Revolution, in fact the actual root cause of the Constitution itself. The revolution's root cause, as asserted earlier, concerned who would have control over the colonies' money production: the colonizers themselves, or the mother country England with the banking powers lurking in the background? The revolution had just begun in 1773, in the aftermath of the English Currency Acts of 1751 and 1764 which forced monetary control on the colonies. This had the effect of denying the American people the right to their own money production, and instead imposed on them a capitalist/central bank economic system loan economy which gave rise to a series of "difficult years" in the colonies from 1764 to 1773. Then, when the revolution became a fact in 1773, the colonies resumed that which had actually been at the heart of the matter - namely the production of their own paper money. Each colony once again had its own old local currency (pounds), and disbursed them into local communities in accordance with Benjamin Franklin's four rules (methods), without asking England for permission. This resulted in the 13 colonies quickly getting back on their feet financially, without the need to tax the people. "State budgets" were financed by the self-produced money, without causing any debt, and societies prospered - the revolution notwithstanding. Precisely this - the American people's right to self-produce the lion's share of their money (at that time the absolutely crucial paper money) - came to be denied them by the insidious and ingenious manner in which the Constitution's Article 1, Section 8 came to be formulated, once it was adopted.

Through manipulation, ***four loopholes*** of a constitutional nature were built into the US Constitution. The bankers have now been able to avail themselves of these for more than 220 years in their ambition to manipulate the US government and the American people, without the general population realizing it. I will return to each of these four loopholes in detail in a later chapter, but for now I only present the big picture.

While the wording of the Constitution in Article 1, Section 8 may be used as a loophole by the banking powers, it can be seen, from the perspective of a constitutional logician, as a two-edged sword. It is also perfectly possible to use the aforementioned constitutional clauses as four "door openers" for the benefit of the state and the American people (1063). I will of course, explain this, but first it must be noted that the text of Article 1, Section 8, most likely is deliberately cryptic, to say the least. Here we are faced with a conundrum: How are these constitutional lines of text to be interpreted? Many have wondered about that. Just as they can be interpreted in the bankers' favor, as they have been historically, they can also be interpreted in the people's favor, which they should be in the future. One should note here that how the Constitution should be *interpreted*, is ultimately determined by *the American people*, not by anyone else. The power to change the current interpretation - which unilaterally favors *bankers* at the expense of the people - is in the hands of the people. Only by changing the interpretation can the people assure themselves *extraordinary prosperity*. So far, the bankers' plan has been based on their constitutional manipulation escaping detection. But now the manipulation has been exposed. A more detailed discussion of the crucial Article 1, Section 8 follows below.

Stage 6: Place banknote production in private hands

We have now reached the sixth stage in the bankers' secret plan. Eventually, after 18 years, the time for the promised payment of gold was approaching (the date was not precise to begin with, but was to be determined around 1791 (1064)). As usual, it was the task of the politicians to break the promise! The betrayal was as clear as daylight. Only now was the public told that the government unfortunately could not produce the gold it had promised because, among other things, there were no domestic gold deposits, and it would be too costly to use borrowed money to buy gold corresponding to the massive amount continentals-banknotes in circulation (a fact which was foreseeable from the outset, in the fall of 1774). Instead it was proposed that the promise of gold would be changed to a promise of equity (shares) in a new national bank in proportion to the holdings of the continentals-banknotes, i.e., shares in the central bank. The Federalists (banking powers) at the time had advanced plans that this central bank would be given a contract to produce America's future important form of money - US dollars. Continentals had by now long since served their practical purpose.

This step called for *a new, much larger, privately owned bank in company form* to now take control of America's entire banknote production, and thus take over the role that the First Private Bank of 1782 (which had issued banknote money in the form of certificates of deposit) had temporarily played. Even when it came to the new larger bank, the US government would be forced to *buy* its money, i.e., from the bank's shareholders, something that could only happen in two ways:

- by the state *taking up debt* in the form of a *national debt*, which would indirectly result in taxing the people to pay principal and interest on said national debt, or

- the direct purchase of bank note money with tax money.

Both cases involve taxing the people. This was the plan, and it was with this plan in mind that the insidious Article 1, Section 8 text of the Constitution was drafted, for the benefit of the bankers.

The bankers (the capitalists) cunningly calculated intention was, first, to force the US government to lay the foundations for a (completely unnecessary) *national debt* - whose current balance as of today (2017), 220 years later, is more than 17 trillion dollars. The second aim was to impose a *tax on the people* - a tax system - that would finance public spending, just as was done in connection with the capitalist/central bank economic system's first failed attempt at penetrating American society with the coercive English currency laws in 1751 and the 1764.

The advantage of taxation from the capitalist point of view, is that it maintains that which is the foundation of the capitalist/central bank economic system, namely a societal money shortage which generates a general need for borrowing at interest. It was almost as if they had invented a perpetual-motion money-making machine to line their pockets with, one that keeps going in a vicious circle: ensuring that there is a basic *lack of money* in the community (by ensuring that the amount of money released into society is insufficient, while at the same time taxing the people), for this breeds a general need for individuals, businesses, the state and local governments to *borrow at interest*, i.e., to put themselves into debt, which will increase the shortage, which increases the need to borrow at interest...

The bankers succeeded in both respects. In modern times, the design has been further refined: the bankers have even managed to a large extent to escape the inevitable (1065) which occurs when money is lent at interest, since it is now ensured that the state, in full cooperation, will if necessary bear the cost of *bank bailouts* (1066) (levy taxes on the people) to balance losses above certain levels in the banks' accounting books, when the banker feels that these numbers are burdensome.

Stage 7: Force the states into a federation

The seventh and final stage in the bankers' plan was the restoration and consolidation of the capitalist/central bank economic system in the United States. Once the federal authority, Congress, was in place, the 13 former colonies - now transformed into 13 hamstrung states – were to be grasped with a tighter grip. A federal grip wherein they could no longer print their own paper money as they were accustomed to in accordance with Benjamin Franklin's financial system. The bankers achieved that goal in 1793, when a ban was imposed on the 13 state governments prohibiting them from continuing to produce their own local currency. You could say that this was when the capitalist/central bank economic system fully visibly again gained a foothold in America. The capitalist/central bank economic system order had been restored: it was as if the Currency Acts of 1751 and 1764 had been reinstated. Now, the bankers again rule the roost in the US, with close to 99.999 percent control over America's money. Only the negligible coin manufacturing, which accounts for far less than a thousandth of the money supply is controlled by the US government. This is how much the bankers managed to achieve despite the fact that the people of the revolution were actually the bankers' opponents. In the 228 years that have passed since 1789 until today (2017), the bankers' power over America's money manufacturing equipment has been seriously threatened on at least *two occasions* - *s*omething that I shall return to.

We shall now proceed to analyze the bankers' seven-stage plan in detail. Next up, in Chapter 4, is a detailed analysis of the first three of the seven stages, as well as an overview of what the American War of Independence came to mean for the events that I discuss.

Chapter 4 (72)

Analysis of the first, second and third stages of the banker's secret plan

“Pretend” debt notes as fiat money

The details of stages one and two of the bankers' secret seven-stage plan for the restoration of the capitalist/central bank economic system in America can be read in the trilogy, Part I, Chapter 5. In 1773, when the American Revolution began to pick up speed, the colonists did not yet have any intention or hankering to free themselves from England. The Revolutionary Council was only driven by an innate desire to regain control over the colonies' main money production. Control over this banknote manufacturing equipment was needed in order to restore the economy of the good years, as it had been designed by Benjamin Franklin, who in turn had based his economy on the model that was applied in Massachusetts since 1690 (1067). As it is never, or only rarely mentioned in American history books, allow me to repeat that the thirteen colonial governments, so as not to offend England more than absolutely necessary, now that the local colonial currencies has as a first step in the revolution been reinstated in 1773, used a strategy that *gave the appearance* of adapting to the capitalist rules of the game. That is, they designed an economic system based on loans with *apparent indebtedness* and *"pretend" debt notes*. In short, they constructed a system based on a *fictitious* loan from the people and the *"pretend" debt notes* for the "pretend" loan money came to be used as valid local currencies (banknote money). In reality, this was an application of fiat money (in the sense that they were not backed by anything of value). The "pretend" debt notes were transferred into the hands of the people of the local communities according to the four rules (methods) that Benjamin Franklin used in his time (1068). This ingenious construction circumvented the stumbling block of the capitalist/central bank economic system: real loans at interest, i.e., genuine debt. The "pretend" debt notes that circulated as paper banknote money in all thirteen colonies, functioned in practice much as Henry I's wooden tally sticks had done in England in the late Middle Ages, and later in the American colonies during first half of the 1700's. Every “debt note” had a "lawful payment value" that had been *decided by the colonial government*. This value was not determined (backed) by anything other than confidence in the decision itself - neither gold nor anything else of value. This is what is usually meant when one refers to the fiat-money principle.

A dramatic change

The situation changed dramatically in the late summer of 1775 with England's informal declaration of war. Now the colonies were at war with England, and they no longer needed to appease the former powers. They continued down the road they had chosen and allowed the system of "pretend" debt notes to roll on. At this point the colonial governments could just as well have admitted to everyone that the debt notes, the local currency, was fiat money with no backing other than the public's "confidence". We can only speculate as to why this was not said, but it was probably a combination of being occupied with the realities of war, and the belief that the public did not care much about complicated theoretical explanations as long as the system worked - which it did.

The American Revolution – all about money

The American Revolution was at its core about America's money manufacturing machines. Almost a year before England's declaration of war came in August 1775, the colonists had created the so-called first Continental Congress, which was supposed to serve as an interim Revolutionary Council, intended to coordinate the colonial revolutionary opposition to the motherland. The opposition at the time (September 1774) was first and foremost concerned with the right of the colonies to control their own banknote production, and when the Revolutionary Council, the forerunner of the US Congress, gathered for the first time in September 1774, this was the main item on the agenda. Thus, only a year later did the revolutionary struggle, with the England's declaration of war, come to be increasingly more concerned with *national independence*. This specific sequence of events is an important point that is handled carelessly in many American history books. The revolution is mainly characterized as having been about the struggle for freedom. The all-important monetary issue in this context is almost completely neglected, leaving people with an *inaccurate picture* of the revolution's causes. I would go so far as to say that some US history books even deliberately *cover up* this important fact: that the revolution in its origin was only about colonies' rights to print their own money. They wanted to avoid the taxes that were unnecessarily imposed on them as a consequence of the capitalist/central bank loans-at-interest economy. Government expenditure could easily have been financed by the colonies' own locally produced banknotes. Put another way, the revolution was about control over America's monetary manufacturing machines.

The colonists remembered how they had prospered during the good years before they had been forced into the dependence on capitalist/central bank economic system loans. They remembered that as long as they had had the right to produce and determine their own form of money, and the use of the financial system they themselves had chosen (Benjamin Franklin's economic system (1069)), not capitalist/central bank economic system from England, no unnecessary public debt and taxes were created. Their own system was free of the completely unnecessary unemployment and social exclusion that accompanied the ruinous capitalist system (forced loan dependency) that England introduced via the 1751 and 1764 Currency Acts. Banks then began subjecting individuals and whole families to catastrophic foreclosures when these ordinary people were unable to pay their loans. Many lost their homes and belongings when a recession struck (1070) - the same kind of desperate and angry scenes as have played out today for a wide range of Americans since 2008. The colonial settlers understood that there was a connection between the devastating recessions that repeatedly destroyed the colonial communities and made life a living hell for ordinary people. They put two and two together and realized that the fault lay with capitalism because capitalism had *forced them to take loans at interest, and had thereby introduced totally unnecessary taxes and a completely unnecessary national debt.* The resulting unemployment, social exclusion and expropriations were just as in the old countries which they had fled. So they revolted! They did not want to have the same misery that they had left behind in their capitalist homelands, countries such as England, Ireland, Germany, etc. The severe recessions had emboldened the most strong-willed to take the plunge and flee their home country, to start over again in the Promised Land America where rumor had it that there was l*ess government, lower taxes and more freedom*. This rumor no longer held true. They wanted to restore the former prosperity and bring back the good years. They realized that what needed to be done was to reclaim the right to control and produce their own form of money. That was the solution. That was the reason for the American Revolution. It is quite obvious that there were certain interests in society that had reason to withhold precisely this from the public: the actual cause of the American Revolution.

Was the American Revolution as a success?

Today the American Revolution is depicted as a victory, but was it? It is typical yet somewhat sad, even insulting, that the revolution is characterized as having been a *great success* seen from the misleading perspective that the revolution had its cause in the American people's desire for freedom from English supremacy - in a longing for freedom and independence. This is what the “certain interests” mentioned above attempt to convince people of. Meanwhile, the general public is denied the real truth, that the revolution was a *major failure* with respect to its real goal: The colonies' right to manufacture and control their own money, and to use the financial system (Benjamin Franklin economic system) of their choice. It is therefore correct to say, that the American people have been deceived by some of their own politicians since the 1700's because the revolution is portrayed as happy and successful - as a victory for the American people. But the economic oppression that they revolted against continued. The English supremacy remains because the capitalist/central bank economic system has continued in America, even if on the surface formal independence from England was achieved.

The capitalist/central bank economic system's second intrusion

Today we see the successful continuation of the capitalist/central bank economic system's second penetration of American society. All the revolution succeeded in achieving was an officially formulated independence that in practice meant nothing more than the continuation of the old economic oppression, the forced capitalist/central bank economic system. This is where the American people are today. They are economically oppressed and do not understand the root causes of the current economic oppression (capitalism) because neither their history books, nor their politicians or the media tell what really triggered the American Revolution. The cunning, secretive seven-stage plan to re-introduce the capitalist/central bank economic system in America is never mentioned. When it is not taught this in a clear and understandable way, one can not possibly understand how to break free again and solve the serious economic problems of today. My text is intended to help the American people understand their roots and show how this can be fixed. How easily the good years of Benjamin Franklin, and even better, can be brought back. How to get rid of the enormous national debt. How to get rid of taxes, the completely unnecessary IRS, unemployment and social exclusion. This is what I want to help with. Therefore I write these words to the American people. *The capitalist/central bank economic system must be abolished!* There are groups of people in America who oppose this very strongly. They have a problem with the unfair capitalism that really only benefits those who are sufficiently ruthless to profit at the expense of others (1071, 1072).

A humane economy

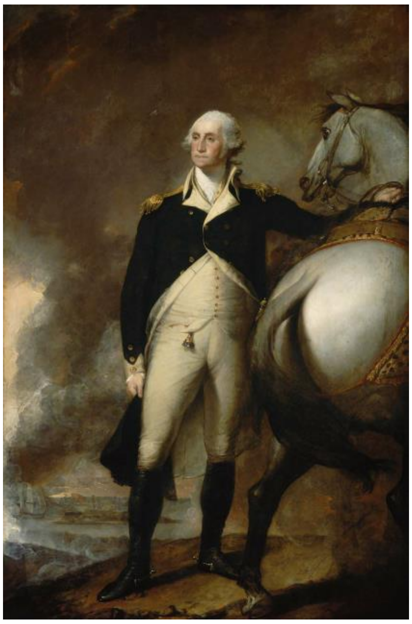
On the other hand we have Benjamin Franklin's humane economic system (1073), a well-functioning, inflation-free, tax-free and debt-free system. I show in the trilogy how to improve this economic even further. The details of Franklin's superior economic system need to be understood in order to see why the capitalist/central bank economic system does not allow *everyone* in America to prosper. Today, only relatively few, the "one percent", prosper – at the expense of the other Americans, as increasingly more Americans fall into poverty and even homelessness. For them, the American dream has become an insult.

The revolution temporarily solved the problem

The American Revolution actually solved a situation as oppressive as the one we see today – the situation that prevailed during the difficult years of 1751-1773, just prior to the start of the revolution. This is how bad it can get when a nation uses of the capitalist/central bank economic system and operates it in brutal ruthlessness – without “thinking with the heart”, as we see today in America and across the globe. We have the same problem in my own country, Sweden, but it is more noticeable in your country. The same is true in Britain, Japan, France, Germany, etc,

The Revolutionary Council

The Revolutionary Council of 1774 was comprised of elected officials from each of the thirteen colonial governments, and could be considered the joint government of the colonies in this phase. In time it came to be called the Continental Congress. This revolutionary gathering, an embryonic American Parliament, i.e., Congress with a president in the lead, assembled at certain significant periods during the War of 1775 -1783 (for example, for two months in the fall of 1774 and from May 1775 until March 1781). From March 1781 until March 1789 the Continental Congress was instead called the *Federal Congress,* since by now the War of Independence had advanced so far that the colonists realized that victory was within reach. The years from around 1781 to 1789 were the “interim years” before the US Constitution was a fact, and before America's first president, George Washington, had been installed.



[George Washington]

On March 4, 1789 the Federal Congress became the *United States Congress*, in accordance with the nation's constitution, which became effective that day. These facts are important in understanding that the federal part of the overall American state apparatus, i.e., the part that is controlled from Washington, D.C., to a great extent was something that evolved gradually. This federal state apparatus encompasses the entire nation, and is above the state governments. Before March 4, 1789, the states were regarded as independent (autonomous) regions in a confederation, akin to how today's 27 EU countries remain independent (autonomous) states, while being members of a European confederation (1074). The crucial point here is that the federal government apparatus *already at a very early stage* was exposed to behind-the-scenes banker influence in the form of *corruption and bribery*. This "courtship" with the federal government was an important part of the bankers' secret seven-stage plan.

Analysis of the first stage of the bankers' secret plan

We now return to September 5, 1774, when the Revolutionary Council, aka the first Continental Congress, had its initial inaugural meeting in Philadelphia at the height of the revolution. History reveals that the bankers took the first step to implement their seven-stage plan. Stage one was to place the colonies *in debt* via a Revolutionary Council decision that would have dire consequences. The Revolutionary Council's (First Continental Congress) very first decision consisted namely in voting through what came to lay the groundwork for nothing less than the reintroduction of the capitalist/central bank economic system in the US - a process that in its entirety would take about 19 years, and executed in seven veiled, yet distinct stages. The general public was to be kept completely in the dark the whole time.

A majority decision on this day introduced a 14th paper currency, the pan-colonial *Continentals.* - a decision preceded by intense lobbying by the capitalist faction among the politicians. The capitalists wanted at all costs to avoid revealing that this was a step in the direction of the capitalist/central bank economic system. The public was at that time strongly negative to all forms of loan-driven economies - the actual cause of the revolutionary discontent. Therefore, the capitalists moved carefully, but intelligently and insidiously forward. The initial suggestion was simply a plagiarism of the ingenious construction which had been in use shortly before when the local, self-manufactured currencies were reintroduced in each colony: A “pretend” loan would be taken from the people, a loan which thus would be fictitious. The result would be that the new banknote money, continentals, could be distributed into society as “pretend” debt notes for this “pretend” loan.

But suddenly, *an amendment* was proposed, which, oddly enough, was approved by a majority of votes. Was the ensuing applause perhaps paid for through bribery and corruption? This matter will be the task of the next great American investigation to look into in detail, if possible. That is, to identify whether, and if so, which politicians in the Revolutionary Council (the assembly that would become the Continental Congresses) suddenly became rich. From a banker's point of view, there certainly was very much at stake.

The amendment radically changed the original loan arrangement which was copied from Benjamin Franklin's proven economic model - one which does not include real loans or real debt (1075). Now, a new loan arrangement was presented. Those who could read between the lines could clearly see that it bore the mark of the capitalist/central bank economic system, as it was based on *real* or *genuine debt*. Precisely this strongly indicates that bribed and corrupt politicians were involved in the decision-making assembly (The

Revolutionary Council), for with the amendment was a betrayal of the Council's clients, the people, as well as the people's revolutionary ideals. It is thus revealed that the Revolutionary Council included politicians who worked against the revolution in order to benefit the capitalist/central bank economic system.

Continentals – two major differences

The continentals-currency differed from the local colonial currencies on two distinct points. In short, the amendment specified that the fictional loan from the people which was intended to finance the continentals, would at some time in the future be *repaid* (1076) in the form of a real value. The actual time of repayment – like the colonial currencies - was left undefined for a long while. However, unlike the colonial currencies, there was a specification, in that repayment was actually *promised*. As if that wasn't enough, in the case of continentals the promise of repayment was also specified to be in *real gold*. This is all the more remarkable in light of the fact the colonies suffered from a severe shortage of gold.

Thus the continentals-currency that came before the assembly for voting was associated with *two significant differences* compared to the other thirteen similar colonial currencies. From this it can be seen that the amendment *de facto* caused the continentals to no longer to be based on a fictitious loan (a pretend debt). Now there was *real debt* - the promised gold. This is precisely what capitalist/central bank economic system activity is based on. Of course, this seemingly unimaginably generous promise of gold was extremely attractive from the point of view of the ignorant public – a public that did not understand that its representatives in the Revolutionary Council had just taken the first sod in digging the grave for the primary cause of the revolution.

Continentals - no real loan from the people

Without the public knowing, the bankers had now succeeded in inserting a wedge into the burgeoning independent American nation-building process for the second time, although the plan had been for a different socio-economic system than the capitalist/central bank economic system. And it would not be long before this second capitalist intrusion would be expanded considerably. Here it is important to understand that the continentals-currency was not based on any real loan from the people. The people never paid any "real money". But continentals-banknotes, which were produced by the Revolutionary Council/First Continental Congress decisions, were initially pretend debt notes which, with the promise of gold, were in practice turned into "real debt notes," in that they now came to represent a value in gold, which had to be paid later. By way of this arrangement, continentals-banknotes came to be defined as *financed* - financed or backed by the promise of gold. But still the loan was fictitious in the sense that the people never lent out any real money. This is important to bear in mind.

In a maneuver as ingenious as it was devious (an illusion), the hidden banking powers had succeeded in putting the colonial government "into debt". The colonial government - the Revolutionary Council which ultimately would develop to the US government - was now saddled with an embryo of a "debt" that today (2017), nearly 240 years later, through uninterrupted, unfettered capitalism has increased to an unimaginable 17 trillion dollars. As mentioned, the actual time when the continentals would be redeemed for gold was not specified initially, but it was promised that it would happen when social circumstances “had stabilized".

A clever way of introducing a completely unnecessary gold backing

On analyzing the Revolutionary Council's gold promise, it becomes clear that this was simply a clever way to introduce a gold standard. Defining a currency as being backed by gold is synonymous with asserting the existence of "a promise" to exchange the money for gold. The covert introduction of the gold standard was a deliberate capitalist trick intended to tear Benjamin Franklin's concurrent economic system to shreds (one must not forget that there were thirteen local colonial currencies, all of which were fiat money, i.e., money that was not based on gold but was "legal tender” (1077) - money only based on "trust"). An outsider may think it strange that the decision to implement the amendment met with any sympathy at all - but it did. This was probably due to a combination of an appeal to human greed and the likelihood that the policy makers, in part at least, were bribed and corrupted. Had they had made an effort to attempt an impact assessment before the decision was taken, for example, by consulting a constitutional logician who could clarify details and consequences, the con-game would likely never have succeeded. But they did not do that. One must not forget, as already mentioned, that the hidden intention of the promise of gold was to *place the colonies in debt;* in the first place by the Revolutionary Council ("State") ending up in real debt to the people as a result of the gold promise, and secondarily in debt to the banks, when the gold would eventually be paid out by the state in the future. It would then be forced to borrow money to purchase gold, since no original colonial gold was either stored in vaults or in known natural deposits. This would provoke an American national debt.

A “pretend” debt becomes a real debt

The initial pretend debt to the people was transformed into a real debt by the promise of gold. Well, a promise is a promise, as they say. Since the Revolutionary Council had now accepted this, they had also, as noted above, assumed a real debt. I repeat: The initial pretend debt to the people was transformed into a real debt by the gold promise, even though the people themselves never contributed any money. Since the Revolutionary Council was now in debt - though not to any bank at this point, but to the people – the covert capitalist banking power had again gained a new foothold in America. Stage one of their plan was completed. And the gold promise would come to have consequences: All the promised gold would in fact have to be financed with borrowed money, something that could have been figured out already at the outset. It was obvious that what would eventually become the US government would have trouble living up to the promise. During the previous so-called difficult years 1751-1773 it had been the foreign, i.e., European, banks, which over time had become unpopular with the public. These banks had loaned money to the colonial governments and the public. It was to avoid repeating this scenario that the hidden capitalist powers in September 1774 came to partially plagiarize colonial governments ingenious arrangements, when the colonies nine months earlier, i.e., beginning shortly after the famous Tea Party in Boston Harbor in December 1773, had resumed their own banknote production and re-introduced the thirteen local currencies (pounds) in the colonies. With highly intelligent cunning, Revolution Council (an extension of the people) was seduced by what was ultimately the bankers' doubly irresistible offer: First, the people were offered the benefit of money in their hands (the continentals) without having to pay anything for it (as continentals at first represented debt notes for the *fictitious* loan of public money). Then, even more amazingly, there was the promise that this free money (continentals) could be exchanged for gold in the future! Who would not want free gold? No wonder the majority of the Revolutionary Council and the public fell for this very sweet deal, which the 14th currency, continentals, in principal constituted.

A fishy smell

Anyone who thought a step further would have realized there was something fishy about it all. It was simply too good to be true. Some suspected the truth: that the promise of gold was a baited trap which was about to put the Revolutionary Council (and in the longer term, the state and the American people) *in debt.* It could correctly be said that it was precisely at this critical moment that the now-existing capitalist/central bank economic system's American hegemony began, where this system with time has grown to become nearly synonymous with the nation itself. America, the stronghold of capitalism.

War with England

The outcome of the Revolutionary War with England was decided between the years 1775-1783. The first direct armed confrontation took place in March 1775, and a formal declaration of war then followed in August of the same year. In the midst of the war, in 1776, the American Declaration of Independence (1078) was formulated. The colonizer's military commander-in-chief was General George Washington, who was later to become the USA's first president. When Washington inspected the ranks of his soldiers, he would have noted that he was the commander of a particularly undisciplined and shoddy lay army, which was now faced with the task of standing up to a well-trained professional English one. Washington's men were equipped with, among other things, old flint rifles from the 1600's, pitchforks, scythes, shovels and other implements which at a pinch could be used as weapons. To some extent, this situation could be helped with the colonies' fourteen own locally-produced currencies, which could finance the purchase of more modern weapons to the extent that such were available. The army included all sorts of people, both commissioned and volunteers who had joined. There were farmers, blacksmiths, hunters who belonged to the great forests and the wild borderlands, and there were city people who went directly into military life from offices or stores, dressed in trousers and jackets. Even criminal thugs were to be found among them, including descendants of the English convicts who had revolted against the plantation owners in the South. And even allied Indians armed with tomahawks, hunting knives, bows and the occasional rifle. It was a motley crew that George Washington took command of. But he also saw another quality in these militarily undisciplined people, an asset that the British lacked. His men were passionately inspired, with motivation, determination and morale.

The War of Independence (1079), which was a continuation of the revolution, came as the name indicates, unlike the initial stage of the revolution, first and foremost to be about the right to independence from England – i.e., about *freedom* - but also very much about the revolutionary ideal: *the right to their own money manufacturing machines and self-produced banknote money*. The high morale alluded to had its roots in both. Assistance from France, England's old adversary, soon arrived. This helped the colonists to procure modern weapons and ultimately win the Revolutionary War, although on weighing the odds initially, the outlook had been bleak. What this war specifically came to demonstrate was the importance of morale, but it also showed that a war can be won without expensive *loans* having to pay for it. This truth must be qualified in the sense that the Revolutionary War was partly financed by an exponentially increasing amount of continentals-bills, which ultimately came to be based on a real debt to the people in the form of gold.

Funded in two ways

One can therefore say that the enormous cost of the war was funded in two ways. The first way was through the thirteen local currencies, which was fiat money as legal tender, and did not represent any real debt to anyone. But the other way of funding, the 14th currency, which accounted for a good part of the total war cost was, as I have mentioned, from the beginning a fictitious loan from the people which had been converted to a real or genuine debt, to be paid in gold. The last battle of the War of Independence was in 1781, and peace was signed in Paris two years later in 1783. You could say that the story picks up again at the beginning of 1781. For it was here that the 14th currency, continentals, suddenly collapsed when they stopped being printed. The embers of the Revolutionary spirit still glowed strongly at that time in the colonies, which made it downright dangerous for capitalists to openly seek to impose the capitalist/central bank economic system. Therefore, they continued in the same sly way, with deceit, lies and illusions, to cheat the shirt off the back of the American people. In 1793 the bankers finally succeeded in getting the capitalist/central bank economic system in place.

Analysis of the second stage of the bankers secret plan

This is an explanation of why the severe *inflation* associated with continentals gradually emerged in the colonies. I will also show how that this inflation was an elaborate and cynical part of the bankers' plan, i.e., a method for them to seize control over America's banknote production through manipulation of manufactured crises. We now move forward to the period 1773-1781. The amendment adopted by the first Continental Congress was transformed from a fictitious loan from the people to the promise (guarantee) of future gold redemption that the Congress was to "finance". In roughly seven years (1774-1781) a large number of continentals-notes was produced, which together at that time came to correspond to an amount of gold which was then estimated to have a total purchase price of $42 million (1080) if the dollar had been the currency then (US dollars came into use in 1792). Converted to 2011 prices, this $42 million would correspond to somewhere between $881 million and $ 16.6 billion depending on how one calculates it. Even if we work with the lesser amount, it was a considerable *national debt* that the then government took upon itself with the promise of gold payment to holders of continental's, although the time of this payment was not specified initially. So great was what in retrospect came to be called - not entirely accurately - the "war debt" (the part of the US national debt, which the fictional Continental loan from the people represented).

Production of continentals ceased 1781. At that time, the number of counterfeit continentals in circulation matched that printed by the Revolutionary Council. The counterfeit banknotes could quite easily be distinguished from the genuine banknotes because counterfeiting technology was not very advanced at that time. Here it must be constantly borne in mind that the Revolutionary Council (First Continental Congress), with the promise of gold redemption in 1774, in practice changed what was originally a pretend loan, to a real loan. Therefore, continentals were not treated as pretend notes, but as a genuine debt note money. Obviously, there is a crucial difference between paper money in the form of pretend notes and real notes. Two completely different economic systems come into view. The former is fiat money - not backed by any value - that was made "legal tender" through a decision by the authorities. Genuine debt note money, on the other hand, is backed by some value, in this case a certain amount of gold (the gold standard) that is promised in exchange for them. The relatively large amount of continentals-banknotes that the Revolutionary Council/First Continental Congress manufactured up until 1781, would, as I said, come to be dramatically be diluted (according to calculations made, at least double the amount). The counterfeiting was partly a result of England applying direct economic warfare through front men, and partly as a result of domestic counterfeiting.

Large-scale manufacturing of fake continentals was organized in England and shipped in secret, boatload after boatload over to America, where they were smuggled into the colonies. Furthermore, false continentals were made by criminal counterfeiters in the colonies (at the time, counterfeiting was relatively easy). As a result, the value of continentals was dramatically eroded, as was the public's confidence in the currency. In short, inflation escalated over a ten year period, after which it went over to severe inflation).

The society-sabotaging speculators

The Revolutionary Council's original promise of future redemption of continentals in gold appeared increasingly unrealistic, and the public began to draw away from continentals, for example by selling notes to the willing speculators who emerged. These purchasers (1081) bought up all the continentals they could get their hands on, well below their price. One could call them professional speculators, and among them were also the capitalist front men (who can be assumed to have been aware of what was to follow, in that they were more or less familiar with the bankers seven-stage plan), where induced inflation was the second step. The trick thus consisted of first inducing inflation, leading to a loss of confidence in the currency - which could then be bought by the professional speculators, including the insider front men.

Early on, wealthy individuals and representatives of some foreign banks in the colonies appeared. They attempted to persuade ordinary people to sell their continentals. The banknote buyers' argument was that since the Revolutionary Council/Continental Congress had no gold of its own, neither in vaults nor as natural deposits, it would be impossible for them to be able to settle its future gold promise to the people. Continentals would eventually become worthless. Better to sell one's stash of continentals while there was still time, admittedly at a much lower value in terms of the amount of gold that the Revolutionary Council had promised. But the banknote buyers, who were often banker front men, offered real gold coins none the less. For it was with gold coins that the promise of gold should be fulfilled. So these rather rich bill collectors wanted to buy continentals-banknotes with genuine gold coins at bargain-basement prices. Genuine gold coins were provided, among other things, by the English bank branches in the colonies.

The wealthy buyers acquired a bad reputation

At this early stage one could therefore see a reduction in the amount of continentals in circulation in society, with the result that the Revolutionary Council loaded up the printing presses and pumped out more continentals to meet the demand. In time, the wealthy buyers acquired a bad reputation because their banknote buy-ups sabotaged and impoverished the social machinery. They collected continentals, which were meant to circulate and function in society as a “lubricant”. Now the acquired bank notes were rather stored in some bank vault where they were to no avail. For example, due to the buying, a local shortage of continentals-notes could occur at first. Then often it would be turned into the opposite, if the Revolutionary Council happened to overcompensate for the shortage by printing new notes too enthusiastically, or if counterfeit continentals reached the local economy in order to plug the gap. Characteristic of this period was the pronounced instability of the local colonial economies. It could switch between deflation, due to a money shortage, and inflation -even hyper-inflation, due to too many banknotes, and often there were significant local variations. When continentals-currency was discussed at the planning stage, the currency's advocates had in particular emphasized the major advantages that a colony's common currency would offer, how equalizing and even stabilizing such a currency would be (as I said, similar arguments were made when the Euro was introduced in the EU), despite the different colonies often having very different economic conditions (just as in the EU countries). Now these hopes were thoroughly confounded, and instead it seemed as if the cumulative effect of the fourteenth currency was to undermine the colonial economies. The rich continentals-collectors were resented from the standpoint that they were stingy with their gold coins. Sometimes the wealthy speculators emptied entire local communities of continentals, whereby the frustrated Revolutionary Council amateurishly and sloppily tried to compensate for this by increasing the output of continentals, often by far too much. This, together with the flourishing banknote counterfeiting operations, drove up inflation by varying degrees. This went on during the second half of the 1770s.

The General wrote...

In a secret letter to his superiors, a British general wrote:

> *"... The experiments (the counterfeiting of continentals, my remark) suggested by your Lordships have been tried, no assistance that could be drawn from the power of gold or the arts of counterfeiting have been left untried;* ***but still the currency [...] has not failed*** *... ".* (94)

Even the extensive counterfeiting was used by the speculators as an argument when they persuaded the public to sell their continentals below cost.

...and Benjamin Franklin later wrote:

> *"... The artists they employed performed so well that immense quantities of these counterfeits which issued from the British government in New York, were circulated among the inhabitants of all the states, before the fraud was detected. This operated significantly in depreciating the whole mass ... "* (1083)

The 19th century historian J.W. Schuckers wrote:

> *"The British government, which seems to have a mania for counterfeiting their enemies' paper money, joined the competition along with the criminals."* (1084)

The existence of massive counterfeiting and extensive speculative activity was thus widely known, but it still took a long time before the public fully understood the seriousness of it all. At the same time, the propaganda claimed that it was only the "unfinanced" fiat banknotes (the local currencies) that caused the inflation. In the end, this from the beginning completely unnecessary fourteenth currency had become so watered down in terms of value, that a particular expression was created in the vernacular: *"Not worth a continental"*.

Why constitutional logic is so important

In retrospect, it is easy to see that there were three circumstances that interacted with each other to directly threaten society at this time:

1) speculative buying, which led to the Revolutionary Council's compensatory printing of continentals,
2) the massive continentals-counterfeiting, which emanated from several quarters. This, in combination with 1) then led to
3) the severe continentals inflation. Where the end result - the excessive inflation - probably could have been foreseen and prevented, if the Revolutionary Council had had the foresight to consult with constitutional logicians.

Among other things, this finding is part of the reason that I so strongly recommend that the current US Government and Congress makes it a habit in the future to consult America's foremost mathematical geniuses, especially those who have mastered constitutional logic, to continuously assist the government with their expertise when it comes to analyzing *many different situations with the help of modern advanced information processing.* I can not stress the importance of this enough. Had a constitutional logician been brought in when the conditions regarding the continentals-currency, e.g. the gold promise, and the amendment in general, were adopted by the Continental Congress in September 1774, the presence of such an expert would surely have been noted by the Revolutionary Council's secretary. And in that case one can be absolutely sure that the logical expertise at an early stage would have discovered the plan and rendered sharp warnings that a severe capitalist-friendly social manipulation was apparently in progress, and orchestrated by a certain faction of the Revolutionary Council (Continental Congress). For those well-versed in logic, it would be immediately clear that the forces in conflict with the interests of the people were attempting to foist on them a completely unnecessary debt (the continentals with their associated gold promise). And if they saw beyond their noses they would of course realize that the gold promise would lead to precisely what happened: speculative buy-ups, where the one with the most money (gold coins) would win, as well as giving rise to unwelcome and unnecessary discord between people. And this is what happened, and, as I have mentioned, worse yet (severe inflation), because the handling of the fourteenth currency came to be so amateurish, not to say clumsy.

Enter populism

Distorted propaganda brought the unfinanced banknote currencies in disrepute while subversive forces (in the sense of being anti-social) did everything they could to scuttle the revolutionaries' monetarily financed economies (the other thirteen local currencies) through organized counterfeiting. The goal - society-disintegrating inflation - was reached by a wide margin. The inflation was then blamed on "unfinanced banknote currencies" (even continentals were incorrectly placed in this category) by unreliable, organized, populist propaganda. From the perspective of a lucid constitutional logician then, the promise of gold appears as a direct threat to society. But not many realized this, and greed triumphed over reason. What would have happened with the faction that supported the continentals if the revolutionaries had understood all the consequences the gold promise? People in a revolutionary state of mind are not to be toyed with. But the proposal for the fourteenth currency, continentals, was approved and the consequences were what they were. One cannot escape the fact that the Revolutionary Council's (the first Continental Congress') decision to adopt the continental-currency, and consequently the promise of gold in the future is an unflattering indication of this council's competence, or rather incompetence, i.e., of average intelligence or ability to analyze, unless they were all bribed or otherwise corrupt - which is unlikely. Instead, they were undoubtedly zealous supporters of the revolutionary cause, even if they allowed themselves to be duped.

The end result of the adventure with the continentals-currency was, as I stated, that a severe dilution of the currency occurred, i.e., a fierce inflation. Take note that inflation with regard to the thirteen parallel local colonial currencies was in no way comparable (though counterfeiting and dilution occurred here as well), and for this reason they were not of similar concern. As mentioned, because of the havoc the currency had wreaked, production of continentals ceased in 1781 (1085), while the local colonial currencies survived to some extent until 1793, when all production of them was abruptly banned by Congress.

The ban on local currencies

Already in about 1781, the use of the local currencies was banned in connection with the Federal Congress' discontinuation of all fourteen currencies in an attempt to overcome inflation by tightening the money supply, as mentioned earlier. Until 1793, the Federal Congress, later the US Congress, had not dared touch the matter of local currency production. This issue was, after all, a hot potato among these not-yet fully-integrated states. Instead, they took a detour by prohibiting the use of pound notes, which of course meant that it became pointless to produce them. This was a foreshadowing that the core essence of the 1764 Currency Act was about to be reinstated.

The modern federalist EU – a parallel

Here we see a parallel, a clear example of federal power steering in the direction of centralization: the pro-capitalist wing went all out to create a central federal power with authority over the originally very autonomous and independent colonies. As mentioned, this theme is being repeated in our time in Europe, where a federal faction (1086) in the European Parliament is doing its best to gradually centralize decision-making power in several crucial areas of society, e.g., in legislation, jurisdiction, defense and currency. Individual EU countries are decimated with respect to their former sovereignty in these areas in deference to a central EU parliament, where the governing politicians both geographically and mentally are very distant from the public. Citizens can only make themselves heard, at most every 4 years, in general elections in order to change the order of things.

The EU Commission's President speaks today unreservedly about the future United States of Europe (1087) with a European congress and a European president, implicitly with the

United States and its Constitution as a model. This, which I will return to in Chapter 73, which is primarily aimed directly at the American people.

Pound banknotes

During the entire process of the colonizers' liberation, i.e., during the years of the revolution and the War of Independence from 1773 to 1781, several of the thirteen local currencies survived relatively well compared to the continentals-currency, especially during the first four years from December 1773 to December 1777. The currencies enjoyed the confidence of the public, which had its cause in that they were cared for competently (with some variations), in accordance with Benjamin Franklin's guidelines from the colonies' good years, and especially because they were not backed by any speculation-driven promise of gold. Here we see the great finesse involved in the construction of these currencies - they would not give rise to greed or spark speculation as was the case with the continentals. Still, there were some problems with these local currencies. It was not like in the good years. The war against England created great imbalances in the economy. Huge war costs had to be paid - and quickly. Banknotes were printed in far too great numbers in several of the local pound currencies, and the responsible colonies lacked the time required to calmly regulate their control mechanism against inflation, as they had done during the good years. A war economy - where society's machinery ran at half speed, or even at idle – emerged, as entire vocational groups were drafted as soldiers to fight against England. War creates completely different and far worse conditions for a nation to manage their finances than when there is peace, order and harmony in a society, where people are engaged in the peacefully building of society's wealth. The soldiers would eventually be paid in kind (food and other supplies) when banknote money became unavailable. Obtaining payment in kind at all proved difficult as the situation became increasingly tenuous for many farmers and citizens due to the ravages of the war. Eventually, even payment in kind was offered as a loan which the state was to be repaid for at an uncertain time in the future. So much for the historical facts.

In this situation, populist forces among federalists fueled the rumor that the monetary chaos (inflation) was the blame of all fourteen parallel banknote currencies, not just continentals. And this is where we enter the bankers' third stage of their secret seven-stage plan to reintroduce the capitalist/central bank economic system in America. No in-depth, unprejudiced, constitutional-logically competent analysis of the overall picture was carried out. Instead, sloppy and fact-distorting populism reigned.

Analysis of the third stage of the bankers' secret plan

The rumors spread that all fourteen concurrent banknote currencies were the reason for the rising inflation. No organized attempt was made to objectively analyze the situation. Thus it was not clear that continentals, being "non-fiat money," involved an entirely different economic system than the other thirteen pound-currencies (which *were* fiat money). The rumor-mongers painted all fourteen currencies with the same brush. Here the public was tricked into believing that inflation was fairly evenly distributed among the fourteen currencies, while it lacked the expertise to understand the huge difference between the two currency systems in use: continentals and pounds. One can say that the rumor mongers - the faction in the Revolutionary Council which would come to be known as the "federalists" - engaged in a form of psychological warfare, which was to create confusion, diminish confidence in the local currency, and ultimately undermine what was local colonial policy. The federalists advocated that political and legislative powers, including the sensitive issue of money production, should be transferred to the superior (i.e., federal) agencies, which for reasons of expertise should not engage in practical, banknote production themselves. Had not the inflationary misery amply demonstrated that the state should invest its energy in what the state was good at (it was the state's main task to politically organize and govern society), not to manufacture money? The latter should, instead, so reasoned the federalist faction, be entrusted to specialized private operators who had expertise in this field, i.e., bankers.

Success of the rumor-mongers

The rumor-mongers propagated the story that it was failure on the part of both the colonial government as well as the Revolutionary Council (first and second Continental Congress) to properly manage the manufacturing and distribution of the banknotes that had caused inflation. Thus no distinction was made between the continentals and local currencies - they carelessly called them the same thing, that is, "Unfinanced banknotes".

Historical documentation also shows that on this matter these psychological manipulators were by no means ashamed to throw populist arguments and carelessly distorted facts around when they argued politically. I repeat: it was only the thirteen pound-currencies that were pretend notes, and which were fiat money in the sense of legal tender backed only by "confidence", and "unfinanced" in the sense of having no gold backing. Benjamin Franklin's economic experiments in the colonies (which in turn were based on Henry I's tally system) during the 27 "good years" had with a vengeance shown that this kind of money, i.e., the monetarily financed economy, not only works, but is superior to a system based on gold. Continentals belonged to the inferior system because they were backed by real value in that gold was promised to the people. This currency was in practice based on the gold standard, and was thus "a financed security", although the propagandists (the Federalists) did not want to admit it. They justified their opinion with the argument that because no gold existed in the state's coffers, but only a promise, then also continentals counted as an "unfinanced currency".

It is certainly possible to discuss whether or not "a promise" confers the right to classify a currency as "financed". However, I believe that the right not only exists, but that it is obligatory. As I think most will agree, a promise is always just that - a promise, and is therefore not something that can be ignored. e.g. in financial records, or in terms of definitions of this kind. A promise must be "accounted for", and for that reason continentals must be considered to have been a "financed currency" backed by gold. Anything else would constitute a distortion of reality.

The most prominent federalist and "capitalist"-oriented politician in the both economically and politically momentous events we have touched on when the new nation, the United States, was created, was the lawyer Alexander Hamilton, who, as mentioned, appeared on the political scene around the year 1781. A review of history shows that Hamilton was among those who did not live up to the revolutionary ideals. On the contrary, he betrayed them on several occasions, as we shall see, which may seem strange considering that he had participated as an officer in the War of Independence for the revolution's cause. One part of the betrayal was Hamilton's participation in the capitalist faction, which in 1791 was responsible for breaking the 1774 promise of gold to the public for the redemption of the continentals. It was a dramatic deception of the American people. But we should not get ahead of ourselves. I will return to the betrayal involved in breaking this government promise in connection with the analysis of the sixth stage of the bankers' secret plan, which sought to reintroduce the capitalist/central bank economic system in America.

Chapter 5 (73)

Analysis of the fourth stage of bankers' secret plan

Already around 1774, the Revolutionary Council's capitalist faction began to *propagate* the idea that the colonies should organize themselves into *a federation* (the United States). This idea began with a careful formulation which over the years grew increasingly more intense. Then, when the worsening inflation (which, as I said, mainly affected the continentals-currency) became a fact, the calls for a federation grew louder. It was suggested that a federation would solve the colonial economic problems that had became increasingly apparent from the second half of the 1770's until 1781 (when continentals were abolished). Furthermore, said the faction (known as the "federalists"), that the solution to future inflationary problems, which it blamed on all fourteen "unfinanced" (1088) currencies, was to provide a new "*financed*", that is, gold-backed, currency. Had not reality clearly demonstrated that "unfinanced" currencies were completely unacceptable? The federalists argued that this was obviously so. But they lumped all the currencies together in the category "unfinanced currencies", incorrectly including continentals, the real cause of the inflation, in this group. Therefore, they made a big issue of immediately introducing a new currency, which from the outset was backed by real gold, not just the promise of such.

The Bank of North America

As mentioned earlier, the capitalist faction argued that speculation in these "financed" notes could be avoided. The propaganda proved effective, as did lobbying activities and corruption efforts, for in May 1781 the federalist faction succeeded in pushing through a decision in the then Continental Congress, that a newly formed private bank under state supervision (with a government overseer, a government-appointed bank manager), should be given the responsibility of producing and issuing financed banknotes in the form of certificates of deposit (debentures/debt notes/promissory notes), i.e., in accordance with the concept of private banking. The Bank was named "The President, Directors, and Company of the Bank of North America" - better known as the Bank of North America. This can be said to have been the new nation's first central bank, and it came into operation in January 1782. (The central bank role was then taken over by The First Bank of the United States in 1791). The turbulence of the times is reflected to some extent in the many name changes the former colonial governing body went through during this period; from May 1781 the Continental Congress was called the Federal Congress.

The Bank of North America was a fraud

The new gold-backed currency was not the success that the federalists had predicted: Their approach with the so-called financed notes was carelessly handled, and the truth - that the notes as usual in the banking context were at most only 20 percent "gold financed" (but not with the bank's own gold (1089)) - was swept under the rug. No, not even 20 percent, as the state-appointed supervisor, the bank's director, did not shy away from "creative accounting" by the de facto creation of a fake deposits (1090), which were used to "conjure up" additional financed bills (a detailed analysis of the fake deposit follows later in this chapter). Although the Federalists did a great public relations job with respect to the financed banknotes, i.e., that they were backed by gold, both the federalists and their front man, the bank director, lied fervently when it came to this subject. More than 80 percent of the issued banknotes were in fact unfinanced, and the less than 20 percent of the gold backing that actually did exist had been borrowed from France and the Netherlands. The bank's director had even contributed with his own private fortune. If we analyze how these "financed" notes were of benefit to society, we see that it was done in the usual traditional private-bank manner, i.e., the capitalist/central bank economic system pattern: lending at interest, preceded by deposit embezzlement, perfect counterfeiting (1091) and forgery - all the while maintaining an appearance that everything was in order (1092).

A highly intelligently designed fraud

This repugnant finding, revealed by a retrospective analysis, is thus that the federalists, led by Alexander Hamilton, organized three serious offenses using America's first central bank as a cover. That they went ahead with it was due to the fact that the fraud was very intelligently calculated (1093), and that there were no sufficiently insightful opponents who could reveal the scam. Not even the most prominent mathematicians had figured out the matter. It is only today that the fraud has been exposed in its full extent, and this is done with the help of modern constitutional logic. Added to is the federalists' deliberate deepening of the fledgling state's (Federal Congress') national debt, by taking out a large loan in gold and silver coins from the above-mentioned bank. This loan was taken in the name of the congress – all for the benefit of the hidden banking powers. Had they instead opted to apply Benjamin Franklin's economic system, these criminal activities, and even the national debt (which was already just over $ 42 million to start with, as a result of the outstanding gold debt to the people for continentals), would have been completely unnecessary. With Benjamin Franklin's economic system, society would quickly have found its feet, and one can assume that an extraordinary wealth could have been created. But this was not to be. Instead, the federalists gained ground. With the advent of the new bank and a new currency - the fourth stage of the bankers' plan - a purely capitalist/central bank economic system - replaced the failed continentals-currency. This was exactly as the bankers had planned. Over time, this capitalist/central bank economic system would come to have completely free rein, as we know. These historical details are hardly mentioned, if at all, in American history books. Therefore, it is impossible for the American generations of today to understand what really happened.

It might be interesting to ask what could possibly have been uncovered concerning the 1780's fraud? I believe that, at the very least, the forgery could have been exposed if the legal system had been alert and on the people's side. But it wasn't. As regards the other frauds (the embezzlement and “perfect” counterfeiting), this is more questionable. Mathematics, including constitutional logic, had probably gone on to reveal these, but no attempt in that direction was ever made, because no constitutional logicians were called on to investigate the matter. Not even Benjamin Franklin managed to see through the deception. Furthermore, Franklin was even persuaded to buy shares (stock) in the capitalist bank, in support of the cause, and in recognition of the federalists and the bank.

A looming recession was inching forward

In 1784, permission was given for a further two private banks - The Bank of New York and The Bank of Massachusetts (1094) - which also worked according to established private banking principles, i.e., on the basis of the public's deposits, and/or deposits borrowed from other banks or from abroad, to lend out self-manufactured money by means of deposit embezzlement, perfect counterfeiting and forgery. And so it came to be that several private banks issued banknote money (certificates of deposit) of varying character during this time, with the result that there was no uniform currency. Meanwhile, the total amount of banknotes which the above-mentioned private banks lent out in no way covered the huge US and foreign banknote requirements. For this reason, a severe recession gradually worsened in the years that followed, and led among other things to a remarkable popular uprising in Massachusetts in 1786.

The federalists skillfully executed psychological propaganda

At the risk of being repetitive, allow me to emphasize this very important point: The former revolutionaries, now citizens in the new nation of the United States, longed and hoped for the prosperity that had prevailed in the colonies during Benjamin Franklin's era of "the good years" through much of the first half of the 1700's - the prosperity which had by now changed beyond recognition, into its opposite. The faction of the nation's governing body called the Federalists argued that the best prescription for achieving the prosperity everyone longed for, was to organize society in a supranational, federalist, direction. Did not the miserable currency situation (inflation) show in no uncertain terms that Benjamin Franklin's economic system (monetarily financed economy), which the local currencies were based on, was a much worse alternative than federalism, based on a capitalist economic system, i.e., on a loan system?

The federalists played down the continentals-currency's role in inflation, and exaggerated the inflationary role of the local currencies. They said that it was best if the important banknote money was "financed" (with gold), and that a private operator with particular money management competence - a central bank - should be given responsibility for this money. Did not the problems with inflationary currencies demonstrate in black and white that "the public", i.e., the colonial governments and the Federal Congress, was unfit to handle matters concerning the nation's money? Better to leave the matter in the hands of professionals, a bank - under controlled conditions, of course (here the bank's director comes into the picture). In addition, the federalists argued that the serious speculation which was associated with continentals could be avoided if a private operator and manufacturer was given the mandate to deal with American banknote money, since speculation would not be in the interest of such a private operator. Speculation would drive down the value of the currency concerned, which would strike back at the private operator. The federalists furthermore argued that the colonial governments lacked the important overview of the big picture as well as resources that such a supranational body would have. Therefore, society should be organized federally. Superficially considered, as is often the case with a populist message, the federalists' proposals sounded quite reasonable in many respects. But an in-depth analysis was missing. Such an analysis would have revealed that the federalists' primary intention was to reintroduce the capitalist/central bank economic system in America, and that their proposed economic system contained various criminal elements: deception, outright lies and "conjuring tricks". In the early 1780's the federalists had not yet begun to propagate the idea that an even larger bank should be established (such a bank was introduced in 1791), one that was designed to cope with the entire

American banknote production, in accordance with capitalist/central bank economic system principles. More about how that happened later.

Capitalism reintroduced through the back door

As a constitutional logician, it is interesting to note how deceptively and cunningly the bankers proceeded when they introduced capitalism into America for a second time – this time through the back door, so to speak (through their political front men). The plan was not marketed or implemented brashly in any way, but it all happened little by little, so that the people would this time have plenty of time to get used to the concept of the loan economy. Benjamin Franklin's economic system - which of course was the exact opposite, i.e., anti-capitalist - was patiently allowed to work in parallel in the thirteen former colonies for quite a few years.. These colonies, which after 1789 became US states, were formally permitted to produce their own banknote money (local currencies), but at the same time were effectively prevented from practicing the monetarily financed Franklin economy by a prohibition on the use of the local currencies. In this way, the federal government tried for over a decade (1781-1793), to some extent, to avoid offending those of its critics who still saw the revolution's triggering cause - power over their own money production - as a major matter of contention. In principle, it generously allowed the thirteen states to manufacture as much unfinanced money (fiat money, as in Franklin's system) as they pleased, while simultaneously forbidding them to use that money, arguing that there was a superior (federal) justification for tightening the money supply (in 1095): the hard-won experiences with inflation. The local currencies therefore came to be marked by futility. It was not until 1793 that the federalists finally extinguished the last smoldering residues of the Franklin economy by also banning the manufacture of unfinanced banknotes in all thirteen states. Thus the federalists worked patiently over an extended period to gradually convince the public that the right thing was to eliminate fiat money (the local currencies) from the economy, which, as mentioned, was realized in 1793 without any appreciable popular protest. But there were also people who felt cheated, because they realized that the revolution had completely failed in its main intention: securing the people's right to control America's money manufacturing machines.

Eliminating fiat money

The goal of the federalists was to completely eliminate the principle of "financed banknotes" as legal tender from the economy, and replace them with gold-backed (financed) notes. The federalists made the case that the public could at any time could go to a bank and redeem their notes for gold or silver, and were thus guaranteed that their banknotes had a fair value. All funded, i.e., value-backed banknotes would be brought out into the community as *loans at interest*. The four rules (methods) of money-disbursement that were applied in Benjamin Franklin's system (1096) would not be used. One need not be particularly insightful to understand that the federalist proposals would have the consequence that society in time would be up to their ears in debt, and therefore *dependent* on the lenders, the private bankers. And the amounts were not small. The entire American requirement for banknote money was involved. Is this not exactly what time has proved to be true? For what is today's US government debt of more than 17 trillion dollars, if not debt dependence? Although it was almost too obvious that the federalists advocated a restoration of the capitalist/central bank economic system, i.e., precisely what the people with one voice had resisted when they revolted in 1773, the federalist loan system won the support of the Federal Congress - which must be considered strange.

The capitalist system in the budding America - an example

When the prospective states were to pay wages to, e.g., teachers and law enforcement, or pay for school buildings and various educational materials, or resources for the police, there were two possibilities: As a first measure, they could either *levy taxes* on the population, and then pay for the necessary expenses, or the state could borrow the necessary money (basically financed banknotes) at interest from private banks (thus building the state's "national debt"), and subsequently repay this national debt plus interest with *tax revenues*. In both cases, the necessary expenditure was paid for with taxes. If the second option was used, there were, in addition to taxes, also *interest expenses* (which would eventually contribute to a money shortage in the society, creating the need for more taxes and the borrowing of more money). And is this not precisely the way economy in general works in all capitalist societies? Realize then that society's needs in practice are so great that taxation alone is not nearly enough to pay for what is needed, which is why *bank loans at interest* (state and municipal debt) come to represent a *very large part* of the overall state and local economy. The interest, in turn, increases both the borrowing requirement and the debt, creating a vicious circle.

The US debt situation on January 29, 2016

As most Americans are familiar with, it is not only the USA that carries an enormous national debt. Most of America's 50 states are now indebted *to the hilt*. For example, California (the most indebted state) alone is in debt to just over 456 billion dollars on March 31, 2017. On January 29, 2016, the U.S. national debt exceeded $19 trillion, more than America's annual economic output as measured by Gross Domestic Product (GDP). "That's capitalism," - as the chorus goes in a Swedish song. Probably no one at the end of the 1700's, not even the most ardent advocates of capitalism (the federalists) could have predicted these astonishing consequences of the reintroduction of the capitalist/central bank economic system in America. But for mathematicians, with insight into the formation of Ponzi schemes, there is nothing astonishing about it at all. Instead, today's debt situation is a natural progression of a mathematically impossible situation, induced by an *imperfect economic system* (1097). It would be interesting to know if Benjamin Franklin or some other far-sighted politicians ever pointed out to the Federal Congress the mathematical impossible situation that is intrinsically built into the capitalist loan system.

I recommend that the next great American investigation looks into this matter. The Federal Congress secretary should, in a case as above, have noted such a startling observation in this context. The logical absurdity in this case would have been simple enough to substantiate logically. What is built into the capitalist/central bank economic system is precisely what the covert capitalists and their hired populists had intended to make their big money on, namely loans at interest, and taxes. All one had to do was to lure the people into accepting the system. This was achieved.

Federalists – bluffs and lies

The bankers' front men, i.e. the populists and federalists, naturally avoided admitting that it is perfectly possible to issue unfinanced banknotes, i.e., fiat money as legal tender, without creating inflation, and without the necessity of taxing the people or putting them in debt. Both King Henry I's tally systems and Benjamin Franklin similar systems clearly prove this. These systems demonstrated that the state alone can produce more than enough of the money that the community needs – enough to fulfill the needs of the public, and for the state's own needs as well, i.e., for the state budget. What populists also did not disclose in this context, when America was facing its fateful choice of economic system, is that the capitalist/central bank economic system, in which financed notes are distributed out into the community through loans at interest, had actually already been tried and tested in England for decades, with dismal performance - certainly not for the banks, but for the people. There, the system had performed as it should, and led to a money shortage, due to the system's inbuilt mathematically impossibly. This had contributed to several major recessions.

When money is distributed into the community as loans at interest only the repayments financed. That means that no money has been created with which to pay the interest. A mathematically impossible situation arises. The only way to finance such a situation is to build a Ponzi scheme. New loans at interest are taken time and again to fund principal and interest on previous loans.

The financed money was only partly financed

It is now revealed, after some 230 years, that not even 20 percent of the money the federalists in the 1780's claimed had backing was in fact financed. More than 80 percent was backed by nothing more than “fresh air”, i.e., bluff. The money was instead "perfectly counterfeited" (1098).

In addition, the *state*-appointed bank director for America's first central bank, the Bank of North America (1099), used yet another ingenious method in the art of making money. A method which, incidentally, central banks around the world still use today: The lending out, through "creative accounting", of money, allegedly one's own, under the false impression that the money is derived from an underlying reserve (1100). Back in the 1780's, as we remember, the newly formed private Bank of North America, partly acquired its backing of gold through foreign loans from the Netherlands and France. For these loans, the Bank was naturally obliged to issue certificates of indebtedness, as recognition that the bank was in debt. That debt certificate constituted a negative entry (a deficit, symbolized as -1) in the bank's bookkeeping.

Highly intelligent conjuring

Since the bank director was, as mentioned, both a devious and a "creative" gentleman, he now simply made some *copies* of the certificates of indebtedness for his own use. At this juncture the banking system's first nonsense-arithmetic rule came in handy for the bank director: -1 = +1 (1101). In one fell swoop the bank manager transformed these unpaid promissory notes, i.e., the ledger's negative entry (deficit), into an *asset* of the bank. Instantaneously, a fortune had emerged out of nowhere simply by changing a minus sign in the accounting books to a plus sign (in accordance with the nonsense-arithmetic rule, -1 = +1). This conjuring, this "Magic Trick" turned "a liability" (a financial obligation, or item of expenditure) into "an asset". The bank transformed copies of its outstanding indebtedness (which can be seen as unpaid "bills" from the lender) into assets, and "enriched" itself in this way. Thus, the bank had access not only to the gold and silver coins borrowed from the Netherlands and France but also, ostensibly, to that value *once again*, as the bank manager (through "creative accounting") falsely asserted the gold and silver was part of the bank's own hidden fortune. The bank manager now used this “bluff-money” (this value) corresponding to the debt to the Netherlands and France as if it was a deposit in the bank. And as we well know by now, the deposits in the banking context exist primarily to enrich the bankers (1102). This was no exception. As we also know, when it comes to "normal bank deposits", only the first 80 percent is embezzled, and then used in the additional fractional banking process and finally in the lending process (business conventions require that 20 percent of normal deposits are kept in readiness for withdrawal by the depositor).

Regarding the bank director's faked deposits with the debt notes, this situation was different: no depositors would appear, and the bank director knew that. Therefore, he was free to use 100 percent of the deposit that the debt note copies had been converted into, and by multiplying it several times (the counterfeiting step), what had now become the five times the original debt note value (1 + 4) amount was ultimately to be lent out as loan money owned by the bank (forgery). With the Freemasons' three nonsense-arithmetic rules and leverage mathematics (1104) as a model, the banker had thus multiplied (1103) *the entire* debt certificate deposit, so that it was five times the original size. He allowed the manufacture of banknote money in the form of certificates of deposit (bonds/debt notes/promissory notes) with the bank's own emblem, corresponding to the entire expanded value (1 + 4), intended for lending the out to society. (Whether this banknote money, in addition to the certificates of deposit, had an official name, is unclear. Only in 1792 would the US Congress through The Coinage Act of 1792 (1105) define the "dollar" as the official name of the US currency.)

The foundation (1/5 = 20 percent) of the money that the bank falsely loaned out as their own property in the example, was thus a deposit that did not really exist at all. The rest of the money lending (4/5) was based on the multiplication of this non-existing deposit. Finally, it can be stated that the money which was lent out as "financed", i.e., as if it were backed by the lending bank's own gold reserves, was by no means financed, because the bank had no own gold at all regarding this non-existing deposit (sham deposit). The gold and silver that the bank managed was not their own, but a borrowed deposit that covered at most 20 percent of the allegedly financed notes. It should also be noted that part of that deposit of gold and silver was utilized for purposes other than as a foundation for banknote production, including loaning it out to the Federal Congress, thus not as bill money, but as gold and silver coins. This was in order to bring money into American society, which suffered a great shortage of money of all kinds, including gold and silver coins, because of the decision to tighten the money supply – which in turn had triggered a severe recession. The bank's alleged funding was therefore largely pure bluff.

Monetization of notes

Undeniably, many advanced frauds were revealed here at the same time! Amidst all the deception, the bank manager and the secret Masonic doctrine must be given their due: This was without doubt an intelligent scheme. Now one should not believe that the figurehead in this context, the bank manager, in any way acknowledged anything fraudulent, neither in regard to the transformation of the actual liability to an asset, -1 = + 1. In fact, this magic trick would come to be euphemistically called the "monetization of debt securities". Yes, the trick would even develop into *a method*, as one of the banker's closest allies, Federalist Alexander Hamilton, with gusto came to use as finance minister in 1791. More about that later.

The art of subtly manipulating a society

I would like to draw attention to *the skill* with which the crime was developed, and which today has evolved into so-called high-level crime involving elements of the modern American state (We in Sweden and over 100 other nations have the same problem today with parts of our state apparatus regarding this intelligently developed high-level crime (1106)).

In the Federal Congress, where the seed of high-level crime would later germinate and grow into a well-developed organization, the federalists (the capitalist agitators) of course operated under the guise of being obedient to the law, and maintained that they, like the Benjamin Franklin faction, in all ways stood on the side of the people. To imply anything else would have been unthinkable. The foundation was, after all, a revolution that would have been dangerous to challenge so shortly after hostilities had ceased. And yet the federalists accomplished the feat of deceiving the American people, as we shall see. One of the smaller scams that was pulled off along the way down this line of intelligent frauds deserves a brief mention, was the trick assigning a *state* bank director.

The concept of the bank run

If we play with the idea that people on a large scale for some reason, had rushed to the Bank of North America with the new (borrowed) money in hand and asked to exchange banknote money for gold, they would have discovered that not even 20 percent of the new banknote money in circulation in the community had gold backing (it would inevitably have been revealed that the majority of these were unfinanced), despite the fact that both the bankers and the federalists argued to the contrary. The fraud would then have been at least partially uncovered. But such a bank run never happened, at least not on any large scale, but perhaps locally in individual states as many more private banks were gradually established, having the same deficiencies with respect to the "privately-owned lending capital", that the above-mentioned first US central banks were encumbered with. Yes, the rate at which banks were established was increasing at this time, and American society developed into a veritable "Wild East" (these events were localized around the eastern seaboard), in a similar way to how events unfolded in England in the 1800's, as described, where bankers arrogantly began to play with capital adequacy ratios close to zero (they used the big levers (1107), when loan money was irresponsibly created out of thin air, lacking gold and silver backing). Many lies came to dominate the course of events during this turbulent time, when the United States first saw the light of dawn, not least politically.

A long series of lies

Federal Congress lied to their employers, the people, straight to their face on several key points - among others, when the troublesome inflation was partly blamed on the unfinanced local currencies. And the state-appointed bank manager lied shamelessly to his loan customers, also straight to their face, when he claimed the money they borrowed was financed. Much falsehood and swindling was involved when the capitalist/central bank economic system was surreptitiously reintroduced in America.

A digression - Two important dates: 1965 and 1971

Allow me to digress here and mention that in 1965 (The Coinage Act of 1965) the US Congress declared US coins and banknote money to be legal tender (thus also including US dollar banknotes made by the *private* central bank the Federal Reserve Bank).

[US Federal Reserve in Washington, D.C. Eccles Building October 20, 1937]

A somewhat odd description, it might seem. One might think that it obvious that a country's medium of payment is legal. But perhaps it is not so odd, if one understands that it concerns a half-measure. Most of all, the bankers behind the US central bank wanted to achieve the impossible, namely to create a law that would give them what they craved most: a statutory initial ownership of the colossal amounts of new banknote money they continuously produce. But as the reader knows by now (if you have read the trilogy's Part I and II), this remains an unattainable dream for the establishment, as the preparatory work required to craft such a law would unavoidably reveal much that is, to say the least, inconvenient for the bankers: how it has worked in the past. Therefore, the bankers agreed to settle for the next best thing: *legal tender*. It sounds almost like *privately owned*, but not quite.

A few years later, in 1971, the US government, through President Nixon, eliminated the gold backing of the USA's currency the US dollar (in practice the gold standard concerned notes and coins). With this, the US dollar became *unfinanced*, i.e., the currency became fiat money in its narrow sense - money backed only by confidence - with the status of legal tender. (To be *genuine fiat money* also requires that the money ownership is defined, e.g. that it is owned by the State) (1108). The act of removing the gold standard was motivated by, among other things, the fact that inflation had declined. Nixon was even applauded for the action. In fact, the measure is a step in the context of neo-liberal capitalist objectives: Binding a currency to a value, such as gold, limits the amount of money that can created and lent out. If the currency is kept free of value backing, *vastly more money* can in principle be created and lent out. It's not difficult to figure out who a move like this favors. The result was that after the removal of a number of other regulations the Congressional decisions that followed after 1971, lending exploded - and with it, of course, that which is "the other side of the coin" - debt in American society. It would evolve into the deep crisis we see today – the crisis which was gradually built up until the Lehman Brothers crash in 2008.

Regarding the above-mentioned banker's specialty: "creative accounting", I show in chapters 62-66 of Part II in even more depth how the matter unfolds logically. I repeat: If the money that banks lend out is not claimed to be "their own", the money (bank notes, electronic money, coins, etc.) can not legally be lent out, for the simple reason that only something that one owns can be lent out and demanded returned. Something that is not one's own property can only be *conveyed*, for example by barter. Today a *gigantic* forgery is ongoing in America because the entire banking system, spearheaded by the Federal Reserve System, is devoted heart and soul to *lending out* and *demanding the return of* money (with interest) that they do not own. In terms of the harmful effects these banking crimes have caused, both private and public, the banks criminality is more than serious. I am absolutely convinced that historically large lawsuits will now be directed at the banking system in general, not least in the US, including the central bank, the Federal Reserve System.

The 1700's - Twenty years with two systems

From the previous digression, we now jump back to the end of the 1700's. At that time, two diametrically opposed economic systems operated in parallel for almost 20 years in America.

One can conclude that the federalist faction in the Federal Congress withheld from the American people and the honest politicians in the Congress, the fact that they were agents of a hidden power that operated behind the scenes - the Freemasons. With three very odd nonsense-arithmetic rules and sly leverage mathematics taken from an obscure secret doctrine, they guided the design of the business, when America's first central bank, the Bank of North America, was formed. Here nonsense was made to appear to be common sense, when this bank according to capitalist principles was given power to produce and lend out the new nation's new banknote money.

The federalists kept a low profile for a long time, from the time the in-practice gold-funded continentals-currency was discontinued in the early 1780's, and was replaced by a new financed currency (Bank of North America banknote money), which should have been called debt notes, debentures, credit notes, promissory notes and possibly other names, until 1791. They did not dare to tackle the individual colonial governments when it came to the core revolutionary issue: each colony's right to autonomy regarding their own banknote production, in accordance with Benjamin Franklin's financial system. This matter concerned unfinanced banknote money (fiat money) as legal tender, which was distributed in the community according to Franklin's four rules (methods). Even after the former colonies had become states, and the Federal Congress with a President at the head had been established (1789), the federalists still refrained from prohibiting the individual colonial governments from manufacturing their own printing money. The consequence was that for almost 20 years, two completely different economic systems operated side-by-side. One had, one might say, a *humane* orientation, and built on Benjamin Franklin's idea of welfare and opportunity for all. The other system can only be described as a *human-hostile construction*, as it inevitably leads to social downturns, exclusion of businesses and individuals, expropriations, poverty for large swathes of the population, and at worst social uprising and revolt.

The historical facts show that 1793 was the year when the federalists had fully completed the reintroduction of the capitalist/central bank economic system in America, and that this system has since led to a whole string of recessions of varying severity, which overall has hit the American people and businesses hard. Some recessions have been terribly destructive, such as the severe depression in the 1930s. Even America's current recession, in the wake of the Lehman Brothers crash of 2008, is unusually deep. But that is not all. The reason that many people took the plunge and emigrated to America during the 1700's and especially the 1800's, and dared to invest in a new life, was especially the fact that they knew the promised land was big enough for the hope of one's own piece of land for self-sufficiency could be fulfilled (1109). In most cases the promise was kept, which resulted in many people becoming owners of their own land and thus self-supporting. But soon it would be seen that there was a fly in the ointment: private banks began by the principle of lending at interest, and by extension through recessions, to seize everything of value, even the land that was people's livelihoods.

Fundamental rights and the banks

The fundamental rights of the people could not be repealed by the bankers, but with the help of the fine print paragraph in the borrower's certificate of debt and the country's bankruptcy laws, private banks have systematically enforced a total of several million foreclosures and expropriations since the 1750's. One should be aware that the reason that this has been possible, are the many deliberately induced recessions.

A President sums it up

America's 20th President James Garfield expressed over 100 years later:

> *"Whoever 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."(1111)*

During the depression of the 1930's, for example, the number of foreclosures and expropriations became so great that it became obvious even to otherwise thick-skinned politicians, that the whole thing had gone too far, when banks could ruthlessly deprive people of their small farms, homes and possessions, and cause people to face disaster, for the only reason that they could not repay their loans as agreed, or could meet the banks' demands, when the fine print in their promissory note was triggered. Often the banks refused their customers both a payment rescheduling and a further loan, such that the borrower was caught in a trap, where a clause in the promissory note forced them from their farm because the loan constituted a pledge. What the politicians neither before nor since have told the American public is that the money these banks lent out then, as now, was *counterfeit* money (1112). Therefore, all those *millions* of foreclosures and expropriations, conducted since the 1750's, are legally invalid - something that I believe will lead to extensive litigation. The ownership of several million small farms and homes has been illegally transferred to the banks in the manner described above. The banks then often sold their loot, these parcels and estates, to speculators who were waiting in the wings, with stuffed wallets, for the right time to pounce and make a killing - for example in connection with hastily and sloppily conducted public auctions or where banks sold their pledges directly at cost price or even lower. Take note that these speculative buyers in time became the owners of more and more land and property in the United States at the common man's expense. The banks have thus often acted as intermediaries between the victim and the speculators in the events associated with recessions. Anyone who wants to fully to understand the banks' actions, must take the time to read the entire trilogy. I expose a number of illusions that must be understood in order to grasp how cunningly the bankers have cheated people for centuries. As an American, you should also know that it has been part of the capitalist/central bank economic system strategy to fool the public into believing that capitalism stands for something good, that the system is inherently progressive, and that the system's proponents want the best for their fellow man...that anyone with right attitude can realize *the American dream* - which, as we know, for most Americans is and remains just a dream. You should also know that all this heartache and unhappiness can be corrected, and that correction is in fact relatively simple, in the sense that it does not require extensive resources. However, it requires an understanding of the problem itself, which is what this text aims to help with (1113).

Some words to the Europeans

In this context would here like to take the opportunity to address a few words to the people of Europe (1114): The capitalist/central bank economic system exploits economic and social crises (recessions of varying magnitude) as a kind of general tool in order to achieve its goals, i.e., to gain power over individuals, businesses, even entire nations, and seize the vast material wealth. This all takes place within the framework of a both hidden and hard socio-economic dictatorship which is difficult to discern, as it is very cleverly supported by a wall-to-wall illusion of political democracy (1115).

To achieve the full effect of the economic and social crises, the capitalist/central bank economic system allows preceding periods where the opposite happens. Prior to the crises, booms lull society and the general public into an often unwarranted optimism and confidence with the help of generous, often abundant, access to capital (it is easy to get loans because banks deliberately open their monetary flood-gates). This is ultimately a deliberately orchestrated scheme designed to put borrowers *in debt*. For it is by putting them in debt, i.e., by providing loans, that capitalism baits its hooks (1116) and prepares for the recession that logically must follow because less money has been released into society than what must be paid back on principal and interest (1117). When they are certain that the “catch” will be bountiful, which the banks' blood-red accounting figures at the end of the boom seem to indicate, it is time to haul in the booty that is crammed into the nets: that part of the public and the business community which has been lured into debt traps, and who for various reasons can not perform their obligations to the banks.

It is now that the banks "classify their catch" i.e., determine which "murder weapons", which “daggers” will be the most appropriate to use: A part of the catch will almost die by itself. Here the first dagger is sufficient: the normal “*voluntary*” bankruptcies which often occur spontaneously. In other cases, the "fish" are more tenacious. This requires that the banks resort to the second, more brutal, dagger - the fine print clause which is the basis for the *involuntary* bankruptcies. And sometimes it happens that the catch is so strong-willed and unyielding that for order to be restored in the accounting books, the whole society must feel the "dagger of power": *The bank bailout* (1118).

The capitalist/central bank economic system is thus all about "putting into debt", which is best achieved in a society where money is scarce. Therefore, a lack of money in society is the capitalist system's main advantage. Creating debt is most efficiently accomplished by lending money at interest - the main tool of the capitalist/central bank economic system. Lending money at interest not only generates revenue in the form of interest rates, the interest tool also automatically exacerbates the money shortage, which means that more money needs to be borrowed ...and so on.

Capitalism, as we know, possesses a collection of highly efficient, i.e., income-enhancing, tools in its "toolbox": the cyclical fluctuations induced through manipulation, where banks experience their finest moments (its "booms") at the same time as society suffers the most, i.e., their worst recessions. That's when three of the five daggers assist the bankers, capitalism's choreographers, in “making a killing”. As we know, many of the 27 European Union countries today, in 2017, face particularly severe *economic and social crises*. Greece, Cyprus, Spain, Portugal, Italy, Ireland, Iceland, Estonia, Latvia and Lithuania have been hit particularly hard, but the crisis has been felt in Hungary, France and Britain as well. During the current crisis, since 2008, all the countries mentioned have become more or less brutally acquainted with at least some of capitalism's five daggers, which together constitute what I call the illusion of the five daggers.

European federalists in the framework of the European Union (EU)

And now I come to the point I wish to draw attention to: Today we see the appearance of a faction in Europe that could be called the *European federalists*. Many parallels can be drawn to the America federalists of the 1700's, with the difference that about 230 years separates them. Much that the European federalists say today, was said by the American federalists already in the 1700's. In this context, it may then be advantageous to understand the values that animated the American federalists, so that the people of Europe can avoid *the traps that the people of America inadvertently walked into*. Today, the European federalists advocate, as America did, a *supranational* Europe. It proposes a "European congress with a President at the head". The European Federalists assert that by centralizing into a supranational body the essential elements of financial, legal and political empowerment that the individual member countries currently possess, one can come to terms with Europe's economic problems. Then coordinated decisions that will benefit the whole Union can be more easily implemented - in the noblest democratic spirit, of course. Then we will be able to solve today's difficult problems, and these will not be repeated - so goes the rhetoric

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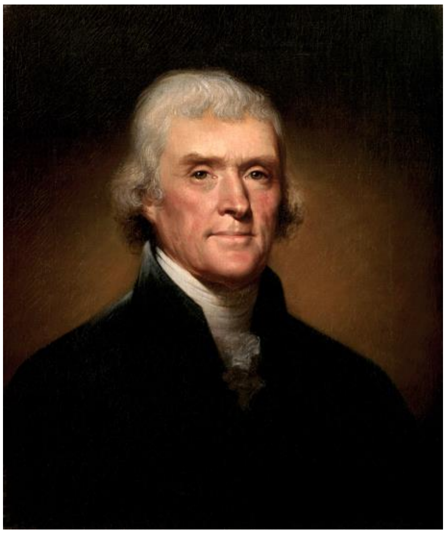
A supranational body will obviously have more resources and be more competent, with an overview across all 27 EU member countries, which is much more than can be achieved by the individual countries. These arguments all sound very rational.

The coin has another side

It should be noted that the proposed scheme also involves a *dismantling of democracy* in Europe, identical to the one that took place in America in the 1700's with the advent of the Federation. The American colonies/states lost their sovereignty in many areas, for example with regard to their own money production, their own legislation in many respects, and with regard to implementing independent welfare policies. Step by step, their self-determination was eroded, as was the welfare of many, and power was centralized in the President-led US Congress.

For those who have visited the United States, the world's most resource-rich country, it is obvious that the Federation in one important aspect is a momentous failure. There are few countries where greater inequality is to be found, at least financially speaking, than in the United States. Looking from all the way back around the Declaration of Independence in 1776, when Thomas Jefferson wrote his famous words "All men are created equal (worthy)", it is obvious that this goal was not attained, even though some 240 years have passed.



[Thomas Jefferson]

Now the term "the equal value of all men" is in no way emphasized in the text of the US Constitution, except in the context of being "equal before the law". How this is to be interpreted can certainly be argued, but it could not in any way have been the colonial revolutionaries, or "The Founding Fathers (1119)" intention in 1787, when the US Constitution was adopted, to create a nation where welfare distribution looks the way it does in the United States today. Instead, the people of the newly formed United States had "the good years" in the colonies (during the first half of the 1700's under Benjamin Franklin's economic leadership) in sufficiently recent memory. They also remembered the opposite that followed - which sparked off the revolution - for it would be the words of Thomas Jefferson and Benjamin Franklin's model of society - with prosperity for *all* - which were the *public's* clear and only guiding principles and hopes, when the Federation was formed in 1787. Then, the general public, we can now state, was hoodwinked by some of its most influential and trusted revolutionary leaders. We see the result of this today.

Not even close

Although it has been well over 200 years ago since the American federal agency, Congress, was created, United States is *today not even in the vicinity of the relatively equitable economic prosperity that prevailed in the colonies during the good years*. There was an absence of unemployment, plenty of money for everyone, and people lived in relative harmony with each other because everyone did well, each in their own way. The problems that existed can not be compared to the economic problems of the people of the US today.

Immigrants who arrived in the promised land, America, were taken care of and integrated quickly into society, whereupon they became self-sufficient in their own professions. These people were free to choose their livelihood themselves because they from the outset had ample access to money to fund both the one thing and the other. The catchwords were freedom and respect for one's fellow human beings.

If we continue to look at America, we see that the American middle class and large parts of the working class actually experienced a brief renaissance period of the boom years in the 1950's and 60's, with well-being and welfare of a high standard in the wake of the economic recovery following World War II. But the joy was short-lived. After the 60's, times have again worsened significantly, and today we witness at least the US working class becoming tightly controlled and politically weakened, compared with after the war. Trade unions are resented today in the United States, wages are kept low and surveillance in the workplace is common. Many must have several jobs simultaneously to make ends meet. In short, many live under increasingly precarious circumstances, which of course is of particular concern if there is a family to support.

Neoliberalism vs. the capitalist/central bank economic system in Sweden

The same trend is clearly discernible even in Europe. My own country Sweden has been spared the worst of capitalist manifestations, relatively speaking, yet the quality of Swedish welfare has been severely eroded compared to the early 1960's. Given America's apparent politico-economic shortcomings as a federally organized nation - *despite the fact that this model has had more than 200 years to achieve welfare for its citizens* - it is extremely odd that today's European federal state zealots view the US as a model worth emulating. They say: If we do what was done in America, i.e., strengthen the centralization of European power at the expense of the member states, with a Congress and President at the head, everything will work out fine. Today's problems will be solved.

I have already mentioned how today's European Union, composed of relatively independent nation-states is turning into a federalist Europe (1120). I also mentioned that I would return to the cause of this. It is mainly the use of the American pioneering example I intended to (see Chapter 5 of Part I) highlight for reflection - which has now been done. To create and join a federation is a significant step to take. When it comes to independent nations like Sweden renouncing their sovereignty in many important political and economic aspects, including independent welfare policy, defense and foreign policy, a new constitution would probably make it impossible or very difficult to undo this step. Here, caution should be the watchword, so nothing rash is done. One should see today's federalist/capitalist United States as a *warning*, not a worthy example to follow, if for example, it is a humane welfare state that is the goal. I think the question that should be asked is whether Europe is truly mature enough to warrant taking the giant step that the federalists advocate be taken in the near future to create a United States of Europe (1121). Is the time right, based on the knowledge that this trilogy conveys about the political body's ethical, moral and altruistic level of development? One can not expect that federal policy makers, who give are given the responsibility of operating in Brussels, would somehow be substantially different from those who currently work in Washington, D.C.

If a true European (and American) welfare society is to be created, an *unselfish* and well-developed *humane and altruistic view of life* must be the driving force that animates policy

- and we are not yet there, as this trilogy clearly testifies to. Therefore, one should proceed with caution on the issue of centralizing power - something which can be downright dangerous. Just over 200 years of development in the United States illustrates in black and white that the federalist idea has been a dismal failure. It was premature. The idea itself is excellent, if people were ethically-morally developed with regard to unselfishness, if they worked toward the same goal - but they do not. The United States is now back at square one, it could be said, when it comes to public welfare. US society of today can well be compared with society during the difficult years from the mid 1700's up to the revolution.

Starting over

This text recommends that the American people start from scratch, and rid themselves of the capitalist/central bank economic system. Capitalism can be regarded as a system that can never satisfy everyone's well-being, only the well-being of the few. By starting anew, I mean embracing, in principle, the model of society that Benjamin Franklin operated in Pennsylvania in the years 1723-1750 within the framework of Franklin's specific economic system (a well-functioning monetarily financed humane economy). With one difference. The difference is that the system should undergo major modernization, for which I cite several concrete proposals in Part III of the trilogy as to how this can be done. And what America should do, Europe should of course also do: disengage from the capitalist/central bank economic system.

Chapter 6 (74)

Analysis of the fifth step of the bankers' secret plan

Article 1, Section 8 of the US Constitution

We will now return to America in the summer of 1787, when the two main political camps – the federalists and the anti-federalists – in the people's representative assembly, which came to be called the Constitutional Convention, laboriously drafted the US Constitution, which took place in Philadelphia. The liberated states were by now joined in a confederation, but not yet in a federation with a common constitution. At the time, around fourteen years had passed since the revolution had been triggered, and the thirteen state governments still enjoyed the right to fully control production of their state's own local fiat currency (money backed only by confidence, not gold as legal tender), largely according to Benjamin Franklin's economic model (1122). But, as we know, they were in practice not allowed to use this money in exchange for goods and services, because of the federal monetary tightening policy. Federal Congress had not dared challenge the thirteen states on self-determination when it came to their own banknote production, the enactment of laws, taxation of the people or the regulation trade. So it was a strange decision that was adopted by the Constitutional Convention on September 17, 1787, when the US Constitution was finally signed by the delegates. Much was at stake, but the signing was above all a delicate issue because there was still a strong popular revolutionary opinion to take into account regarding the right to control their own currency printing equipment.

Oddly enough, one might think, the people's representatives in the Convention, at least some of them, were not guided by the same lingering revolutionary spirit, because the Constitution on this day won approval. With the signing, the Convention approved the Constitutional Congress as the USA's supranational body, led by a President. The touchy subject of approval of the Constitution included, among other things, important Congressional powers (Article 1, Section 8), when it came to the entire nations money production, taxation of the people, and the national debt (Treasury). The fact was that when the revolution was set off in 1773, all the thirteen colonies had, without asking for (England's) permission, returned to producing their own (1123) paper money (which was unfinanced fiat money), as they had done during the good years, before the despised English currency laws of 1751 and 1764 had been imposed. By this measure, taxation of people to finance the colonies "state budget" again became unnecessary, and no loans that caused a “national debt" were needed. The prominent persons listed in American history books as the authors of the famed and powerful US Constitution, did an excellent job - with the exception of, from the people's point of view, Article 1, Section 8. With respect to this important constitutional clause, the federalists and their capitalist bosses behind the scenes succeeded in formulating a text that catered to their interests.

Article 1, section 8 – presenting us with a riddle

If one examines how Article 1, Section 8 is worded, it can be said that we are facing something rather ambiguous and difficult to interpret. It is almost like being presented with a riddle, where the meaning of the words has to be figured out. Article 1, Section 8 was *not clearly formulated* concerning congressional power, and one has to wonder why. To understand this, I believe that the spirit of the times, the atmosphere, and the psychological mood that prevailed at the time has to be taken into account.

Since the mid-1770's, the federalists, who were capitalism's front men, had persistently railed against the "unfinanced notes", claiming that these, as well as the states' own local currencies, were a blight on America. Moreover, they gave the impression that the US government, still in its infancy, was not mature enough to responsibly handle the task of managing the national economy, and especially not for the production of the new nationwide currency. No, the Federalists argued stubbornly, when it came to economics and money production, Congress should hire skilled professionals, i.e., a knowledgeable intermediary. One of these was soon to offer its services: the private banking system. And as we know, *psychological influence* and *propaganda* can be very effective. My guess is that the federalists' actions provoked the spreading of a mood of apathy and lack of self-confidence among the members of the Constitutional Convention (who worked, often at loggerheads with each other, to find agreement throughout the summer of 1787, from May to September,).

The federalists, led by the influential Alexander Hamilton, thus argued that the nation's new money should absolutely be "financed", that is, backed by gold, and that the most skilled player in the area of monetary policy, the private banking system, could usefully be engaged (of course, with the state as the dominant background figure), an argument that Hamilton then came to perpetuate, as we shall see later. The federalists (Hamilton) did not manage to enforce their will at this stage, when the US Constitution that Article 1, Section 8 is a part of, was created. They had to make do with only partial success in their intent, in that they managed to get the text of the article as drafted, to contain four "loopholes" which the hidden power that Hamilton was a lackey for, could then exploit. Could it be that the blame for the critical paragraph being formulated as it was, can be placed on the Hamilton faction's psychological influence, and on the fact that the delegates were keen to reach a result after the long summer?

The four loopholes can be seen as four door-openers

Thankfully, one must say, my skill as a constitutional logician allows me, when I analyze the wording of Article 1, Section 8, a little to my own surprise, to see that the four loopholes can also very well be interpreted in the opposite direction, namely, as four "door-openers" that in this respect will benefit the *state*, the extension of the people. I will soon explain what I mean. Precisely this reverse interpretation option makes it possible to correct the systemic error that Article 1, Section 8 contains, seen from the people's point of view, without the need to involve any complicated administrative machinery. For the system error is actually the ultimate cause of the catastrophic situation that afflicts so many people in the US today. I personally can not free myself from the thought that Providence had a hand in the game when Article 1, Section 8 was formulated. Could it have been that someone or some intelligent representatives of the people intentionally created formulations that not only could be used in one direction, but also in the opposite, as a door opener? That someone with influence saw where it all was heading and refused to sacrifice their revolutionary ideals, and with the people's best interests at heart, through this clever enigmatic way gave their contribution to the wording? More about these loopholes/door openers later.

Congress September 17, 1787 - the speech that should have been

One must understand that, despite all the psychological manipulation and fatigue, it was extraordinary that Article 1, Section 8 came to be formulated so contradictory to revolutionary ideals, to the revolution's primary cause: that the control of money should be a *matter for the people*, not private bankers. The speech that should have been held in *the spirit of the revolution* on September 17, 1787, when delegates gathered to write the new US Constitution, was never held. A speech which in that case would have been approximately as follows:

> *We the politicians of the United States are elected by the American people. We are servants of the people. It is our first duty and obligation to loyally follow the will of our people, which they, with their lives at stake, have expressed first by the Revolution, then subsequently by the costly, in terms of lives lost, War of Independence against our former - but not longer – superior nation, England. However, we have no obligation to listen to the voice of capitalism, that is, the banking power that forced on us the laws of 1751 and 1764, which caused our people such severe hardships: debt, recession, unemployment, the decimation of our community resources, expropriations and poverty. The American people have, through the Revolution's primordial force, spoken with one voice about what it wants: that our nation's money - all the money - should be made by the people themselves through their representative government, which shall be the sole* ***owner*** *of that money and the machines that manufacture it. No one - I repeat, no one - shall make or take our money. Private operators, such as bankers and owners of financial institutions, have no role in this process or in this matter, but only the people, represented by the state. Behind the war we have recently endured, lay a hidden and cynical banking power, much of which had its roots in Europe; a power that has brutally and without humane consideration exploited us by bringing our country and our people into debt through loans at interest, by levying taxes on our people, and by forcing us into unemployment and poverty for its own selfish reasons: for its own profit and perverse enjoyment's sake. But we said, with one voice: No!*
>
> *Gentlemen! (*The congress consisted only of men in 1787.*) We have the confidence of, and thereby a responsibility towards, our electorate. For them, the laws of 1751 and 1764 were objectionable. Therefore it is our duty to continue to stand up against our former masters and their allies, the bankers, when this power's first weapon, the sword, is now no longer sufficient, but the power still cunningly attempts to ensnare us with the same laws through their other weapon - indebtedness. We must under no circumstances humiliate ourselves again, no longer allow the foisting upon us of interest*

rates, debt, other people's money, or, ultimately, taxes. I repeat: The reality in our economic golden years between 1723-1750, as well as during the first years of the Revolution 1773-1775, has shown us that the state, without the assistance of the bankers, can produce all the money we need to live a good life, without us needing to take a single loan. That is why all taxation of the people, except the little that may be temporarily required along the way to keep inflation in check, is completely unnecessary. Gentlemen, I ask you to sensitively consider the will of the people now as you approve this constitution, in which our people's destiny lies. Consider once again that it is the will ***of the people*** *that should guide us.*

Alexander Hamilton said...

Instead, another speech on this question was held by the prospective Secretary of the Treasury, Alexander Hamilton, who among other things said the following:

"To emit an unfunded paper as the sign of value ought not to continue a formal part of the Constitution, nor ever hereafter to be employed; being, in its nature, with repugnant abuses and liable to be made the engine of imposition and fraud. " *(1124)*

As you see, Hamilton's speech was in essence very different from the speech one can assume that a true revolutionary would have held on this fateful occasion, just a short while before the decisive signing would take place on September 17th 1787. Hamilton nevertheless managed to gain the support of the Constitutional Convention's politicians to go against the revolutionary cause and approve the anti-revolutionary wording in the text of the Constitution - with four extremely precarious loopholes that regulate the pivotal control over US money production, i.e., questions that are critical for society. In order to answer how this came about, I repeat for the sake of clarity the precise controversial wording of Article 1, Section 8 in the order it is written, as there has been so much discussion afterwards:

Article 1 - The Legislative Branch, Section 8 - Powers of Congress

The Congress Shall have Power … To lay and collect Taxes [...] to pay the Debts and Provide for the common [...] general Welfare of the United States … To borrow money on the credit of the United States...To coin Money, Regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures

The third betrayal of the people

In time, a third betrayal of the Revolution and the American people asserted itself. The *first betrayal* was the insidious introduction in 1774 of the continentals-currency banknotes, which were linked to a promise of "repayment in gold". This caused the then "state", the first Continental Congress, to end up in a totally unnecessary debt situation, i.e., a “pretend” situation which was transformed into a “social truth” using psychological indoctrination (brainwashing). The result was that the “state” was deceptively lured into accommodating a capitalist/central bank economic system. Gold promises to the people thus brought with them a completely unnecessary debt. The *second betrayal* was when the Continental Congress/Federal Congress in 1782, within the framework of the private The Bank of North America, "America's first central bank", under the pretext that the measure was necessary to counter the then severe inflation, replaced the continentals with a type of banknote money that was gold backed and thus was "financed", according to capitalist principles i.e., where the money was to be brought out into the community as loans, according to the well-tried pattern: deposit embezzlement (1125), perfect counterfeiting (1126) and forgery. The *third betrayal* lies in the fact that Congress and the American Presidents - so far, 43 of the total of 44 -have chosen to do the bidding of the banking powers, i.e., allowed this power to, for its own benefit, freely make use of the four loopholes (see below) in the Constitutional text's Article 1, Section 8. Only one, I say *one* President - Abraham Lincoln - had the courage and foresight to try to curtail the bankers' capitalist plans by turning things around and exploiting the loopholes/door-openers for the benefit of the people. Let us now consider these four loopholes/door-openers in turn:

The first loophole / door-opener

In the preamble to the text of Section 8 we read: "*The Congress Shall have Power ...".* Here we can see that the Constitutional text is *vague and general* in its formulation concerning congressional *power* (regarding what the subsequent clauses stipulate, e.g., money creation). It is thus not indicated to which *degree* the power of Congress shall apply, whether it has all power, or only a part of the power. This ambiguity indirectly makes room for *another operator* than the Congress to share power, which is *the first loophole*, but also, let it be noted, *the first door-opener*. And, as we know, the private banking powers in the US have not been slow to take advantage of this loophole in the constitution. So much for the loophole.

The vagueness of the wording can also be seen as a door-opener, as is understood when it is clearly seen that the formulation, precisely because of its vagueness, it can be said, also gives *the US government* full scope to *on the people's behalf*, take control of *all* money creation (including banknotes, coins, electronic money and all other payment forms) in America! Nothing in the formulation of the subsection formally prevents this. It's just the decision that is missing. The notion that this case concerns *taking control* is based on the fact that currently 99.99999 percent of America's money creation lies in the hands of the private banking system. That is to say 99.99999 percent is the *degree* to which the private banking industry today exploits the formulation's vagueness - the first loophole in Article 1, Section 8 of the Constitution's text. This is an astonishing proportion when one thinks about it! And it must be said that it is by no means due to generosity on the bankers' part that Congress (the people) has been allowed to keep control of *one-hundred-thousandth of one percent* of the US money production, i.e., coin production. No, you can be confident that if the capitalists could, they would also have seized even this tiny percentage. But that was not possible, for in that case Congress would have had no power at all, which the text of the Constitution stipulates that it should have. But 99.99999 percent must still be considered a fairly satisfactory result from the banker's point of view.

It should also be noted that if the people were to collectively decide on this matter by a national referendum in which they were clearly, simply and thoroughly briefed on this matter, the bankers' 99,99999 percent share of the nation's money creation could be transformed to 0 percent (zero). This would change what so far has been the private bankers' loophole, into the people's door-opener. Naturally, it is *the American people* who ultimately will determine *the degree* to which Congressional power over the nation's money creation is to be exercised, not the bankers. Due to the bankers' influence, under the cover of political lobbying aimed at Congress' politicians, Congress has, decade after decade, like obedient puppets, constantly kept the four loopholes active instead of using the four door-openers. All that is required, and I emphasize this, is the *people's* decision, while simultaneously informing both the people and the Congress, with the US president at the head, of the existence of the four door-openers, and how to use them.

The four door-openers - a delicate but crucial matter

Precisely this, activating the four door-openers and demonstrating their use is the American bankers' worst nightmare, because their whole well-organized and well-financed political lobbying apparatus - which they have invested so much money and energy in for hundreds of years – will collapse like a house of cards in a single moment. Similarly, their entire lending-at-interest operation in America will also collapse. This will lead to a catastrophic loss for the banking system as nation after nation follows suit after seeing the extraordinary wealth emerging suddenly, effortlessly, and without cost in America as a consequence of the activation of the four door-openers in the US Constitution. That is how powerful this matter is. Therefore, honorable American people, these four door-openers are, to say the least, a delicate but crucial matter of the greatest importance, both for you and for the banking power in your country - but in different ways. Therefore, everyone, including your President, should now be informed.

My recommendation is that the American people carry out a referendum after having been informed – one could say *educated* - about how crucial and momentous this issue is. In this way, full control (100 percent) of the nation's money production would be given to Congress, led by the President. *No amendment of the Constitution is necessary.* An amendment would be a complicated process, but the existing wording is sufficient if it is given a specific interpretation which fully meets the people's, not the bankers' needs. Should the American people happen to conclude that the text of the Constitution should be clarified or reformulated, then this is obviously the people's business. However, there is no urgency for such a change, since the current text, as I show, is good enough to achieve all the desired changes, if all the above-mentioned four door-openers are utilized. The intention is primarily that the people *for their own benefit* decide on the societally crucial issue **I**, i.e., that the people should have the power over both the US money creation process as well as America's money in all its forms.

The four door-openers – why a referendum?

A clarification would be appropriate here: It is the people in full force, not Congress, who should vote. Historical records verify that for more than 220 years, the US Congress has been manipulated (bribed and corrupted) to the detriment of the people. This should not be allowed to happen again. That is why I explicitly turn to *the entire American people*, the nation's President, the Congress, the individual State Congresses and the Governors involved. If I were to only address the political elite, there would be an imminent risk that the American people again would be disregarded and manipulated by another betrayal.

Other loopholes/door-openers

The other loopholes/door-openers relate to the wording concerning the power of Congress to establish and collect *taxes* to pay the nation's debts and welfare. The section is formulated in sweeping terms, as the Congress (the state) is given this power *as an opportunity*. Nothing is said about the power to tax in any way being obligatory - something that opens up for the state to *desist* from collecting taxes, if it so wishes, which is what I mean by the *second door-opener*. This is important in the context this text. Therefore, I repeat: *There are no mandatory provisions in the Constitution that stipulate the US government must levy taxes*. This is a fact which is thus constitutionally regulated. The state may at any time, if it so chooses, stop taxing the people.

The fact that the government currently imposes taxation is an important part of *the third betrayal* of the American people, because levying this tax is completely unnecessary. That this is *a loophole*, a gap, in the text of the Constitution, can be seen in that the text's wording leaves room for the private banking powers to indirectly enrich themselves in several ways by manipulating the US government to levy taxes on the people.

Why the people and businesses are taxed

Had the loophole not existed, it would have been impossible for the bankers' manipulation to be implemented. The banking powers have a great interest in taxing the people. One such interest is a *societal shortage* of money, which is the foundation of the capitalist/central bank economic system. The lack of money maintains a general need to borrow money, and this deficiency can be accentuated by taxing the people. People simply have less money to spend when it is taxed, and at the same time they have less time to spend on their families or independent critical thinking in order to try to understand their own nation's and state's actions. Furthermore, it is a huge boon for those pulling the strings behind the scenes to be able to constantly refer to taxes as only allowing for very limited useful community investments, which is why in many cases direct, extensive dismantling of welfare takes place, and the public must borrow to meet their needs. And finally, taxation provides the bankers with, as we know, an outstanding financial reserve to assist them when their records show excessive bright red figures that show up when the booms are turned into recessions. For then, various "bailouts" come into the picture, both to save banks and entire nations. These cost of the bailouts are of course ultimately borne by the taxpayer. My recommendation is that the major investigations which I advocate, are initiated as soon as possible to investigate in depth the ways in which the banking system has benefited, and will benefit, from taxation. There is a connection between the bankers' systematic bribery and corruption of politicians in America since 1774, and the application of a completely unnecessary taxation system.

The IRS can be dismantled in a few hours

The second loophole in the Constitution can be blocked in the same way as the first, i.e., by the American people, via a referendum, itself making use of the loophole in reverse order, i.e., as a second door-opener, and deciding that taxes are not needed. The vague constitutional clause allows for that. By introducing a new but already proven, socio-economic system in America, the today so-powerful IRS can be scrapped altogether in the space of only a few hours!

The third loophole/door-opener

The third loophole/door-opener concerns the wording that states the Congress shall have the power to borrow money on behalf of the United States, i.e., to plunge the nation into debt (national debt). Also here there is uncertainty as to *what degree* (extent) this power shall be applicable, and whether *other parties* can share this power. As with the second loophole/door-opener, it is by no means imperative that Congress put the nation in debt, i.e., borrow money, but only that this *option* exists. Here we thus make the acquaintance of a *third loophole* for the bankers, or if you like, a *third door-opener for the people*.

Let us look a little closer at this third loophole: The entire paragraph of the Constitutional text "*The Congress Shall have Power ... To borrow Money on the credit of the United States"* - is in itself a loophole (a hole in the law) in the sense that it allows for the Congress (the state as well as the covert hidden power) to put the nation into totally unnecessary debt. And like any debt, this primarily benefits the *lenders*, who in terms of US government debt are in reality private operators in various guises, such as large private banks, institutional investors, foreign pension funds, foreign government investment funds etc. - what is commonly known as the institutional investors. Government debt, however, is ultimately to the direct detriment of *the people*, because it is the people who must pay off both the debts loans' capital components and interest with their taxes. Private bankers and other private stakeholders could theoretically manipulate Congress (and the President) in the direction of increasing national debt (with reference to, and use of, the above constitutional clause). A review of history reveals that this is how the bankers have proceeded. By using lobbying to influence Congress and the incumbent President, the US has to an *astonishing* extent been manipulated into debt (of course, at interest) by private bankers and lenders. This is in reality both unnecessary and unjust (since the loans are ultimately based on forgery). The US national debt formally amounts to, as repeatedly mentioned, more than 20 trillion dollars today, a sum that can barely be comprehended.

As to the third door opener: Nothing in the constitution says that the United States is forced to incur debt. It may very well choose an alternative way of acquiring money, if the *American people* should so decide. The constitution provides for such a decision. It could be done, for example, by the people deciding that the state itself should make its *own money* to an extent that includes *all the nation's money*: banknotes, electronic money, coins and other forms of payment that may be relevant. This could be done by the people, based on the current constitution, deciding to introduce another socio-economic system than the current one. With their own manufactured money the state could then repay all its liabilities, if any, and be free of debt almost immediately (which takes the time it takes to transfer the debt to the money lenders' accounts). It is important to understand that it is not at all necessity for the US be in debt. The Massachusetts leadership, and later Benjamin Franklin made it abundantly clear during the colonial "good years" that the state can easily make all the money it needs.

The fourth loophole/door-opener

This concerns the critical formulation "*The Congress Shall have Power ... To coin Money ..."* As with the rest of the wording in Article 1, Section 8, it is in the phrase *"To coin money"* that a betrayal and a loophole is built in, in that the expression uses imprecise wording, i.e., it is an unclear definition. First it should be stated that as far as I have been able to ascertain, the expression *"to coin money"* in the 1700's related to the production of money *in the general sense*, not only to coins. Whether or not the wording *"to coin money"* in this Constitutional clause has become the literal, official reason for the US government today in 2017 only producing coins, I will leave unsaid, but the state's minor role in today's US money production is a fact. Nothing is said in the paragraph's wording as to whether *"to coin money"* refers to the *all* kinds of money in the nation, or only to *some* kinds of money, and if so, which kinds. Neither does it explicitly exclude the possibility that operators other than the Congress can produce money. This lack of clarity gives the bankers the opportunity to exploit a fourth loophole - but it also gives the people a fourth door-opener, as we shall see.

The fourth loophole: It should be remembered that the US Constitution legally weighs far heavier than subordinate non-constitutional laws which originated later, such as the Federal Reserve Act, which only has the status of being one of America's *banking* laws. The Federal Reserve Act, which Congress voted through in 1913 under coup-like circumstances (I will return to this later (1127)), stipulates that the privately controlled US Federal Reserve System (FED), in splendid isolation, i.e., as a monopoly, shall be responsible for the production of America's (and the world's) need for US banknote money (US dollars). The fact that this vote could take place is because the US Constitution's Article 1, Section 8 allows for it. That is the loophole.

The Constitutional Convention created a constitution in 1787 which so vague that the text in some crucial aspects contains gaps, including this fourth loophole. Many private players in the money creation industry, first and foremost the privately owned central bank, have since been able to avail themselves of this loophole at the people's expense. We know that at least the 12 American central banks, well over 1,000 commercial banks and a long line of credit institutions, such as VISA, MasterCard, American Express, Dinners Club, etc., are today actively engaged in the manufacturing of money.

US Supreme Court

So far, the US Supreme Court has not dared to protest against this remarkable fact, or dared to tackle the above-described four loopholes which appear to be crystal clear for a constitutional logician. I suspect that Albert Einstein and Kurt Gödel (1128), both of whom were constitutional logicians of the highest caliber, recognized these four loopholes – and the four door-openers. The vote in 1913 was itself yet another in a long line of betrayals of the people, as the people then completely relinquished their control over banknote production.

The verb “to coin”

The 1700's meaning of the verb *“to coin”* needs to be related to the production of money in a much broader sense. Because the current clause sequence is so vaguely worded *“The Congress Shall have Power .. To coin Money ... “.* it unmistakably gives Congress (implicitly with the President at the helm) room for, and power to, “coin” or “mint”, i.e., make, *money in a very broad sense*, both in terms of type and degree, including a total *monopolization* of all of America's money, not just coins, if *the people* should so decide. This means that the American people very well could, preferably through a national referendum, decide that the Congress (the State) alone shall make and account for *all the nation's money*, without involving any private operators, i.e., both the banknote money and the electronic money that is so common nowadays - money in all forms. This would also apply to fiat money in its true meaning, where the initial legal ownership definition applies to legal tender that is made “out of thin air”. 1700's meaning of the verb *“to coin”* (*“to mint”*) should relate to the production of money in a very broad sense. The Federal Reserve Act is in no way comparable with the Constitution in importance, which means that if the people decided on the matter with reference to the Constitution, they could *repeal* the Federal Reserve Act, thereby giving way to a new order. Or by extension, perhaps even a new type of "New World Order", one characterized by equal rights and opportunities for all, prosperity and democracy. A genuinely humane, high-culture society could emerge. If the constitutional formulation instead had been: *"The Congress shall have power to mint coins only,"* it would have been a different situation. But it was not. The first (“*The Congress Shall have Power ...”*) and fourth door opener (“*To coin Money”*) complement each other.

Let us conduct a thought experiment: Based on what the Constitution allows for, a combination of the above four *door-openers* can create a situation where the American people decide that Congress (the state) will manufacture *all* US money, coins, bills and electronic money, without involving a third party, such as a private central bank. Given that the state itself then produces all the money it (society) needs in the form of authentic Fiat Money (1129) - i.e., fulfills the need for "lubricant" in the social machinery - for all the purposes of the state budget, to pay for the national debt etc, the need for taxation and state loans ceases immediately. For it goes without saying, that if the state itself makes all the money it needs "out of thin air", then there is no need to take out loans or levy taxes.

If then, all the people's individual needs, when it comes to money, are met by the state – with no speculative interests allowed – and inflation-prevention measures are built in, then what we have is...the kind of economy that Benjamin Franklin devised: *a well-functioning, humane, monetarily financed economy*. If attempts at counterfeiting should emerge, as is thinkable, the matter can be vigorously nipped in the bud with the methods that I discussed earlier (1130). Today, police and intelligence services have completely different opportunities and resources than in the past, in terms of surveillance and opportunities to detect and counteract counterfeiting and economic warfare. In addition, the community will be able to engage constitutional logicians, who have highly intelligent strategies for social protection, and can contribute to controlling criminal elements.

Summary

The US Constitution, Article 1, Section 8, with its four door-openers, provides clear and unambiguous room for the people of America to choose at any time - without the constitution having to be changed - to move to the kind of thriving economy that Benjamin Franklin once applied in colonial American society in the 1700's, i.e., *a humane, well-functioning monetarily financed economy*. In fact, Franklin's system can be modernized and made even better, a subject I discuss further in the trilogy's Part III. Then, without any effort, as a first appropriate action, America's colossal debt (now over 20 trillion dollars - that's 20 followed by 12 zeros), as well as the nation's huge budget deficit ($ 1.1 trillion) would be instantaneously eliminated. This is done by simply paying all creditors in one fell swoop.

Lincoln activated all four door-openers

It was this insight that President Abraham Lincoln acted on, so far the only president to do so, when he in 1862 took advantage of the Constitution's four door-openers and ordered that the US Treasury start manufacturing banknote money according to the fiat model (greenback dollars) to finance the Yankees in the civil war of 1862-1865, and other northern governmental state budget items, without any loans needing to be taken from private bankers. To be absolutely on the safe side, Lincoln, who was also a skillful and judicious lawyer, prepared a special law, the Legal Tender Act (1862), which legally made it clear that fiat money *made by the US* (notes and coins) was *legal tender*, and thus to be afforded *confidence*. One can assume that Lincoln realized that the bankers in their counter-offensive, when Lincoln arbitrarily decided that the State itself would make all the money the government needed (1131) instead of borrowing it, would try to trap him by making a big deal (not least in view of the relatively impressionable and gullible public) out of the fact that this government money was unfinanced, i.e., lacked gold backing (the gold standard). The idea was that since the state's money had "no value", the public would be scared away from Lincoln and his monetarily financed system. From this point of view, Lincoln's "legal tender" measure was cleverly contrived to boost confidence in his fiat currency.

There has historically been much discussion of Lincoln's actions - whether the Constitution really provided scope to allow something like the introduction of his greenback dollars. As a constitutional logician, it is my view that Lincoln acted entirely in accordance with the Constitution and its four door-openers, whereby his actions can not be challenged constitutionally. However, it also seems from my point of view that the measure to create the Legal Tender Act of 1862 was unnecessary, if one analytically considers that the text of the Constitution itself opened all the doors Lincoln needed. Lincoln could perhaps even, given his presidential power and in the extraordinary circumstances prevailing during the Civil War, have gone a step further with the assistance of the Constitution and the four door-openers, and taken the plunge to completely eliminate the bankers role as operators in terms of America's money creation. But he did not go this far. Perhaps such a move would have been met with understanding and acknowledgement by the people, especially if Lincoln had focused on the American Revolution's primary cause.

One should remember that the revolution was only 90 years distant, and still played a major role in the American consciousness. In any case, it is my opinion that Lincoln and his Congress stood on solid ground in their decision when they introduced the greenback dollar. Something which I now believe to be confirmed by my colleagues as well as the law. Seeing as these details of Lincoln's decision to activate the four door-openers is an explosive and delicate issue, I devote Chapter 80 of Part II later in this text to this subject so that the reader may more deeply understand why Lincoln acted as he did. Lincoln was subjected to extortionate interest rates by the bankers and ended up in a Catch-22 situation that he very intelligent solved.

Chapter 7 (75)

Analysis of the sixth step of the bankers' secret plan

The betrayal of the original gold promise of 1774

This chapter is concerned with the betrayal of the American people's confidence. This would soon (in 1789) come to be enacted by the Congressional politicians, and would affect everyone who still had continentals left in their possession. There is reason to believe that the bankers had carefully prepared this betrayal. It was decided, behind the back's of the people, to change the promise of gold that was made in 1774. The Congressional politicians who voted for this amendment replaced the promise of gold with a new promise: that continentals-holders would receive, in proportion to their holdings of continentals, *shares in a new national* (federal) *central bank*, which was to instituted as a replacement for the Bank of North America (1132). Note that President George Washington, at least indirectly, supported this amendment by not to using his veto. The objective of the new bank would be to manage the United States' important future banknote production and distribution, covering the entire nation's domestic and international needs. Its predecessor, the Bank of North America from 1781-82, was a relatively small-scale bank, which had been created in order to replace the then collapsed continentals-currency with a new type of banknote which would compensate for the tightening of the total money supply. This tightening had been imposed by limiting trade to being conducted with coins, as previously described.

A conjuring trick

Part of the plan was for the new, larger bank to be given the appearance of being *federal* in the sense of being an institution of the state, although it was constructed as an essentially *private* corporation, in which majority ownership was private (bankers or their front men, e.g., the previously mentioned continentals-speculators). Thus, the more continentals one had, the more shares in the new bank one would be given in return, was the message. It is clear that this approach primarily favored those who owned many continentals-notes, e.g., the hoarders that with an eye to making a profit, and perhaps with advance notice of what was to come (the secret plan's seven stages), had bought up large amounts of continentals at below cost price after various manipulations. Another group that benefited were wealthy Americans (they existed also), who could afford to buy up large amounts of continentals and so at the right moment lay their hands on shares (interests) in the big bank which was about to be formed. Ordinary people, who only owned a small amount of continentals, of course received shares without much value. No one was clearly informed that this was how the “gold-promise-turned-share-allocation-deception” was to play out.

The state's shareholder stake was a play to the gallery

As mentioned, the plan to construct of a new federal central bank embodied a betrayal which in fact was far more serious than the gold betrayal. The preliminary plans, as dictated by Alexander Hamilton, stated that the new bank would indeed be privately owned (shareholders would initially all be rich individuals, including largely European bankers), but that the bank would be considered an institution of the state, in that the state owned 20 percent of the share capital, and in that the bank to start with was to be "leased for 20 years," by the Congress. Wikipedia:

> *"... a central bank, chartered for a term of twenty years, by the United States Congress on February 25, 1791. "*

That the bank was given the appearance of being "government", was also reflected to a certain extent in the name given to the bank: *First [National] Bank of the United States.* It was America's first federal central bank, in terms of its capacity to supply the entire national and global demand for US banknote money (dollars).

What happened here stands in stark contrast to the basic revolutionary idea that it would be the American *people*, through its extension the state, which should have control over and manage the production of America's key (banknote) money, not private bankers, and certainly not any foreign power. The matter was also reflected in the strong opposition - led by Thomas Jefferson and James Madison - that Hamilton's bank proposal met with when it was put forward in conjunction with the first assembly of the US Congress in 1790. Jefferson and Madison believed that the bank was "unconstitutional "and did not serve the people. Wikipedia again:

> *"The Secretary of State Thomas Jefferson and James Madison suffered the opposition, which claimed that the bank was unconstitutional, and that it benefited merchants and investors at the expense of the majority of the population."* (1133)

Both opponents later became presidents, but by then it was already too late. At that time the US already seemed to be hopelessly entangled in the capitalist net.

This far more serious betrayal of the people than the broken gold promise (which is serious enough in itself), would subsequently be further deepened in that the promised 20 percent government influence (the state's ownership stake in the bank) was mere grandstanding – a play for the gallery. The state was namely forced further into debt to private creditors (national debt) in order to buy its 20 percent stake , with gold as payment, which is why the state's stake (and votes) in the new bank actually did not come to be owned by the state but by private bankers. In reality, the people (via Congress and the President) were completely *deprived of* influence in the new big bank, despite the appearance of the opposite being true. From the people's perspective, the bank fully belonged to anonymous private owners.

What the revolutionaries intended to prevent

During a subsequent investigation (around 1811), in connection with the expiration of the bank's banking license (authorization), it was found that the 72 percent of the bank was owned by *foreign investors*. Once again, "foreign domination" or power, in the form of European bankers, had managed to take control of American banknote production - this time through the "back door"! This was precisely what the public did not want to happen. The matter had been more direct the previous time, with the imposition of the hated English currency laws of 1751 and 1764 (The Currency Acts). Now it had been accomplished through treachery in their own ranks instead.

Many Presidents and Congresses succumbed to the bankers' power

In retrospect, it becomes clear that these events comprise a string of deceptions and lies perpetrated against the people. When Thomas Jefferson and James Madison later became president, it would appear that these former powerful opponents did not make use of the powerful options they had available to them: the four crucial "door-openers," that, as discussed previously (1135), are "embedded" in Article 1, Section 8 of the Constitution. Many more Presidents and their respective congresses have likewise chosen to neglect the four door-openers as a constitutional option to repair the socio-economic system, as seen from the people's point of view. Instead, they have consistently succumbed to the banking power, which continued to use the four loopholes, and even dramatically widened one of them in particular - the fourth - in 1913, a topic I will discuss later (1136). The record shows that only one of America's 44 presidents so far has chosen to make use of the four door-openers. Also this extraordinary slice of history will be dealt with later (1137).

It was thus with federal, populist propaganda, reinforced with direct lies and betrayal, that the US Congress in the years 1787-1789 - and later America's first President, George Washington, in 1791 - were deceived and came to approve the sixth stage of the bankers' secret plan to reinstate a capitalist/central bank economic system in America.

Manipulation with psychology

I wish in this context to emphasize that propagandist, populist, fact-distorting indoctrination is a very powerful psychological tool, if the intention is to influence people on a large or small scale. Manipulative psychological demagoguery is a common ploy used by dictators throughout almost the entire history of the world. It is partly to prevent more such repetitions – the importance of which I emphasize again and again in the trilogy - that *special psychological personality tests* (1138) should now be introduced. This would eliminate key people in society who otherwise would not hesitate to indoctrinate and/or corrupt their environment in order to achieve their selfish purposes. Instead, key positions in society's require people who are wise, yet also have a marked ability to *"think with the heart"*. History is full of elected political representatives that unfortunately can only be described as selfish deceivers, thoroughly corrupt with regard to their constituencies and who do not draw back from distorting or omitting vital facts so that societal lies are propagated in their often populist (1139), highly simplified, imprecise and subjective rhetoric. Such, to put it plainly, selfish fraudsters are not difficult to find. Their opposites are hard to find, however - the so-called great men and great politicians. Looking back, it can be established that inflamed populist rhetoric came to dominate American political life for an extended period in the late 1700's, basically from 1774 until the seventh and final stage of the bankers' secret plan had been executed in 1793. At this point their goal had been reached: the core of the laws of 1751 and 1764, the Currency Acts, had been reinstated in America. In that year (1793) all production of banknote money was outlawed in all states. After that, the populist rhetoric began to change character in a way that I will not go into because it is not relevant to the present discussion. Instead, I will show how

America's first Secretary of the Treasury, Alexander Hamilton, in the years 1787-1791, proceeded when he slyly implemented the sixth stage of his client's (the bankers) capitalist/central bank economic system plan.

Alexander Hamilton: a skilled manipulator and populist

Hamilton did not hesitate to use manipulative or populist tools when he duped the honorable members of Congress, such as US President George Washington. Hamilton focused namely on the really quite obvious fact - which for many had been obvious already in 1774 - that the US government would never be able to fulfill its promise to the American public – the redemption of continentals in gold.

Hamilton's wish: The reintroduction of the Currency Acts

In 1789, Hamilton suddenly emerged as Secretary of the Treasury in the Congress and made a case of precisely this fact: that it now (after at least fifteen years of contemplation!) had become clear that the US government was incapable of delivering on the gold promise. Retrospective calculations have estimated that the gold debt at this time would have been somewhere between $31.5 and $41 million, which in today's money would correspond to anywhere between $830 million and the $12.8 billion, depending on how the calculation is made. In his gambit, Hamilton proposed that Congress should vote to repeal the popular gold promise, and instead vote for a new promise: that people who held continentals could exchange them for a stake in the new central bank. This bank, as Hamilton had planned, was – formally – 20 percent state-owned, with the rest being privately owned. He suggested that Congress should "hire" (charter) the bank for 20 years, and that it should be entrusted with the great responsibility of producing and distributing all US banknote money required for financing, both domestically and abroad: *US dollars*.

The Congress had at that stage already a few years earlier (1787) demonstrated that it was a victim of "brainwashing" when it at that time had approved the controversial and vague article of the Constitution, Article 1, Section 8, concerning congressional power with respect to the nation's money production, whereby the bankers were given the first little foothold required for their subsequent, almost complete take-over of the US money manufacturing apparatus.

What Hamilton did not tell...

...was that he loyally followed the highly intelligent plan concerning what I in this text I call the societally crucial question **I**: *Who should control the money manufacturing apparatus in society?* He also did not tell that the purpose of this plan, prepared by the covert banking power, was to ensure that control (power) over banknote production in America fell into the hands of private operators (bankers). This would be accomplished by gradually depriving the thirteen states of their independent role as local banknote manufacturers, which they of course had resumed in 1773 in the spirit of the Revolution.

In stark contrast to Benjamin Franklin's financial system

Moreover, Hamilton's view was that both the US Congress and state congresses should begin *taxing* the people. This was partly to finance the national and state budgets, and partly to pay principal and interest on the national and state debts, as Hamilton's (capitalist/central bank economic) system unnecessarily, unfailingly and deliberately would entail. Another important fact was that money would be released into the community almost exclusively as loans at interest. Only relatively small sums, which were concerned with covert funding of bribes, corruption and the secret accounts of the intelligence community etc., would be disbursed, unencumbered by interest, in parallel with the loans-at-interest system (1140). This stands in stark contrast to Benjamin Franklin's financial system (1141), where the disbursement of funds into the community occurs under completely different principles, specifically in four particular ways (1142). Two very different economic systems are involved here. For those who had eyes to see, it was clear that Hamilton wanted to reintroduce the core principle of the 1764 Act Currency Act in America.

The Banks work to regain their lost stronghold

History shows that the bankers who had forged the seven-stage plan, and operated in secret, were domiciled in both America and Europe. Hamilton thus concealed, in the fundamentally revolutionary forum where he was active, that he did the bidding of a plutocracy, a banking power that worked covertly and assiduously to re-establish its recently lost dominion in America. An interesting aspect, which I recommend be done, if possible, would be an investigation of the development of Hamilton's personal finances over time. Did his finances change drastically during the years 1781-1795? Did he happen to suddenly become extremely wealthy as a “thank you” for the help he provided to the “spiders” (bankers at the highest level in Europe and America)? Hamilton's task was by no means an easy one.

How inflation was to be avoided

For the bankers to reach their goal, they needed to hoodwink both the Congress as well as the American President. As mentioned, Hamilton met criticism (from Jefferson and Madison) regarding his proposal, which quite clearly did not cater to the interests of the people - but to the interests of speculators and a small group of rich individuals – i.e., the interests of the capitalist/central bank economic system. Hamilton responded to the criticism by stating that the speculators and the wealthy men (i.e., the manipulative buyers of continentals) had shown: *"... faith in the country ..."* (Hamilton's own words (1143)), whereby they deserved some sort of compensation for all the hard work they had put in to come into possession of their assets (the continentals). Hamilton made it appear as though these speculators and wealthy individuals (who first and foremost were front men for some of the bankers' in America at that time), who had traveled around the country speculatively buying up continentals, had made *an effort* for the benefit of the nation, and should now be rewarded. Instead, the situation was rather that they, with their aggressive speculation, had emptied the country of continentals and thus seriously contributed to the inflation that followed due to overcompensation in the state's (and counterfeiter's) production of new notes. Speculation therefore came to seriously harm the nation. To consciously contribute to the undermining of a nation's economy has a feeling of treason about it. Hamilton's role in the whole affair should definitely be seen in this light (i.e., as a very serious crime).

Hamilton's argument

Hamilton argued before the President (George Washington) and Congress – which included his opponents - that it was important to accommodate the speculators and the wealthy men regarding the transformation of the continentals into shares. Otherwise, these moneyed individuals would come to buy up large amounts of America's new, future money with the great amount of gold that they and their sympathizers in Europe held, said Hamilton as an indirect threat. This would lead to the same situation that had caused the violent currency inflation that had recently been experienced with the continentals. It was wiser, said Hamilton, to cooperate with the private players (the speculators and the wealthy) than to distance oneself from them (1144). In effect, Hamilton had painted a gloomy picture, with a new threat of inflation if Congress and the President ignored his advice. The inflationary risks could of course easily have been avoided if society on a large scale had instead opted for a Benjamin Franklin-type economy with built-in anti-inflationary measures. Had there been access to knowledgeable constitutional-logical expertise, one who mastered the so-called "instrument of brilliance" (a step in proficiency that was to become a reality a half-century later), the attempts at sloppy, fact-distorting populism would have been anticipated and countered. Meanwhile, a ban on speculation would have hindered or completely incapacitated capitalist economic warfare. Such a ban on speculation would have had to be as compelling and powerful as possible to protect the nation from what actually constituted treason. So seriously had the greedy speculation of wealthy men inflicted damage on America. It was to some extent to appease his opponents and the skeptics that Hamilton made the case (incidentally, one of Hamilton's many lies) for 20 percent of the new "government" bank being owned by the state (Congress). But his main argument was still that if the speculators and the wealthy were permitted to split the remaining portion of the new bank's share capital (80 percent), then their possible future interest in wanting to sabotage America's new currency would be completely eliminated. For these people would then, *as shareholders* in the bank that had influence over the production and distribution of the nation's new currency, *have a vested interest in keeping the bank in safety*.

Here we can see that Hamilton's reasoning actually indirectly constituted recognition of the culpability of the speculators and wealthy men in the severe inflation which had gradually emerged with the continentals (recall that it was continentals that the speculators had bought up, while the thirteen pound-currencies had been left untouched). Hamilton's argument was thus in principle that a destructive and rightly-feared inflation of the upcoming new US currency (US Dollars) could be avoided, in part if the new currency was financed through immediate gold backing, and in part if the speculators and wealthy men were given a significant ownership interest. Hamilton suggested that they should get 80 percent, thus well over majority ownership, that is, power, in the new, nationally sensitive bank.

Another thing Hamilton did not tell

It should be noted that Hamilton withheld the fact that more than 80 percent of the new central bank bills lacked financing (gold backing). He also withheld the fact that the new bank's *modus operandi* was the old standard in the private banking context, i.e., it was built on embezzlement, counterfeiting and forgery. Hamilton was simply a polished, but deceitful banker front man, I would say.

The introduction of two types of bonds

Responsibility for breaking the promise of gold redemption in about 1789 ultimately rested on Congress. However, Hamilton bore a great personal responsibility as the one who initiated the breaking of the promise, which historically can be seen as a betrayal of the people. An important aspect of this story is that the Congressional decision (to break the promise) demanded the approval of the President, George Washington - something he refused to offer for as long as he could. More about that shortly.

In this context it should also be noted that the budding US at this time had already incurred a significant *national debt* - a debt that, if we jump two years ahead to 1791, consisted of these parts:

1) the lingering gold redemption debt to the people,
2) an additional debt in the form of outstanding loans at interest which the nation had incurred during the years 1782- 1791,
3) debt relating to the US Congress, and
4) debt relating to the thirteen state congresses (1145).

Continental gold debt stood at approximately $35.7 million in 1791 (compare this to a population of less than 4 million individuals in the first US census in August 1790, according to Wikipedia).
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Hamilton argued before Congress and President George Washington in 1791, that he saw another major benefit of his proposed solution to ownership of the new bank, namely that the already, by that time's standards, huge *government debt could be eliminated*. Hamilton argued that this could be done by using *two different types of government bonds*, of which one type is already utilized in capitalist/central bank economic systems (the then England) as "government bonds", while the other was a future invention, which Hamilton here introduced under the name *monetized government bonds* (1146). The normal government bonds would be used for the US Congress debt (which excluded the continentals gold debt) and would be paid for with taxes. The new invention, monetized government bonds, would be used to offset the continentals gold debt and the national debt of the thirteen states without the need for involving taxes. What Hamilton presented was nothing less than circus magic, and you will now see how this conjuring trick was done. First, a few general words about the usual (normal) type of government bonds.

For those looking for more detailed information, I refer to the integrated analysis of the term government securities/bonds/treasury bills carried out in other places (1147) in the trilogy.

“Normal” government bonds

The usual approach, when the US government wants to borrow money, i.e., increase its national debt, is to issue an order to the Treasury to print a special kind of "money" (a form of payment) called government bonds/treasury bills - in general called "government securities". These government securities serve as debt-note money - a kind of banknote money (notes) exchangeable for the money made out of “thin air” (dollars) which the state borrows from its central bank or other banks/institutional investors - which in turn "buy" the government securities (lend money to the government at interest). An analysis establishes that a form of barter is taking place here: the state gets the loan money that can be used for the state's budgeted expenditure, e.g., when tax revenues from the people are insufficient Meanwhile, the central bank receives government securities. At the same time the national debt increases. The securities that the central bank gets are *debt notes*.

The purpose of this standard type of bond/note is that the recipient (the central bank) will eventually be able to exchange them for *real money* from the state (taxes that the people have paid), in accordance with the debt notes' value, *plus interest* - a government bond rate - for the money (dollars) the bank delivered in exchange (and which are essentially based on “air”, as we know). Ultimately it is thus a pure barter: "scraps of paper for scraps of paper/electronic digits", "air for air", or, to embellish it a little, "paper money for paper money/electronic money" (government bonds for dollars/electronic dollars) - plus the promise of interest. So much for the general discussion of common (normal) government bonds. Normal government bonds/treasury bills are thus "financed" banknote money - financed by taxes. Future tax inflows become the bonds' “financing guarantee". Put another way: The state/government - ultimately society - literally buys scrap of paper from the bankers by paying with real money, i.e., taxes that are based on work performed. Absolutely unsurpassed! This must be the all-time best business idea the bankers have succeeded in carrying out: paper scraps for real money.

Hamilton's first magic trick

In Hamilton's case, focus was concentrated on that part of the US Congress debt that was not continentals gold debt. Superficially (in the accounts), it momentarily appeared as if this part of the total public debt disappeared when dollars (made out of thin air) came into the state budget. In reality, government debt increased. Hamilton's first magic trick seemed to "correct" that part of the public debt that was not continentals gold debt.

Hamilton's first partial proposal concerning normal government bonds thus contained a *promise of interest* - the interest rate that we now know is the foundation of *activity within the capitalist/central bank economic system*. According to Hamilton's proposals, America's future government loans, i.e., national debt, would therefore, in true capitalist spirit, become *interest-bearing*. The state would become the private central bank's *borrowers*, while the bank was the state's *lender and recipient of the interest*. One could also say that the state, in accordance with Hamilton's interest-proposal would have to pay *an added value* for the "scraps of paper" of the time, called US dollars, which it received from the bank: first it would cover the cost of the loan repayments with tax money, then on top of this it would pay the interest, the cost of which was also placed on the taxpayers. It should be clarified that government bond notes, of course, as well as central bank bills, were made out of thin air. In *terms of value* there is no difference. Still, according to Hamilton's proposal the state would be paying *an extra cost* for their dollars,.

That above-mentioned system of government bonds is now well established around the world, and is an important part of what is called the capitalist/central bank economic system, and taught at famous higher-education institutions around the world under the name of macroeconomics (political economics).

What government bonds thus constitute, is a scheme whereby the state (the people) is forced to pay "three times" for the product (i.e., dollar bills or electronic digits) that the private central bank (a really unnecessary intermediary) provides:

- first with "paper banknote money in the form of debt certificates" fabricated out of thin air (Treasury-bills),
- then the value of these notes in real money (tax revenue) when these notes are returned to the state as debt notes are paid with tax money, and

- then a third time, as interest is paid in order to access what in most cases is an absolutely necessary means of payment (dollars as banknotes or in electronic form) to cover the state's running expenditure.

It is the people who foot the bill. As America's debt situation has worsened over time, the debt has become so huge that the nation is now actually incapable of any net repayments on the principal. Instead, only the interest on the debt is paid, often by the state taking up even more debt when people's taxes are insufficient...the notorious vicious circle has become a fact. The people have become the banks' cash cow, effectively tethered to the debt and milked year after year for taxes to pay the cost of interest to various private lenders. The people are seemingly unable to change their situation (the very definition of a debt trap) – except for the worse. Here, an apparently hopelessly snarled Catch-22 situation is perpetuated as long as politicians do not understand how, or in some cases do not want to, use the four door-openers which I point out are embedded in the Constitution, and which President Lincoln in his time recognized and utilized to resolve the situation.

The day America's politicians understand what is best for the nation, i.e., for the entire people, and call in competent advisors who know how to use the instrument of brilliance (to think “outside the box” of the current established mindset) in a context like this, the Gordian knot can be resolved almost as easily as the Emperor Alexander in his time solved his dilemma: not with the sword, but by changing the economic system to a better one - one which has already been proven in practice in America. Then the entire gigantic US government debt could be repaid, principal and interest, within a matter of hours (1148). In his time, Abraham Lincoln secured the assistance of the brilliant thinking I refer to - although he himself was by no means unintelligent, quite the opposite, - and he accepted this help. We now move our focus to Hamilton's other proposals regarding to government bonds.

Hamilton's second magic trick

Hamilton's notion of monetized government bonds is an extremely sketchy financial concept. Here we make the acquaintance of magic trick number two. We see that:

1) the normal meaning of the word "monetize" is heavily distorted, and
2) has been fused with the term “government bonds”, whereupon
3) a new concept is created, essentially different from the above "normal government bonds" (normal government securities) in that they are *not* replaced with *real money* by the state (by taxes paid by the people), in accordance with the debt certificates' value - *plus interest* (the government bond rate). Suddenly this step is skipped. Instead, monetized government bonds become imitation fiat money (pure fiat money has a defined initial owner, usually the issuer of money, such as the state) used to directly buy products in society. This “product” would prove to be shares of the new central bank.

Hamilton's ingenuity in the government bond area is strongly reminiscent of the creativity modern investment bankers displayed regarding "financial instruments" in connection with the Lehman Brothers crash in 2008, when they created different types of loan arrangements which were purely fraudulent products. These "loan instruments" gave the appearance of being one thing, but in reality they were something quite different – something far worse. But now to Hamilton's monetized government bonds:

The word “monetization” really means to convert an *asset* to cash. For example, you monetize a car when you sell it for cash. But *a debt* is not the same as an asset. What Hamilton actually expressed when he used the word monetize was that he was about to take advantage of the Freemasonic (1149) nonsense arithmetic rule that states: -1 = +1. That is to say, he intended to conjure, to perform an esoteric illusory trick by, in one fell swoop, transforming a *debt* (an obligation, a responsibility, a commitment), i.e., *a liability,* normally recorded symbolically as "minus 1", into an asset, "plus 1", using the nonsense arithmetic rule -1 = +1. Thus Hamilton acted in the same way that we recall the state-appointed bank director of the Bank of North America had acted when he used what were basically unpaid invoices (copies of certificates of indebtedness), and transformed them into the bank's fortune, one that “appeared from out of nowhere”. This instantly-appearing asset was since used by the Bank of North America as the deposit base (1150) for the manufacture of a yet another form of money, which the bank then lent out as, note well, false certificates of deposit (a violation of counterfeiting laws) in the guise of evidence of the bank's own (1151) money (forgery). Hamilton's proposal to Congress constituted using the state's actual debt as an asset that popped up out of nowhere: An amount corresponding to the then US national debt of about $37 million was to be used to buy up shares in the new big central bank! (The $37 million gold debt relating to the continentals should be seen in relation to a population that in 1790 amounted to approximately 4 million individuals in a largely unindustrialized nation). Minus 1 was simply made into plus 1. And so it was decided. The Treasury was ordered by the Secretary of the Treasury, Alexander Hamilton, to produce the second type of government bonds to the tune of a colossal $37 million, the equivalent to the public debt at that time.

The bought-up shares would be exchanged for continentals

The gold debt and the debt of the thirteen states had been turned into imitation fiat money by way of the magic trick described above, and this money was used to buy shares in the new nationwide central bank. Hamilton then offered these shares to those who had hoarded continentals (which, as mentioned, were mostly front men for the bankers) in exchange for the continentals. In this way the state bought back their continentals against payment in shares of the new big bank, whereby both the gold debt and the liabilities of the thirteen states were paid off, said Hamilton. Actually, the whole set-up was a cunning example of pure grandstanding. It appeared as though the old, lingering gold debt, originally from 1774, was now finally paid off. Also, Hamilton sought approval of his proposal by the thirteen states by making them debt free. Meanwhile, *the actual intention* was to covertly grant a number of individuals power over, and control of, the new and extremely important bank. It should be remembered that no real gold debt ever existed - just a promise. The people had never contributed with any actual loan in 1774. But the matter had now, in 1791, at least for a large part of the public, faded from memory, and this facilitated the implementation of Hamilton's plan. Here then the bankers got what they wanted, i.e., their share of the bank and thus their share of the power, while the old gold promise to the people was eliminated.

Pieces of the puzzle fall into place

My task as a constitutional logician is to critically examine what the actual historical record reveals, and then use that information to solve puzzles. What emerges is a clear and detailed, secret seven-stage plan which European bankers had devised with the primary objective of reinstating the capitalist/central bank economic system in America. This is the plan that this chapter is about. If we now put together the various pieces of the puzzle, the following overview emerges: In the initial phase of the revolution, when it was new and strong in September 1774, the bankers managed to, with help from their front men in the Revolutionary Council (the first Continental Congress), create a debt that did not exist because the American people had not lent as much as one cent to the Revolutionary Council. Everything was thus initially an illusion, a pretense. With the help of this "make-believe", the Federalists created a psychological propaganda (indoctrination) that, again and again, week after week, year after year, propagated the same message: that the state was the indebted holder of continentals gold. The psychological dictum was that if you repeat a lie often enough, it eventually becomes a truth. In the end, the lie had become a truth on large social scale. Meanwhile, the supranational body the US Congress had been created, with the result that the thirteen states' power was significantly curtailed. In the US Congress, the Treasury Secretary Alexander Hamilton (the bankers' man in the Congress) finally presented his trump card - monetized government bonds, which were not normal government bonds. These apparently made everyone economic winners.

The biggest betrayal

As a constitutional logician, it is obvious to me that the goal of the bankers' seven-stage plan - where Hamilton's magic trick with normal government bonds and monetized government bonds and the new privately owned (incorporated) central bank was included as a strategic detail - was to deprive the American people of control of the American banknote manufacturing apparatus, just as the British laws, the Currency Acts, had done in 1751 and 1764. Specifically, the monetized government bonds constituted highly intelligent "outside the box” thinking (nonsense logic), which was included as one of the details in the sixth stage of the bankers' covert scheme to reintroduce the capitalist/central bank economic system in America.

The capitalist/central bank economic system is synonymous with unelected *private individuals* wielding the power to decide when, how and in what quantities money shall be released into the community, and to determine that it shall be in the form of *loans at interest* whose interest rate is set by these individuals. They also determine *which* people, businesses and parts of the state are granted loans. They further determine that the community shall pay completely unnecessary taxes and that the state (as an extension of the people) shall be totally unnecessarily burdened with a national debt – preferably as large as possible.

Alexander Hamilton was thus, along with a partly bribed and corrupt Congress, the tool used when a small group of individuals at that crucial time usurped economic power in America (1152). One should also be aware that it is the descendants of the same small group of people who, during the more than 220 years that have passed since 1791, to a high degree have seen to it that they have retained economic power. It has cleverly been ensured that power has remained concentrated within a very narrow circle, owing to the power structure's secrecy and distinctly hierarchical organization. One can get an idea of the extent of this power when one understands that its practitioners exercise control over the world's booms and recessions, over the entire society's access to money, over the extent of unemployment, social exclusion and poverty, as well as controlling the number of bankruptcies, business closures and property transfers in the form of foreclosures and expropriations. This is all for the benefit of a small number of people relative to the masses.

Now that the new big bank had been created, as an essentially entirely private corporation, the "ordinary people" who held relatively small numbers of continentals received, proportionally few, and thus from a voting point of view practically worthless, shares in the new central bank. Even "residual shares" which were left over after the continentals gold debt was paid off, were sold to the public. The state itself, as it turned out, could not afford to buy its shares with its own resources when it came to the crunch. Hamilton was not slow to suggest that the state should *borrow* to pay for its shares. It is interesting to subsequently follow Hamilton's, now Secretary of the Treasury, constant creation of intelligent solutions that favored the capitalist/central bank economic system: Besides the intricate twists and turns that, from the people's point of view, transformed gold into "dirt", there was also the introduction of completely unnecessary taxes. Hamilton was a master of illusion in the service of deception. One should also understand that it was extremely important for the hidden banking power in this construction phase of the new nation to grab and retain power and influence in the top-level state body - the Congress – through the use of other front men than Hamilton. This was achieved by building up an extensive lobbying apparatus that did not hesitate to bribe and corrupt. It was only then that the capitalists could wield preeminent manipulative control over the entire nation from their stronghold high above the individual states.

Chapter 8 (76)

President George Washington's tough decisions

President George Washington, who had been one of the leading figures of the Revolution and the War of Independence, was not so easily persuaded by Hamilton's illusions, lies and deceit. There were also others in American society who saw through the fake game that the Federal Congress (which went on to become the US Congress) was playing. The federalists, with Hamilton at the head, had taken a stance that opposed both the people, as well as the uncorrupted honest politicians. There were loud protests against what was seen as the people once again being cheated out of their money manufacturing apparatus and their control over their money.

As I mentioned in the first part of the trilogy, this dissatisfaction with Hamilton and the capitalist faction in the Federal Congress was so strong that it even started sparked a second rebellion - in Massachusetts, already in 1786. President George Washington found it very hard to come to terms with the fact that the original revolutionary demands for the people's control over America's banknote production would not be considered, now that the new central bank was being discussed around 1790. To start with, Washington simply refused (1153) to ratify the law that Congress under Hamilton's influence had voted through. Only after much anguish and probably several months of reflection did President George Washington finally allowed himself to be persuaded by Hamilton to ratify the Congressional decision that had won approval, which meant that the new central bank (falsely alleged to be 80 percent privately owned - in reality it was 100 percent privately controlled) would produce America's currency money. Washington recognized it for what it was - a betrayal. That he refused to sign the law, meant that it initially could not enter into force.

The Constitution requires that the President ratify Congressional decisions before they can be implemented. But George Washington obstinately refused to sign for an extended period. During that time, America suffered an increasingly severe shortage of banknote money for several reasons, partly because the Federal Congress voted for a decision to ban the official use of the individual states' local currencies as a measure to tighten the money supply. Instead, it was mandated that primarily coins were to be used. The result was that a grossly insufficient amount of banknote money was brought out in the community, despite the now decade-old, privately owned Bank of North America still, along with other private commercial banks, having produced substantial amounts of banknote money in the form of certificates of deposit (1154), and despite the thirteen states not having been formally prohibited in manufacturing their own printing money - only using them was prohibited (the production ban first came in 1793). Furthermore, as mentioned, the new big private bank could not commence with the production of US dollar bills as long as the president resisted. Banknote production at the level of the individual states was not up for discussion at all, as the federalists at this time dominated Congress, with the result that the prevailing view was that the US government alone would be responsible for the production of coins.

The lesser of two evils

It should be noted that neither Congress nor President George Washington took advantage of any of the door-openers in the Constitution's Article 1, Section 8. The four door openers, which can be used for the benefit of the people are “built into” Article 8.

The above mentioned causes, and the shortage of banknote money they led to, provoked a severe recession that lasted from about 1782 to around the beginning of the 1790's. But it was all in vain, one might say, in that the federalists' populist, fact-distorting arguments were so pervasive in the politics of the time. An example of one such argument was that most of the misery, the inflation and so on, was the blame of unfinanced banknotes.

In the midst of this painful recession, the President had to deliver a decision that was at least equally painful: whether or not to ratify the law regarding the monopoly of the new national bank with respect to money production. Washington stood between a rock and a hard place. If he signed, he would betray the ideals of the Revolution as well as his own inner convictions. If he did not sign, he would remain a stumbling block for the entire nation's economy. The nation and the people were screaming for banknote money that was needed to give society the kick-start it required in order to expand and develop. Instead, there was a deepening recession, and Washington's refusal to ratify the Congressional proposal played a major role in this.

Ultimately, the fight was about two diametrically opposed economic systems: the capitalist/central bank economic system vs. Benjamin Franklin's well-functioning (i.e., non-inflationary) monetarily financed system (1155) (a variant of the English tally system using “pretend” debt notes). Or, if you prefer, two opposing universal human qualities or attitudes: selfishness vs. altruism. All the while, President George Washington lacked a constitutional logician that he could consult. Someone trained in logic could easily have pointed out the four door-openers.

Hamilton was not about to give in. He held many trump cards, was as slippery as an eel, eloquent, intelligent - and unscrupulous. He repeatedly argued that George Washington should sign the Congressional law, something that would signify the *victory of the capitalist/central bank economic system*. Washington clearly recognized the dilemma with regard to the new bank – and here it would be highly appropriate to quote from Ellen Hodgson Brown's, in this context, extremely enlightening book “Web of Debt":

> *“...the public was forced to use the bank, but the bank was not obliged to serve the public... "* (1156)

The art of resolving an apparently hopelessly snagged Catch-22

Seen from the perspective that the 1774 gold-redemption promise constituted manipulation on a grand scale, not least by the governing Continental Congress/Revolutionary Council, there were really no ethical or moral grounds whatsoever to obey Hamilton's proposal...that is, for those who managed to see through what was going on. But few, if any, had this insight or saw the big picture. President George Washington, who had been involved throughout the process, did however understand much of the essence and wider implications of the proposal - as his refusal to ratify it testifies to. As stated, he was faced with a difficult choice: remain faithful to his convictions and refuse to sign, or respond to the nation's and the people's desperate cries for help. The historical record shows that

George Washington chose to succumb to Hamilton's pressure, and he finally ratified the Congressional law regarding the new big bank. Thus he betrayed both the Revolution's and his own ideals. Perhaps some known or unknown document or diary entry exists that can give us an insight into the agony Washington must have felt, as well as cast light on the motives for his decision? This would be an additional task for future research to ascertain. President George Washington was recognized as a skilled military commander and leader in general, which of course helped him to become the nation's first President. Possibly Washington's age played a part in his decision. He was getting on in years and had reason to be tired. Perhaps he wanted the matter brought to a conclusion? Hamilton was much younger and more vital, but on the other hand lacked Washington's experience.

As a constitutional logician, I see that George Washington would have been able to solve his dilemma brilliantly, if he had consulted an advisor with skills in constitutional logic. I admit that it is easy to be wise after the event. The solution to the problem lies in identifying the four loopholes and four door-openers in the Constitution's Article 1, Section 8, and then shutting down the former, while utilizing the latter. Then the President could firmly have taken control over all of America's money and money manufacturing apparatus on behalf of the state and the people – in the spirit of both the Revolution and Benjamin Franklin. Hamilton and the bankers would together have drawn the short straw, and would have seen their ambitions effectively thwarted. If Washington had acted idealistically and in harmony with the revolutionary ideals, from a constitutional-logical point of view he would nationalized the privately owned central bank, and then introduced state-produced fiat money as legal tender with a built-in barrier against inflation, while removing the entire tax system. He should have immediately established a special intelligence agency that, in cooperation with the police, would have had the task of constantly keeping an eye on counterfeiting, and be prepared to immediately change the currency as soon as serious counterfeiting trends presented themselves. Furthermore, it would be necessary to be ready to move into primitive barter in foreign trade at short notice if the bankers, in a counteroffensive, should introduce an international banking blockade. He should have imposed a strict ban on financial speculation in goods and services, and immediately have launched major investigations with the single task of getting to the bottom of the capitalist/central bank economic system. This would require a thorough and detailed constitutional-logical examination of capitalism's foundations, as I carry out in the trilogy. As said before, George Washington would have taken these steps if he had acted optimally, under the guidance of brilliant experts. In that case, the first US president would have followed in Benjamin Franklin's footsteps and in all probability would have gone down in history as the one who had swiftly succeeded in getting America to once again flourish with exceptionally prosperity. But this was not to be.

Chapter 9 (77)

Unparalleled hypocrisy

What clearly emerges in my analysis of Alexander Hamilton's economic maneuvering (with the tacit approval of the Congress' Federalist faction operating in the background) regarding monetized bonds was that he actually went against the federalist policies he so eagerly propagated. This is clear on at least three points:

The Federalist stance was that America alone ought to produce financed banknote money. Yet none less that Hamilton himself, the federalists' main mouthpiece, produced unfinanced banknotes (bogus fiat money) to the tune of the staggering amount of $35.7 million in that time's money. The individual states were at this stage forbidden to use their own locally manufactured unfinanced currencies (bogus fiat money), since the nationwide edict designed to tighten the money supply was still in force in the United States. Note well that the government all the while ignored this austerity edict, and itself used unfinanced banknotes on a vast scale in the shares-exchange scheme – with a tremendous impact in terms of the money value at that time. The plan that Hamilton (the Federalists) brought to fruition was indeed based on unparalleled hypocrisy. One should note here that the state (Hamilton) used these colossal, unfinanced amounts of money (the monetized government bonds, which were really a debt) to buy "a commodity for sale in the community", namely shares in the new central bank. Seen from this point of view, it is correct to say that these unfinanced banknotes were produced and used in society's ongoing process regarding the exchange of goods and services.

Since at least 1781, the federalists had campaigned publicly for the state alone to engage in the manufacturing of *coins*, and now, in 1791, the propaganda intensified (1157). Additionally, as mentioned, the federalists stated that only financed banknotes were to be used in US trade (buying and selling). It was touted as a security measure for the people, they said, that money could at any time be exchanged for gold in the bank. And yet here we see none less than the US Secretary of the Treasury (Hamilton) stepping forward and offering the US government the mandate to produce not only *banknote money* but *unfinanced banknote money* at an enormous total value. With his analysis, Hamilton's hypocrisy is exposed and hammered home for posterity.

Typical populist policies - then and now

By this I mean that it was often the case at that time that one changed one's views depending on which way the wind blew, e.g. as with the federalists. When it suited their purposes, they would opportunistically oppose even their own propaganda and ideology. This is, perhaps, typical of so-called populist policies in our day, just as it was then. Since that time, what in the late 1700's in essence were America's federalists, later on in the 1800s mutated politically to become the major capitalist-friendly political branch of American politics that the Republican Party represents. However, the majority of this party's supporters are today completely unaware of the meanderings that took place when the capitalist/central bank economic system that they recognize themselves as supporters of, seized power. That happened already early in the nation's history, in September 1774, when the first Continental Congress - which until that time was still in the true sense the Revolutionary Council – adopted a position that was counter to the popular will that had triggered the American Revolution, and in many cases was counter to what their forefathers had fought for. The US government still uses, on a grand scale, "normal" government bonds, and probably Hamilton's fraudulent method of monetizing government bonds. The "ordinary" government bonds, at least, are ultimately paid for in cash by the taxpayers.

My recommendation is that the upcoming, wide-ranging American investigations also examine whether the above-mentioned "monetized government bonds" are part of the financial burden which is needlessly placed on the shoulders of the taxpayers. It must simply be determined whether the taxpayer is to be held accountable for any kind of debt note regarding monetized government bonds, when these can be considered bogus fiat money, created "out of thin air." It is entirely possible, as in the case of the monetized government bonds, to create artful constructions using nonsense logic, such that something which has no real value, i.e., need not be paid for with tax money, is suddenly given the appearance of the opposite - to the detriment of the taxpayers. For this is how the capitalist/central bank economic system works, by ensnaring the average person in financial bondage.

Both these cases - both government bond types - constitute pure and simple fraud. In the case of the normal government bonds/Treasury Bills, completely unnecessary taxes are levied on the people. In the case of monetized government bonds, at least in Hamilton's case, a magic trick was performed with the help of nonsensical logic -1 = +1 that turned a liability into an asset: a pile of cash. That asset did not really exist - only the liability existed. Thus, from beginning to end, a skillful, highly intelligent illusory game has been played. It's intent is to deceive the common man, and to foster a belief that something is and was valid, when in fact it isn't and never was. That's how the capitalist/central bank economic system works: constantly cloaking the true context by means of illusions and shams.

Chapter 10 (78)

Analysis of the seventh stage of the bankers' secret plan

Now that President Washington's endorsement was a fact, the capitalist/central bank economic system had again taken indisputable command of America's money and the machines that produced it (apart from the slight trickle that coin production accounted for). The bankers once more had in their hands the economic power to steer American society in the direction they wanted. In fact, a covert economic dictatorship was from now on in full control of America's development, both economically and socially. Its primary instrument of control was *loans at interest*, and the introduction of both federal and state *tax systems* also contributed greatly to its power. The historical record bears witness to this. It should be noted that despite the federalist's fiery propaganda that all forms of money should be financed (gold-backed), the US dollar bills from the year 1791 were in reality financed by less than 20 percent (at this time they were *de facto* financed by embezzled deposits (1158) in the new central bank). Meanwhile, more than 80 percent of the colossal amount of notes that American society devoured, including the United States increasingly extensive foreign trade, were unfinanced.

Parts of the US government were involved in fraud

Note also that this concerned the US dollar bills that the state borrowed from the central bank at interest. Eighty percent of the dollar bills that the new central bank produced were based on embezzled deposits. With the lie of financed bank notes firmly entrenched, the forced tightening of the money supply could gradually be eased. With the restriction on the individual states' use of unfinanced banknotes, control of this situation was maintained (1791), despite the federalists themselves, with Hamilton as the Secretary of the Treasury, in collusion with private bankers, lying about the US dollar bills' financing. Ultimately it was the people who were deceived, and it was they who suffered all the disadvantages that this capitalist/central bank economic system brought with it.

About two years after the application of this central bank economic system (1159), an act of Congress in 1793 definitively banned the thirteen states from continuing to produce their own local unfinanced banknote money. It was decreed that only financed banknote money and coins were to be used as legal tender in society. Thus, the thirteen former colonies' last revolutionary rights to their own money production, and the right to their own money manufacturing apparatus, was deprived them in favor of the centralized federal power in close cooperation with a virtually 100 percent privately controlled bank – a private bank that had greater control over the state than the other way around (especially after 1913, as we shall see). Congress had granted a private bank the the right (banking license) to manufacture and supply both the US and the world's demand for US dollars. Once again, the essence of the 1764 Currency Act had been firmly anchored in America. Thus the bankers' seventh and final stage in their master plan had been implemented, and from the bankers perspective, order had been restored.

The reintroduction of completely unnecessary taxes and public debt

All the states had now begun to levy taxes on their populations, partly to finance their respective state budgets, and partly to try to keep pace with their burgeoning national debts. At the same time, the federal authority (Congress) also introduced taxes for a similar purpose. Almost all the money that was transferred into society, was brought out in the form of loans at interest - a marked contrast to the situation a century earlier during the colonial “good years”, as well as during the years of the Revolution and War of Independence, when the unfinanced local currencies worked for the public's benefit without major restrictions. In those times, Benjamin Franklin's four rules (1160) (methods) for the distribution of money into the community had been in force. But now the foundation for fraud with deposit embezzlement, perfect counterfeiting, forgery and veiled theft (foreclosures/expropriations) had been established in a colossal format within the private banking framework. This has come to characterize the US economy for the past more than 220 years.

A Pyrrhic victory

In this way it becomes clear that the colonists in their time won a Pyrrhic victory. They "won the battle but lost the war." They won the battle against the English and became an independent nation, the United States (in 1783 with the Peace of Paris), but they lost what they had started the Revolution for, and what they since had fought so ardently for in the War of Independence: Power over their society, whose key factor is power of the nation's money and monetary manufacturing apparatus.

One should also be aware that it is perfectly possible for the current President, with the support of Congress' honest and uncorrupted politicians, and ultimately with the support of the American people, to follow in Abraham Lincoln's footsteps and correct what may reasonably be said to have been George Washington's mistakes (without putting too much blame on him). Most importantly, with the four door-openers that the US Constitution provides in Article 1, Section 8, the worst imperfections in today's capitalist/central bank economic system could be gracefully corrected without the need for re-writing the Constitution. Furthermore, a repetition could also be prevented by introducing the right measures. Secondarily, those who today are responsible for the above-mentioned criminality – first and foremost those I call the “spiders” in the Freemasonic organization (1161), can be made accountable for their crimes through legal processes.. *Not for revenge*, but to sort things out once and for all, so that a recurrence will be prevented, and so that the unimaginably vast quantities of stolen property can be returned to their rightful owners.

Chapter 11 (79)

The period 1791-1913

A covert economic dictatorship

The hegemony of the European bankers', i.e., the covert economic dictatorship in America, was for 122 years constantly exposed to a threat: that the US government (Congress, headed by the President) might one day decide not to extend the bankers' charter - their banking license - which consisted of contractually agreed periods as defined by Congress. Political views remained divided. Not everyone appreciated the private banking system. For a long time, the bankers were therefore forced to live with this threat in quiet frustration. On at least two occasions, opposition to the private banking system erupted in broad daylight such that the consequences were obvious to everyone. This chapter is about the first time this happened.

As we know, Alexander Hamilton had seen to it that the First Bank of the United States was established already in 1791. This bank functioned as its private shareholders had hoped until 1811, when the bank's charter was *not renewed* due political considerations. In 1816, Congress decided, under pressure, to set up *the Second Bank of the United States*, which had many similarities to its predecessor. Thus this new central bank was hired for 20 years (until 1836), and in other ways had much in common with Hamilton's bank. For example, the state formally owned a 20 percent stake of the new bank while the rest was privately owned.

Jackson opposed rechartering of the Second Bank of the United States

Years passed, and as the 1834 charter of the Second Bank of the United States was approaching its end, the Democrat President Andrew Jackson (1162), who in two terms was America's seventh president from 1829 to 1837, was in charge. Jackson, with the help of the House of Representatives in Congress ensured in April 1834 that the Second Bank of the United States did *not have its charter renewed* (1163). At the same time, Jackson also saw to it that the US government's assets (deposits (1164)) in the bank were transferred to the individual states (see the analysis, Part II, Chapter 4). In 1836, the Second Bank of the United States failed to secure recharter, with devastating consequences for the banking powers. The bank was suddenly denied permission to operate as a central bank and earn its big profits at expense of the American state and its people. The cash cow had had bolted from its stall.

In the last three years of his presidency, Jackson succeeded in both financing the *entire* US government expenditure, as well as paying back the entire US national debt – all without having to levy high taxes or having to take out any loans. Furthermore, he accumulated a surplus in the US state budget. The key to this accomplishment was to be found in activity concerned with the banking situation (which part of society shall have power over the country's money production according to societally crucial question **I**). Jackson was the target of five assassination attempts, all of which he survived. In one of these attempts, the perpetrator jabbed two loaded revolvers into Jackson's belly, but *both* revolvers jammed when they were fired! The President had what is called guardian angel.

The entire US national debt was paid

Jackson is the only one the so far 44 presidents in US history that have repaid the entire US national debt - down to the very last cent. Abraham Lincoln would easily have been able to do the same nearly 30 years later, after the Civil War, had he not been murdered.

However, Jackson likely never realized the fact that the banks made their lending money based on the concept of embezzlement, perfect counterfeiting (1165) and forgery. All three of these fraudulent methods are based on the special higher mathematics (1167) of the Freemasons (1166). It is the core content of this mathematics that is expressed in the motto *"own something out of nothing - with leverage"* (1168). (A detailed analysis is too extensive to be included in these "American" chapters of the trilogy, which sketch in broad strokes specifically American conditions, of interest to the American people.)

There is reason to believe that Jackson, like most other people in American society of his time, thought (as people largely do today) that the private banks draw their lending money from a self-owned reserve in a bank vault. This is what the bankers time and again swore was the case, as they applied for a renewal of their banking license - that it was their own (1169) money they lent out. Back in his day, Andrew Jackson hardly had access to the latest achievements of modern science in the field of mathematics. It was however, in 1830 that mathematics made decisive progress in what is called *Nonsense Mathematics* (1170), including coming to a fundamental understanding of the nonsense arithmetical rules that Freemasonry uses in its conjuring business: own something out of nothing - with leverage. Therefore, Jackson paid back then-US national debt due to ignorance. He would not have had to do this if he had had access to the above-mentioned mathematical achievements – and no one with expertise in modern higher mathematics stepped forward to assist Jackson.

As mentioned, Jackson was active during a very important time of transition, seen from a scientific point of view. It was at this time that the open, official colleges and universities began to be logically and scientifically developed and mature enough to be able to reveal the international bankers' gigantic fraud - the subject of this trilogy. In our modern day, all these mathematical and logical skills are at the full disposal of the US President and Congress. All they need to do is use them.

Chapter 12 (80)

President Abraham Lincoln: A threat to the US banking system

The banking power's very foundations have been threatened on at least one occasion in the USA's existence: by President Abraham Lincoln's vision for the years 1862-1865. If Lincoln had lived, he could have, if he had chosen to, completely out-competed private banking in the USA. In other words, he could have achieved a situation like that which prevailed during the "good years" in the colonies around 1723-1750. This, if anything, was a threat to the private bankers who wanted power over the USA by way of a covert economic dictatorship.

Lincoln - the conventional politician economic terms

To begin with, Lincoln was by all accounts a rather conventional politician in economic terms. It should be realized that Abraham Lincoln (1171), the Republican president from 1861 to 1865, from the outset was hardly predisposed to a monetarily financed economy as the solution to America's contemporary financial problems. However, an improved variant of Benjamin Franklin's century-old financial system (1172) was gradually raised as a possibility by Lincoln's close advisors in consultation with Lincoln himself. That the state would produce US currency money was thus not an obvious solution at the time.

Lincoln showed social empathy early on

Lincoln was motivated by his social empathy early on to fully engage and busy himself with the vexing question of slavery - was it to be or not to be? - as well as the question of protective tariffs and the weak domestic economy, seen from a central bank economic aspect, when he took office as America's 16th President in 1861. But Lincoln was, as a person, by no means "pure as the driven snow". He was not at all a perfect man from a moral point of view – but then again, who is? Lincoln had a humane view of life, which characterized the image he projected and made an impression on voters during the presidential campaign that preceded his election as president in 1861. Lincoln was upset about how badly blacks were treated in the South. Like many other Americans in the mid-1800's, he had read Harriet Beecher Stowe's (1173) poignant novel *Uncle Tom's Cabin* (1174) (originally entitled "Uncle Tom's Cabin – The Man that was a Thing"), which aroused strong public opinion against slavery when it was published in 1852. Lincoln is said to have met Harriet Beecher Stowe, and to have said: *"So you're the little lady whose book started this great war"*. He must have been impressed by her personality and her ability to "think with the heart". Lincoln knew how cynically some businesses and planters handled the blacks of the South - indeed, Beecher Stowe's original English title says it all.

Kidnapped in Africa

African families were kidnapped in Africa and loaded onto slave ships (1175) bound for the Americas. The conditions were appalling. The African women were raped openly in front of their husband and children, and then put in shackles along with the other captured slaves in transit. For toilets, the slaves had to cope as best they could as they sat and lay on the deck or in the stifling hot holds. Buckets of water were thrown over them to wash away the excrement and blood. On the plantations the slaves were held captive by often, but not always, brutal foremen. If protests were heard or they worked too slowly, some foremen used whips on the slaves to make them obey. The slave-owners claimed that they had every right to treat the black African families as they pleased, to keep them as slaves, as something they owned and had control over, i.e., over other people's existence and joy of life. We are businessmen, we pay taxes, and obey we the law of the land, they said. The next generation of black slaves in America were born into slavery. Many prominent politicians owned slaves. Thomas Jefferson, America's third, and one of the most prominent Presidents, owned slaves although he was opposed to, and worked against, slavery as an institution. Jefferson is said to have treated his slaves well - in many cases as though they were free people.

A presidential announcement

The polarization between the North and the South on the question of slavery was the major contributor to the civil war that broke out in 1861. In 1862 Lincoln proclaimed that black slavery must end. This immediately met with massive opposition from powerful business forces in the South. It was estimated that about 4 million people were kept as slaves, i.e., unpaid labor, in the United States when civil war broke out. Slavery obviously contributed greatly to the prosperity of the slave-masters, and largely supported the economy of the southern states. There were many who for this reason, among others, could not accept the opinions of Lincoln and other opponents of slavery. On January 1, 1863 Lincoln issued a proclamation of freedom (The Emancipation Proclamation (1176)). But this was only based on Lincoln's arbitrary decision as the commander of the Northern forces in the Civil War (1177). It was not before January 31, 1865, that a democratically held vote in Congress' House of Representatives resulted in the 13th amendment to the US Constitution. The 13th amendment clearly specified (1178) that slavery and involuntary servitude were forbidden and were punishable crimes. On December 18 the same year, the 13th amendment was officially declared an amendment to the United States Constitution.

The Civil War - other causes than the question of slavery

Another cause of the Civil War was the heated discussion about America's need for protective tariffs. Lincoln wanted to introduce protective duties on the import of certain foreign goods in order to protect the domestic US economy. This was the conventional view which is also used today, and which the so-called G20 cooperation is largely concerned with when the world's 19 largest economies plus the EU regularly discuss such issues at the ministerial level. Lincoln was not aware that a secret shipment of gold was under way from the US to England in 1861. This gold, which was actually supposed to be the backing guarantee for the then (private) central bank's banknote money (US dollars), was now instead being shipped off to Europe with blessing of the bankers.

This fact indicates the existence of economic warfare – something that the major US investigations may delve further into. For with a reduction in the amount of backing gold in the US, the amount of US dollars (US dollar banknotes were similar to gold deposit certificates (1179)) in circulation in the community was reduced proportionally, and this elicited a societal money shortage which aggravated the ongoing recession of 1861. The upshot of the money shortage was that US banks granted fewer loans to the public and businesses, and bank lending discrimination increased - again worsening the general lack of money. To begin with, America's 16th President, Abraham Lincoln, attempted to manage all this by conventional political means.

Milton Friedman

The 1976 Nobel laureate in economics, Milton Friedman, says (1180) that this conscious strategy on the part of the bankers/English to withdraw gold from the United States during the Lincoln era, was also used to trigger the Great Depression of 1929, which struck the western world in the 1930's. Then, in the 1930's, all across America tens of thousands of small family farms and businesses of various sizes faced bankruptcy for similar reasons - ultimately due to difficulties in gaining access to money, which the discriminatory practices of the banks exacerbated. Unemployment exploded, reaching around 40 percent. In some places it was even higher.

As we know, the extent of social exclusion was dramatic in the 1930's, and although the 1861 downturn had far less dramatic effects, it was still a difficult recession. Lincoln tried to protect people's jobs and the US economy's major industries, reflecting many of the same tendencies that today's politicians have in times of crisis during recessions: they establish protective tariffs or similar arrangements to protect the domestic industry. Because the constitutional logic of higher mathematics was not yet available, it was impossible to see that what ultimately was at play in the background involved wide-scale social manipulation executed under the motto "*ostensibly own money - with leverage*" (1181). (An understanding of the phrase in quotes requires an in-depth study of the analysis presented in some of the chapters on modern higher mathematics in Part II of the trilogy).

Lindbergh's comments on the Federal Reserve Act

Congressman Charles A. Lindbergh had this to say after congressional approval of the Federal Reserve Act:

> *"The new law will create inflation whenever the trusts want inflation...From now on depressions will be scientifically created"*
> *(1181a)*

[Charles A. Lindbergh]

How the nation will become "extremely rich"

The above-mentioned conventional political pattern of action is called "*protectionist*". Here the idea is that the import tariffs and currency adjustments protect national industry by slowing imports of foreign goods and services. Be aware that there is a much better way to solve such problems, namely by completely changing the economic system, i.e., by introducing a socio-economic system in principle like Benjamin Franklin's (though in a further developed form) (1182) – the monetarily financed economy rather than the destructive capitalist/central bank economic system (1183). One could say that the national economy, in the sense of the capitalist/central bank economic system is exchanged with the English tally system (1184), where "money" is distributed relatively freely as legal tender, with no other value backing than "confidence". Then the state controls the bankers, instead of vice versa as is currently the case, and the state itself begins to manufacture the nation's money. Then the nation becomes extremely wealthy with almost immediate effect. That this must be done in compliance with certain precautions (protective measures against inflation and speculation), as I mentioned already in Chapter 74, is not so strange. More about these precautions in Part III of the trilogy.

The issue of slavery was the powder keg of the Civil War

Lincoln to produce large amounts of money in the midst of the recession, partly to balance the US federal budget, and partly to finance the newly started Civil War. Salaries had to be paid to the Northern soldiers. Supplies, ammunition and other war equipment in massive quantities had to be purchased, logistics had to be worked out, large numbers of men had be recruited into the army and trained, etc.

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To meet these costs, Lincoln called on the bankers in their stronghold on Wall Street in New York in 1861 to *borrow money at interest*. At that point, Lincoln had scarcely made his mark, at least in economic terms, but was still a rather conventional Republican politician with only a relatively vague knowledge of Benjamin Franklin's type of economy. Thus, Lincoln was not aware that the US government could easily have stopped borrowing money at interest from the bankers, and instead in no time start its own money production (which the Constitution and its four door-openers in Article 1, Section 8 provides room for). It is thus understandable that Lincoln at this stage intended to resolve future financial problems in the conventional way, which was why he sought out the bankers. And if the bankers were to grant Lincoln (the state) the loans, it would obviously be charged to the national debt and thus the taxpayer. Lincoln's meeting with Wall Street bankers therefore concerned borrowing money at the state's expense.

Exorbitant rates

To his surprise, Lincoln found that bankers at this stage attempted to dominate him politically with the power that their money granted them. Lincoln realized that he was dealing with a category of people who wanted to control his political agenda. Lincoln was told that borrowing money was not a problem - at an interest rate from 24 to 36 percent (1185), which is considerably more than the approximately 1 to 5 percent that normally applied for government loans, and considerably more than the war justified (1186).

Seven per cent interest – the pain threshold

For nations, a 7 percent interest rate is considered to be the “threshold of pain”. Here I want to mention that when some EU countries requested loans at interest in 2012, for their respective national budgets, it resulted in thunderous headlines that the interest rate was around 7 percent, which it is considered to be the maximum that a nation is capable of managing without ending up in a debt trap. The Wall Street bankers demanded purely *usurious interest rates* of Lincoln - much like our day's “payday loans”. It is easy to mathematically figure out the consequences of such a high rate, which very soon results in a significantly different debt burden compared to paying, e.g., a 7 percent government bond yield. The US Treasury has since calculated that the interest alone that Lincoln would have had to pay for the approximately $400 million he needed to borrow, would have been equivalent to about $4 billion in 1865 money (1187). Converted to 2011 prices, this corresponds to a funding requirement for, conservatively estimated, $4.8 billion with an interest rate of - also a conservative estimate - $48 billion dollars. The implicit message the bankers sent to Lincoln was clear: they simply intended to make it difficult for him to finance the state budget for the Civil War. It was the power of money speaking.

Lincoln realized that he would not have a chance of keeping pace with paying the interest payments alone, with taxes - in the unlikely event that he accepted the bankers' offer. The compound interest on such loans would in a short space of time grow to astronomical proportions. A debt trap would quickly become a fact, and hurt the nation with its population of about 23 million in 1860 (compared to 2011, about 314 million).

Abraham Lincoln, the conventional President, thus had a taste of what economic power involves - that he, if he accepted the terms of the loan, was in the grip of a hidden economic dictatorship. Nothing less than *the power behind the power*, with greater power than the President himself, should he accept the terms. This insight was a rude awakening for Lincoln.

Lincoln hears of Franklin's financial system

With this insight, Lincoln returned to Washington. He seemed to have ended up in an impossible Catch-22 situation, where the reality of, among other things, a costly war under development, made its presence felt. No matter how he approached the problem of obtaining the money, there appeared to be no solution. Drastically raising taxes would not work. Equally impossible was saving his way out of the problem by, for example lowering wages, laying off public employees and cutting back on social benefits of various kinds. This is what we today, if we include reductions in pensions, known as "austerity” (1188) not only in Greece, Italy, Portugal, Spain, Ireland and Iceland, but today in 2013, even in relatively prosperous Sweden. So how could Lincoln resolve the situation?

In the midst of this awkward situation someone reminded Lincoln of how the colonial government in Massachusetts had acted in 1690, when it had introduced a camouflaged English tally system (1189) and paper money (notes) issued as “pretend” debt notes for a “pretend” loan from the people. Lincoln was also reminded that Benjamin Franklin had applied a similar economic model, with some small embellishments, in Pennsylvania. This had shown very good results, without inflation or other major inconveniences arising, and without the need for taxation. Furthermore, Lincoln was also informed that the bankers' loophole in the Constitution's Article 1, Section 8 very well in an intelligent manner can be used in the opposite direction, i.e., as a door-opener for actions purely benefiting the state.

Lincoln's solution - Legal tender

Lincoln solved the problem by declaring government money without any value backing, as being “legal tender”. In February 1862, Congress adopted the *law on legal tender* (Legal Tender Act of 1862 (1190)), which immediately had the consequence that the state printed fiat-notes, worth 150 million dollars (greenback dollars), which lacked the backing of gold, being supported only by "confidence" in that the new law dictated the greenbacks constituted legal tender. (It is estimated that a total of between 300 and 450 million dollars in the form of "greenbacks" were produced up until the end of the war). In Lincoln's case, the law specified that his fiat money was legal tender, and this shook the private banking business to its very foundations because it made their gold backed money unnecessary (1191). The US government would now suddenly be able to create their own banknote money out of thin air for free, with no more need to take a single loan from the bankers. Lincoln thus tampered with the bankers' financial might in the United States. If this was to have spillover effects in the rest of the world, it could prove very dangerous for the bankers.

Was needed in 1862 to the Law on legal tender?

It is my opinion that a detailed analysis of the text of the Constitution's Article 1, Section 8 shows that the Legal Tender Act of 1862 was in reality quite unnecessary. The Congressional decision of 1862 could instead have stipulated, especially if the people had been informed that the intention of the decision was to realize the basic ideals of the American Revolution, that the state would have a monopoly over the production of the nation's money, and that the banking system's continued involvement was unnecessary. The text of the Constitution gives full scope for such an action. Nothing in the text guarantees participation of the banking system in terms of control over America's money. It is ultimately for the American people to decide the extent to which the state exercises its role in this regard. To make this crystal clear, I have earlier in the trilogy, Part II, Chapter 74, pointed out to the American people the four door-openers in Article 1, Section 8.

Lincoln could, therefore, as a careful parsing of language of the Constitution plainly indicates, have resolved his Catch-22 situation without involving the Legal Tender Act. The Constitution itself gave him enough room to maneuver. The matter is as simple as that.

Did Lincoln overstep his power?

In retrospect, critics have argued that Lincoln had no right to do what he did – they maintain that he violated his presidential powers. Based on my skills as a constitutional logician, I believe that the critics are wrong. If one very carefully observes the wording of Article 1, Section 8, it is clear that the generality of the text's formulation allows room for *different interpretations* which can be exploited either as four loopholes or four door-openers. From the American *people's* point of view, the language of Article 1, Section 8 is both enigmatic and unfortunate – something which must be ascribed to those who worked out the wording that summer in 1787. The consequence has been that the United States can today be viewed, for better or worse, as being synonymous with the capitalist/central bank economic system. That said, there is hope for the people built in to the wording of the clause with the four door-openers.

The four door openers - an explosive force

There is an explosive force of astonishing dimensions built in these four door-openers. If all the door-openers are exploited, the American people's present situation can be radically and fundamentally changed in a very short time. *All* US citizens could in this case could become extraordinarily well-endowed financially regarding general social welfare, individual financial independence, freedom from taxation and unemployment, in what I would call a *humane* society. Compare this with today's American society with its constant lack of money, failing state finances, foreclosures and expropriations of the property, houses and homes of many Americans, as well as social exclusion and the dismantling of US society - a situation strongly reminiscent of the difficult years of 1751-1773 that triggered the American Revolution.

An ingenious solution

Abraham Lincoln was now advised to do what King Henry I had done in his time in the 1100's, and in fact also as English Queen Elizabeth I had done in the 1500's - indeed as the politicians on the island of Guernsey in the English Channel had done as late as 1816. Also as many emperors of the ancient Chinese dynasties had done much (1192) far back in time, as is documented by economic history. Benjamin Franklin too had done the same, but Lincoln used a more developed and enhanced variant of the monetarily financed economy than Franklin had used (1193). Lincoln would begin printing up banknote money (greenback dollars) as legal tender (pure fiat money) with the state as the initial owner of the money. In this situation he would avoid the gold backing issue which was the banks' weakness, and the cause of American Society's constant money shortage. Lincoln had, in an instant, access to how ever much money he needed, absolutely without cost and without having to take a single loan from the bankers. It was, in other words, an absolutely ingenious solution. As President of the Northern states, Lincoln took control over at least one of the many money manufacturing machines in the nation, although this meant, as I mentioned before, that he challenged the banking power.

Lincoln challenged the “spiders”

The question is whether Lincoln fully understood the enemy he had challenged. What he in fact had confronted was a nearly one-thousand-year-old plutocracy which was by no means in a hurry to give up its financial empire, of which America was a very important part. Lincoln was not a Freemason (1194), and he was not familiar with the covert, secretive Freemasons' fraudulent method that can be summarized with the words *"ostensibly own money - with leverage"* (1195). Instead, Lincoln, like everyone else, assumed that the bankers, with close ties to the Freemasons, based their lending business on their own (1196) fortunes. Thus Lincoln did not see through the bankers' scam: first deposit embezzlement, then counterfeiting, then forgery, and last but not least widespread theft by foreclosures and expropriations of the property of people who could not pay their loans.

Lincoln ordered the US Treasury Department to immediately start manufacturing US dollar bills in the form of non-financed, genuine fiat money *in competition with the bankers and their private central bank* which provided financed (gold-backed) banknotes. With the new (actually unnecessary) Legal Tender Act, there was no discussion as to the legality of state's banknotes, even though they were not gold-backed in the way the bankers argued that their bills were. In this way Abraham Lincoln joined forces with the revolutionaries of the American Revolution some 90 years earlier: he went against a powerful covert plutocratic force in society. It was a bold move.

As of 2017, no movies or TV series about these events

That there has not yet been made a film about these events shows the extent of the influence the bankers have at different levels and circles in America. Not even in television series are these details portrayed. It is as if the events have effectively been swept under the rug, despite them involving nothing less than the very essence of the cause of the American Revolution - namely that it should be the state (an extension of the people) which manufactures America banknote money. The state's banknote manufacturing apparatus (manufacturing of Continental's and the thirteen states' banknotes, the thirteen pound currencies) had been mothballed in 1781 by the federalist policy designed to tighten the money supply in the then thirteen colonies, as I showed earlier (1197). But now Lincoln had cranked up the state's banknote making machines again (coins were already being made by the state), and now, in 1862, the consequence was that the Northern states no longer necessarily needed to tax the people to finance the state budget and it did not need to take out big loans from private bankers to finance the Northern side in the Civil War.

Lincoln's actions caught the bankers with their pants down

The Wall Street bankers were caught unawares because they had believed that Lincoln was just one in a series of conventional presidents whom they reasonably easily could wrap around their finger. They thought that Lincoln would be their obedient puppet, that those with economic power could control the president in the same way as they had done with the fourteen previous presidents (with the exception of Andrew Jackson (1198)). But with Lincoln they had miscalculated. He could not be bribed or otherwise corrupted, and was determined to take the bull by the horns.

Lincoln shakes the bankers' foundations

With the above-mentioned financial measure, Abraham Lincoln emerged as a strong and energetic President of unusual dimensions. One could say that he immediately made history by this measure alone, in that he refused to put his nation into debt. In an instant, the powerful bankers, among others the Bauer-Rothschild-clan (1199) in Germany, with branches in England, Holland, and other nations, realized that their ambitions for economic world domination risked collapse if Lincoln succeeded with what he had set out to do. So important was America. If Lincoln managed to introduce a well-functioning monetarily financed economy without inflation in the US, it would most likely spill over to the rest of the world.

A long list of silent American history books

History books adapted for American schools and universities are very quiet about these very sensitive issues. Lincoln is thus best known for the slavery question. But his wide-ranging financial measures, introducing genuine government fiat money in contravention of the banking powers of the time, is also a very significant episode seen in the light of the original intention of the American Revolution.

Shortly before Lincoln's assassination

On the night of April 14, 1865, Lincoln had actually won the Civil War, in that Confederate General Robert E. Lee five days earlier had surrendered to the Northern forces led by General Ulysses S. Grant. Lincoln had succeeded in eliminating slavery, and thus would go down in history as a great humanist, a man with empathy and courage who had accomplished what can only be called a great and virtuous deed. He had shown that it is quite possible for an unskilled and untrained amateur in the field of economics (he had, admittedly, skilled advisors at his service) to restructure the economy through a further developed version of Benjamin Franklin's economic model (a well-functioning monetarily financed economy without inflation). All this because he had realized that he had been subjected to usury when he had turned to Wall Street for help.

A submission to the London Times in 1865

The following letter to the editor allegedly appeared in the London Times in 1865, when the bankers' clearly expressed concerns (see reference below) that they would lose control over the US, and by extension the world, if Lincoln were allowed to forge ahead unchecked:

> *"If this mischievous financial policy, which has its origin in North America, shall become endurated down to a fixture, then that government will furnish its own money without cost. It will pay off debts and be without debt. It will have all the money necessary to carry on its commerce. It will've become prosperous without precedent in the history of the world. The brains, and wealth of all countries will go to North America. That country must be destroyed or it will destroy every monarchy on the globe." (1201)*

Lincoln – going his own way

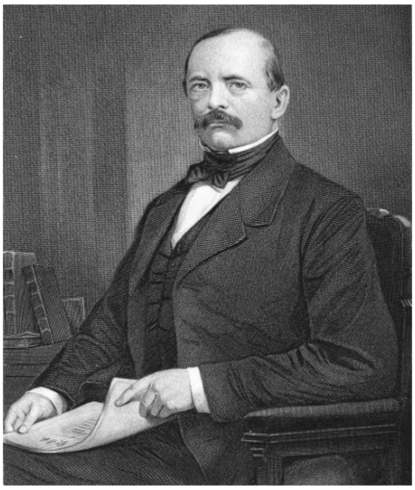
Abraham Lincoln showed that a state leader may well choose to go his own financial way, i.e., not be compelled to do the bidding of the "power behind the power", which otherwise controls society from behind the scenes. My recommendation is that all government leaders, across the world, who are looking for a role model, carefully study Abraham

Lincoln and his Presidential actions. Lincoln was, as mentioned, by no means flawless, but he was a man of flesh and blood who wished others well.

Lincoln was assassinated on April 14, 1865, when he, along with his wife and some friends, attended a play at Ford's Theater in Washington, D.C. where he was attacked and shot in the head. The assassin was a Freemason of the highest degree, John Wilkes Booth. Lincoln died of the gunshot wound the following morning.

Germany's chancellor, Otto von Bismarck, wrote in 1876, eleven years after the assassination of Lincoln:

> *"The government and the nation escaped the foreign financiers' conspiracies. They understood, at once, that America would escape their grasp. The decision was made that Lincoln must die. "* (1202)



[Otto von Bismarck]

The three critical societal issues I, II and III

Shortly after the murder on April 14, 1865, the US government stopped printing money again - the printing that Lincoln had initiated some years earlier. This despite the fact that printing money to a very high degree symbolized the original ideals of the American Revolution. The US Constitution clearly stipulates that Congress (the state) shall have the power to produce the nation's money. The four door-openers that Article 1, Section 8 provides, allow for that power to be exercised in the way Lincoln organized it – in fact, an additional step can even be taken, where the state is the monopolist, i.e., the sole producer, of America's money - where the involvement of private banks becomes entirely unnecessary. What is required for this to happen is a majority decision of the people on the matter, in the context of a major referendum. So fundamental and profound for American society are the three critical societal issues:

I) Who in America shall have power and control over the country's money manufacturing apparatus (the state, as an extension of the people – or the banking power)?

II) Who in America will own the money produced? There is currently no legally defined owner of America's money. The astonishing legal consequence is, and I emphasize this: If the money that banks lend out is not claimed to be "their own", then the money (bank notes, electronic money, coins, etc.) can not legally be lent out, for the simple reason that only something that one owns can be lent and recovered. What is not privately owned, can only be *conveyed*, for example through barter.

III) By what rules (methods) should money be distributed out into US society?

With Lincoln out of the picture, a President who did not dare to confront the banking might was installed. The monetarily financed economy based on fiat money ceased, and everything returned to the way it had been before Lincoln. The Wall Street bankers and the private central bank reacquired 100 percent control of US banknote production, which, as I mentioned, was a possible effect of the four loopholes in the Constitution's Article 1, Section 8. Thus the great societal illusion *"ostensibly owning money* - *with leverage"* continued.

A look back at the banking system

If one looks historically at the banking system's thousand-year-old operation, it would seem that underestimating the European rulers' countermeasures in the late 1200's and early 1300's (1203) was the banking system's first major mistake. The other was the Wall Street bankers' demand for exorbitant rates from Lincoln. A third big mistake is being committed right now in our own time, as the central bank cartel with arrogance and excessive haste stretches the social manipulation of the hidden economic dictatorship too tightly. In this situation it is becoming obvious that very extensive and high-level criminal activities are taking place across a wide range of nations in the name of neo-liberalism. What is then created is a sufficient (critically high) mass of people that are suffering so badly with massive unemployment, social exclusion and bank foreclosures (thefts) that they seriously and genuinely, on an increasingly larger social scale, begin to ask questions, begin to ponder current issues and are influenced by various whistleblowers that help them understand the great social fraud.

These are the major central bank cartel's four absolutely biggest mistakes. I see a cartel that was first built up within the context of the Knights Templar between the years 1119 to 1307, then after a lull of about 200 years, it gradually began gaining momentum and continued in the subsequent Freemasonic Order from the early 1600's to date.

Regarding Lincoln, the responsible New York bankers of 1861 did nothing less than wake a sleeping giant. Lincoln put paid to them with a vengeance, stirring up a storm in the nation: first on the battlefield when it came to human rights, then on Wall Street when it came to the nation's money. In this way, Lincoln solved the Catch-22 he had ended up in as the leader of the nation.

Massive economic warfare in the form of money

Organized counterfeiting attacks began against Lincoln's greenback dollars on a wide social scale even before Lincoln was assassinated. The result was that the value of the greenback plummeted continually during the civil war, with repercussions for salaries and other expenses which the State had to pay. Thus the same principle of organized economic warfare applied as that which had been used against the colonizers during the Revolution and War of Independence until 1781, when it was, above all, the continentals-currency that was involved, as we have gone through before. The charisma that surrounded Lincoln's presidency was lost with his assassination. His successor did not have the same opportunities or presence. Those are the facts.

President Lincoln's successor, Andrew Johnson, lacked the competence and power to stand up for and defend the nation against the kind of economic warfare which wide-scale counterfeiting constitutes. And no political body had the foresight to consult high-level mathematicians, who at that time knew very well how to change the odds in the game and counter economic warfare with a brilliant response. One can say that it was a repeat of the events of 1787 - incompetence at the highest political level. In the summer of 1787, the Constitution had been hammered out, with populist overtones - allegations that the US government lacked the skills to manage production of the nation's major banknote money. Andrew Johnson, the 17th US President, lacked the ability to assert himself and the nation's real interests against the banking power operating behind the scenes.

This time the counterfeiters were significantly more adept at their handiwork than they had been during the Revolution, the War of Independence and during part of the so-called in-between years. Back then, the continentals-currency had been counterfeited such that it eventually led to violent inflation up until 1782. The greenback inflationary growth (1205), up to the point where it became rampant, took three years - during the raging Civil War (1861-1865). The previous time, with continentals, the process took a little over 7 years. The counterfeiters had become very efficient.

The then US government could easily have responded to the counterfeiters, i.e., the economic warfare, by going over to *a new currency* in connection with the inauguration of the new president on April 15, 1865, and could subsequently have continued its policy of asserting its rights on the basis of the Constitution and the Legal Tender Act of 1862 to manufacture banknote money as legal tender. Had Congress been genuinely farsighted and well-versed in what was playing out, the accession of Johnson to the presidency could have been exploited in a call for a general referendum with a proposal that the state should have a monopoly on the nation's money production. But instead, the opposite came to pass, i.e., the bankers have come to almost completely usurp this monopoly, including - today - electronic money, while the state and people have become passives receivers of loans
.
What happened in 1865 was thus that the state (Congress headed by the President), after the presidential assassination, capitulated to the bankers. Instead, the murder should have spurred them to the opposite. The actually quite necessary measure in this situation was never taken: "house-to-house searches" in all the banks, including questioning of the bankers under oath. Furthermore, they should have kept the public informed about, and asked for help with, the issue of counterfeiting. They could also have e.g., issued a huge reward, such as $1 million in state greenback dollars, for vital tips about the ongoing counterfeiting, and information about who stood behind the assassination of the American president. Strict laws could have been introduced against counterfeiting, on par with treason, as a nation is very seriously injured by massive counterfeiting. At the same time, trained police could have carried out intensive reconnaissance of counterfeiters.

The importance of constitutional logicians as advisors to government leaders

High-level competency, with skills in modern higher mathematics should also have been consulted – people who have mastered, through the brilliance of constitutional logic, the art of seeing through illusions and fraud directed against a state apparatus and its top leaders. None of these actions were carried out.

Instead, a police investigation was started. It was handled solely by police with no knowledge of, or training in, higher mathematics or in its highly developed tools for advanced illusion resolution. Subsequent research has shown that the police investigation in the wake of the assassination of Lincoln was characterized by an extremely weak and incompetent leadership. The pattern with a remarkably weak police investigation, marked by incompetence, cover-ups, factual distortion and an inability to get to the bottom of things would later be repeated regarding the assassination of America's 35th president, John F. Kennedy (1206), barely a hundred years later. This pattern would once again, in many respects, be repeated in Sweden, when our own Prime Minister, Olof Palme, was assassinated (1207), 1986.

The vote of Congress on December 22, 1913, which implemented the Federal Reserve Act (1208), together with murder investigations linked to the two presidents Abraham Lincoln and John F. Kennedy, constitute the absolute darkest chapters in American history from the point of view of the people. Both investigations are hard to beat in terms of police incompetence. Both Presidents, Abraham Lincoln and John F. Kennedy, went down in history as great politicians in the sense that they showed the ability to think with the heart in critical situations, when it mattered.

Chapter 13 (81)

The Federal Reserve Bank's conjuring trick:

The art of, as a private person, setting up your own money printing press in your basement, and at the same time acquiring the legal monopoly to manufacture the entire world's demand for US dollars

A fateful moment in history

What follows here is the story of what for the American people is one of the darkest moments in its history. It is the story of a fateful moment that modern American history books comment very sparingly on, if at all. The long-awaited Christmas vacation, when politicians (congressmen) could take a break and go home to their respective states, was just one day distant, when the US Congress convened on December 22, 1913. Then they would see their loved ones and friends, socialize, relax, have fun, rest and eat well. The fall of that year had been marked by many politically intense debates.

At that very moment, with only a few hours of work remaining, when the Congressmen had their thoughts elsewhere, were tired and distracted and about to wind down for the year, one of the senators in the pay of the Wall Street bankers stepped forward and presented his bill. This Senator - you will have to figure out this Senator's name for yourself (read the exciting and well-written book *The Creature from Jekyll Island - A Secondary Look at the Federal Reserve* by G. Edward Griffin) - knew that the bill he presented was *criminal*. He had formulated the bill himself, and now he did not hesitate to present it for Congress. The bill, that came to be adopted on that day, has come to be seen as today's perhaps most important US Banking Act. It is called the *Federal Reserve Act* (1209), and is in itself a complicated, arcane text. The Act presents lines of reasoning that, superficially, seem both reasonable and logical. However, a more in-depth appraisal reveals that the law is far more difficult to understand than first appearances would suggest. It turns out, in fact, to be extremely complicated, which is why one might begin to wonder if there is something fishy about it all.

For the politicians that afternoon on December 22, 1913, the Federal Reserve Act bill had been required reading. In order to comprehend the full effect of the details and their consequences, it was necessary to read the bill very carefully, indeed several times. For the reasons stated, most members of Congress did not have the opportunity to read the text as meticulously as they should have done. The text was, as mentioned, not easy to read, even for experienced politicians. Moreover, the law had not been as thoroughly prepared as required, by allowing experts with experience in such complex texts to assess it on various important aspects the way that all legislative proposals should be examined. In this case, also mathematical, constitutional-logical expertise should have been sought so that the content, not least its long-term implications, could be fully understood and comprehensible to those who had the responsibility to reach a final decision - in this case, the members of Congress.

Constitutional logic, as a branch of higher mathematics in the top, modern US universities, had come a long way in its development by this time, and representatives of the discipline had readily been able to see the bill's long-term implications - if they had been given the chance. But they were not.

The bill was diametrically opposed to the old values of the American Revolution

In all likelihood, professional logicians would have been able to analyze the long-term consequences of the text in detail in the course of a few hours, or even less. They would have been able to list all of the bill's negative implications, not least from point of view of the government and the people. Who knows...perhaps they might even have been able to point out that the bill was diametrically opposed to the old core ideals of the American Revolution: that society should avoid burdensome taxes and that the state should not have to incur debt; that money should reach everyone in society through generous salaries and loans that did not necessarily have to be paid back; that, importantly, money should remain in the community so that a shortage of money would not arise; and that inflation should be kept at bay (the core of Franklin's four methods of transferring money into the community). They would have been able to identify the bill as what it in reality was: namely an attempt at serious fraud, comparable to a hostile takeover – a modern economic coup. But the majority of the Congressmen present that afternoon were exhausted and so disinterested, in some cases, even arrogant, that they believed they understood what was necessary to understand on this matter, that their own competence was sufficient, and that there was no need to drag the process out. In actual fact, the bill contained such convoluted logical reasoning, that the text could immediately be categorized as being on "a higher mathematical level". The politicians in question had in no way mastered, nor were they schooled in, this type of mathematics – i.e., resolving illusions and seeing through frauds. The bill contained a particularly treacherous illusion that a state bank with its own reserves would be created, when the truth was that the bank was privately owned and had no money of its own (1210) to lend out, but would produce the required money out of thin air in the instant a loan was taken in the bank.

A secret economic coup

The senator, who played the leading role that day, acted under mysterious circumstances as an agent for a number of bankers, as G. Edward Griffin describes in detail in an exciting and detailed manner. I wish therefore to emphasize here, that only very few politicians managed to carefully and thoroughly read through the bill which they would vote for, the Federal Reserve Act. These few Congressmen then realized to their horror that the proposal was nothing less than a *covert economic coup d'etat* whose intention was to secure the *private banking sector's* control over 99.999 percent of the nation's monetary production. At least one of the loopholes in the Constitution's Article 1, Section 8 provides for this possibility. All this, of course, was at the expense of the Congress (the people) i.e., contrary to the true intention of both the Constitution and the American Revolution. One could say that this banking law, the Federal Reserve Act, by giving the private banking system almost all power over US money production, seemingly *excluded* the state (Congress) from enjoying the same privilege, as it is impossible for two different operators to have a monopoly over the same thing at the same time (the monopoly on banknote production).

The Federal Reserve Act is far less powerful than the Constitution

One party, in this case Congress, is permitted by the Federal Reserve Act to participate, but it is only *ostensibly* that the state (Congress) plays a role in the money production process. For if the Federal Reserve Act is examined for what it really is, it is ultimately just a banking law, i.e., subordinate to the Constitution. The *Constitution* still gives the state the opportunity - through the four door-openers I have pointed out - to take over US money production *altogether*, if the people should so decide. In this case the Federal Reserve Act would be made redundant and could be repealed. So powerful is the Constitution's Article 1, Section 8, compared with the Federal Reserve Act. The bankers know this very well, and do certainly not want the public to become aware of this. It is so critically important to create awareness of this detail now precisely for this reason.
Today, the vast majority of money is electronic. It has expanded proportionally in scope since it was introduced sometime in the 1970's. Banknotes and coins account for less than 5 percent of the total money supply today. The Constitution allows for the state (Congress) to take over the entire electronic money production process without restrictions.

An apparent obstacle

If the current situation is compared with that of the mid-1800's when Lincoln acted for the benefit of the state via his decision to introduce government fiat money (greenbacks) (1211), it may seem as if the 1913 Federal Reserve Act now prevents Presidents from following in Lincoln's footsteps by activating the first (1212) and fourth (1213) door-openers. But, as I have said, this is only an apparent obstacle because the Constitution is superior to the Federal Reserve Act, and still gives the president and the people the right to act in accordance with the door-openers. In connection with the Federal Reserve Act and the covert economic coup that it constitutes, as I and others argue, it is interesting to note that the US Supreme Court has not protested, despite having had by now 100 years to do so. One can only speculate as to why. Does the Supreme Court obey a higher master, or is the reason a lack of courage?

The fourth door-opener

The Constitution's fourth door-opener, as previously mentioned, consists of the fact that Article 1, Section 8 gives Congress (implicitly, with the president at the head) the authority to coin, i.e., manufacture money in a very broad sense, without this being limited to coin production only. This means that Congress, as an extension the people, could, e.g. at the President's initiative, very well decide to produce both banknote money and, as in our days, electronic money, or any other type of legal tender in the form of authentic fiat money at any time. In this respect, the first and fourth door-openers complement each other. It is obvious that the Federal Reserve Act of 1913 has, if not definitively, then at least temporarily, for a long time opposed the values that the American Revolution of 1773-1783 was fought for: that the American people alone shall have the power over America's money production - private operators need not apply. And this is exactly what the handful of Congressional politicians that were awake and alert saw before the vote in 1913. Perhaps they did not use the word “coup”, when they tried to forewarn their colleagues of what was going on. Whatever the situation was with regard to this matter, the vote involved manipulation of the entire nation on an unprecedented scale.

The art of building gaps in legislation

The senator who took on the leading role when the bill was presented, acted highly intelligently in that he masterfully managed to cover up what was really going on. I firmly believe that the Federal Reserve Act can be used as a brilliant example in modern academic education in law, history, economic history and political science. The introduction of the Federal Reserve Act demonstrates how to build loopholes into legislation, in this case by exploiting the first and fourth loopholes of the US Constitution's Article 1, Section 8 – loopholes that can slyly be used for illegal purposes. The fundamental mistake, from the people's point of view - or the creation of a future opportunity from the bankers' point of view - had already been committed on September 17, 1787, when all four loopholes were approved by the Constitutional Convention. The Federal Reserve Act is actually a dazzling display of the art of highly intelligent formulation. Here the bankers, dictating from behind the scenes, fully demonstrated their reasoning, analytical and not least their illusion-creating capabilities to their own advantage. The senator in question was a tool in their hands on December 22 1913. Presumably, he became extremely wealthy in the process, generously rewarded by the bankers for his efforts - something I recommend that the next major investigations examine in depth.

"A personal money-printing press in the basement"

So what did the Federal Reserve Act proposal involve? In principle, as I have already hinted, that a *private* banking system, with the newly central bank organization, the Federal Reserve System as the hub of the activity, shall have the power to produce 99.999 percent of America's money – i.e., production of all forms of money except for the nation's *coins* - which was magnanimously ceded to the state. Thus Constitution's stipulation that the US Congress shall have power to “coin money" was literally fulfilled, as discussed in Chapter 74 of part II.

In 1913, all other forms of money dealt with gold backed currency money. The gold standard was removed in 1971, and today banknote money accounts for less than 5 percent, while gigantic sums of electronic money have come to make up the bulk of the total US money supply. It is only when the Federal Reserve Act is scrupulously and meticulously examined that one discovers that what on an initial, superficial reading seems to be about a new *state-owned* institution, is in fact the granting of a banking license to a *private* operator. It concerns the creation of a brand new, private central bank organization: The Federal Reserve System, with its central seven-man board and what was to become its twelve regional central banks, the Regional Federal Reserve Banks, scattered across America. The law in question in effect grants permission for a private central bank organization to set up "its own printing press in the basement," with a *monopoly on the production* of the USA's and the rest of the world's total demand for US dollar bills! It is in fact akin to a private person being offered such a deal.

Back in 1913, there were probably not many, other than perhaps the bankers themselves, who contemplated the possibility that money would at some later stage be produced entirely "out of thin air," as is the case today after the gold standard was removed in 1971. Prior to 1971, production was made only "for the most part", i.e., up to 80 percent, out of thin air, by leveraged expansion (1215) of embezzled deposits (1214). Nor would there have been many who reflected that this “air money” would since be unnecessarily *lent out at interest* by the banks in question as something they *owned*, i.e., as if loan money would be taken from the banks' own reserves, from their own fortunes. Even more astonishing: to begin with (up until 1971), the necessary deposit base (gold) for this colossal banknote production under private central bank management, which involves private bankers taking home huge profits (1216), would, according to the bill, be financed by the people's *tax money*. This is nothing more than an insult to the people. (It was still a top priority for bankers, as it had been for the federalists, led by Hamilton, that money should be "financed" (gold) in order for confidence in the currency (so-called gold-backed banknotes) to be maintained. By implication, not small amounts of gold, but enormous quantities of gold were to be purchased by the taxpayers and later (from 1937) to a large extent to be kept in a special facility in Fort Knox (1217) in Kentucky.

How much gold is there really in Fort Knox?

Be aware that the amount of deposited gold, despite the purchase of huge quantities, *in no way* corresponded to or covered the enormous amount of US dollar bills that the US and the world devoured, and that the central bank was to produce until 1971 in accordance with the Freemasons' (the creed of the “spiders” (1218)) leverage rule (see analysis in chapters 44-45 and 48-53 of Part II of the trilogy). On the contrary, the amount of gold (in particular Fort Knox) only ever represented at most 20 percent of the value of the banknotes in circulation.

Legitimizing forgery on a massive scale

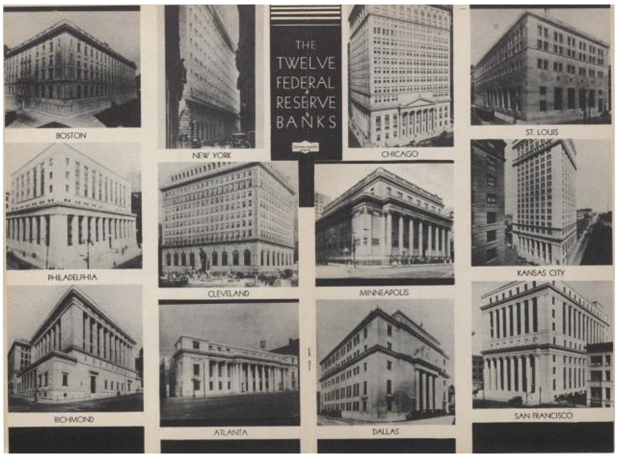
The claim that the public could at any time redeem their greenbacks for gold was a pure lie. As mentioned previously, the small part of the public who might actually have requested redemption of their US dollar banknotes in the bank, received in their hand *gold that they themselves had helped to finance.* It was not gold owned by the bankers. Thus the bankers committed forgery (1220), but the people were not informed about this. The plan was shrewd, yet criminally organized in several stages. There was no cost involved for the bankers in acquiring gold as backing, as these costs were dumped on the American people. Meanwhile, serious criminal offenses were committed in connection with dollar banknote production itself: embezzlement, counterfeiting and forgery.
That this is the true nature of the Federal Reserve Act, and that the events described above are the consequences of its slapdash passing by Congress December 22, 1913 and its hasty ratification by the president the next day, is little known among the American public.

Once again, history books omit extremely important facts

Ordinary American history books, written by respected American academics, are extremely frugal with, or omit altogether, what I report here. This means that the American public are denied the opportunity to gain an understanding of the meaning of the Federal Reserve Act, and under what circumstances this most important American banking law came into being. This law *apparently* gives the impression of overriding the Constitution's true intent, that Congress, i.e., the US government, is solely responsible for US monetary production, not some private operator.

Legitimizing counterfeiting on a massive scale

I believe that the Federal Reserve Act in reality *legitimizes* the counterfeiting operations of a small group of individuals, the secret (insider) owners of America's currently twelve central banks, because the law allows them to act as described above.



It goes without saying that US law prohibits all individuals in the community from manufacturing their own money in any form whatsoever – all individual except for this small, exclusive group. Everyone else is prosecuted severely for counterfeiting. The same applies to every country on the planet, as far as I know. Is there any exception?

Who owns America's twelve central banks?

The American people have no idea of the identities of the *owners* of America's 12 central banks. It is not even known if this group of people are Americans, or whether they live in America or elsewhere. It is also worth noting that the type of counterfeiting which we are discussing here is called *perfect counterfeiting*, because the said twelve central banks (Federal Reserve Banks) have access to the original printing plates for the US Federal Reserve dollar bills, or simply US dollars, of the various denominations that they manufacture.

Federal Reserve Act invalidates vital constitutional clauses

It is with great seriousness that I repeat that the banking law the Federal Reserve Act, still currently in use, *in practice seems to invalidate* the part of the US Constitution which regulates who shall have power over the nation's money production, at least in terms of what the Constitution's authors intended. They intended for Congress (the state) to have the power which a private group of bankers have now usurped. It is my hope that if others also realize this, then a change may be made for the benefit of the American people and the world in general – a change that embodies the spirit of the Constitution. That is the whole purpose of this trilogy.

To put it even more clearly: The Federal Reserve Act *bank law* in practice invalidates constitutional clauses that are vital for the nation. It should by no means be possible to override those clauses in such a cavalier fashion as occurred on December 22, 1913, with a ratification occurring the following day. Changing the constitution is a much more complicated procedure than that which took place on the above date regarding the Federal Reserve Act and the blasé, disinterested congressional vote. Therefore it was a serious, even coup-like, departure from constitutional rules that took place. With regard to the consequences, it is my opinion that the vote was legally invalid, the coming major investigations will determine whether this is so.

Congress is accountable for US coin production

The Federal Reserve Act stipulates that it is the private central banks of the Federal Reserve System which are to manufacture the US national currency *banknotes*, i.e., US dollars in various denominations. This production has in modern times been extended to other forms of money, particularly significant amounts of money in *electronic form*. Only - *only* - the production of American *coins* takes place under the control of Congress (state), in accordance with the Federal Reserve Act. Whereas coins accounted for a few percent of the total money volume a hundred years ago, today it is only about a thousandth of one per cent.

Allow me to repeat: the Federal Reserve Act involves a legally astounding inconsistency, namely that a number of individuals are given the *legal right* to run a *perfect counterfeiting* operation. Seen in the light of day, it can be said that this legalized counterfeiting operation has expanded over time to encompass an even broader group of players, in fact citizens, in that it concerns the owners of a whole range of private i.e., non-governmental, corporations and other related institutions which currently have a banking license in America. This can clearly be seen when one carefully reads the booklet Modern Money Mechanics published by the Federal Reserve Bank of Chicago in 1961. These additional private companies have their own money-producing machines, for example in the form of modern-day computers, electronic money, machines that print checks, bills, etc…

Legitimizing counterfeiting...again

Here I am talking about individuals who have ownership interests in any of at least a thousand private banks and special financial institutions (credit card companies) in the United States. It is fair to say that the Federal Reserve Act has initiated a legitimized counterfeiting on an increasing social scale, step by step, because more and more opportunists have seen the potential in the obscure but lucrative counterfeiting industry. Those involved are the owners of private banks and the owners of the above-mentioned types of financial institutions (e.g. credit card companies) working in collaboration with the US central bank. It is on the basis of the above, that I firmly assert that American people have been duped, in terms of the Federal Reserve Act of 1913. It is a law that has seriously damaged, and continues to damage, above all, the width and breadth of American society. As I have touched on before, it is very strange that the US Supreme Court has not responded on this matter, to the constitutional breach that the Federal Reserve Act in reality is. They have had plenty of time to do so.

Courage

I hope that the US Supreme Court now will find the *courage* to continue the work that I have started with this trilogy, and that other researchers with their books, articles, movies and Youtube clips have contributed with in order to create awareness: to clean up both the financial as well as the moral-ethical cesspool which, seen as a whole, is what this text deals with. To achieve *a lasting result* requires both will and courage beyond the ordinary. It is undoubtedly both a powerful and a highly intelligent opponent that the American people and the Supreme Court faces, one that so far has been allowed to act pretty much unchallenged. An opponent that in no way should be underestimated and, as I show in the trilogy, does not shy away from using murder to achieve its ends. Major, upcoming investigations now need to examine these issues when the indications are clear and follow a pattern that concerns how the first critical societal issue **I** must be answered: who in America shall have power and control over the country's money manufacturing apparatus (the people as an extension of the state - or the banking power)?

The motive for the murders is thus power and money. Here I am talking about a force in society that with the help of bribery and corruption, probably threats and, as indicated above, homicide has been allowed to continue uninterrupted in their massive swindle of the American people, and also a staggeringly large number of people in other nations. I believe it is time to put an end to this.

The purpose of the US Constitution

US Constitution was written to both organize, and *protect* the American people and the community. That includes protection from the type of takeover, which due to deception occurred with the Congressional vote of December 22, 1913. I firmly believe that it is in the American people's interest to nurture a concern for the spirit of the US Constitution. Therefore, it is *imperative* that things are put right. Basically, it's all about understanding. Therefore, providing broad-based *information* and *education* to the people about current society's faults and shortcomings is, as I point out in the trilogy, the first and most pressing step to be taken. When a great many people have more or less been presented the facts about what this concerns, large demonstrations calling for change should be organized in America, especially in Washington, with the aim of strongly reminding the Supreme Court, but also the President and Congress, of their duties.

The fateful afternoon

We now return to how events unfolded at the Congressional vote on the afternoon of December 22 1913. There were certainly at the time several honest and uncorrupted politicians in Congress who suspected what was going on, and tried to warn their fellow Congressmen that they should refrain from voting on the new banking law. Most believed, however, that they should vote and get it over and done with so that they could go home for Christmas. As far as they could see, it was on the whole a fairly uncontroversial subject - it was about imposing a state central bank which would base its operations on tax revenues. Nothing strange about that, said the majority. There is no doubt that the senator and his client had chosen the right moment to propose the bill. A cunning man always awaits the right opportunity.

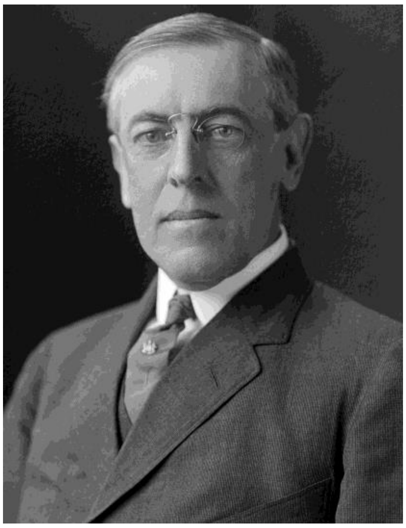
However, the bill had enough skeptics for discord to emerge between the two factions in Congress, where the skeptics loudly again and again argued that the Federal Reserve Act bill should be given more time for preparatory analysis and careful thought, before a vote should take place. They argued that the bill was hard to understand, and that experts should be consulted to analyze the text. Some even believed they smelled a rat, and demanded an investigation. Especially one politician stood out, namely Minnesota Senator Charles Lindbergh Sr. (1221). (The father of Charles Lindbergh Jr., the aviator who completed the world's first solo crossing of the Atlantic in the Spirit of St. Louis in 1927). Senator Lindbergh tried again and again to call to the attention of his congressional colleagues that

what was to happen that afternoon was something very serious, that they should think sensibly, and carefully review the bill before voting. But that did not happen.
Instead, the vote took place, and with the crack of the speaker's gavel, the United States had a new - private - central bank, after having been without one for 77 years (since 1836). Yet another central bank nation was born – one that would evolve into the world's economically most powerful. Today there are at least 173 central bank nations in the world.

If Benjamin Franklin had been present that afternoon

I am not exaggerating when I say that if Benjamin Franklin had been present that afternoon, he would have used all his clout and prestige, as one of the nation's founding fathers, to with a roar that would have been heard all the way down in Congress' basement, make it clear that the decision was the opposite of the basic ideals of the American revolution. The vote is one of the darkest moments in US history, and shows with painful clarity that the elected politicians do not take their task very seriously. A damning political incompetence was demonstrated that afternoon.

President Thomas Woodrow Wilson



[Thomas Woodrow Wilson]

After America's 28th president, Thomas Woodrow Wilson, had ratified the Federal Reserve Act, he wrote:

> *"I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its 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. 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" (1222)*

The moment the gavel hit the table...

...was the moment the American banking system had succeeded in its intent to make counterfeiting their *legal* right, in that the new American central bank, disguised as a *state* bank based its reserves of tax money. The truth, which bears repeating, is that the Federal Reserve Bank is a *privately-owned* bank with confidential owners, who do not lend out a single cent of their own money. All the money the private central bank lent at interest up until September 15, 1971 was created by perfect counterfeiting in accordance with the Freemasons' (the "spiders") conjuring trick: *"ostensibly own money – with leverage"* (1223). An illusory deception, as I explain in detail in the trilogy's first two parts (1224). After the above date, the central bank manufactured its money according to the conjuring trick "*out of nothing",* as leverage was no longer required in the banking context now that the entire sum required could be keyed directly in on the machines that the produced electronic money.

The advantage of having ones own central bank

The deception is nearly global in extent when it comes to central banks. Thus Sweden's central bank applies, in principle, the exact same illusory tricks as the US, when it via its employer, the Swedish government, creates Sweden's money. All the new money is, also in this case, created out of thin air, although the *appearance is given* that it is retrieved from people's taxes, government revenue through its businesses, as well as through state loans (1225). It is obvious that "someone" must profit economically from this universal central bank operation (which is a fraud). Otherwise, the scheme would not exist. By using money that is *newly manufactured* out of thin air instead of tax money, income and loans, subsequent massive amounts can be used for any purposes by this "someone" to exercise economic power in various ways, e.g. for private use, economic warfare, quantitative easing, bribery and corruption, deposits into the secret accounts of the intelligence services and covert military research. Meanwhile, society as a whole, -and this is perhaps the main intent – is denied this money, contributing to the general societal money shortage that characterizes the capitalist/central bank economy, and as I go through in depth in the first 68 chapters of part II of the trilogy. This stands in contrast to the methods used by Benjamin Franklin and Abraham Lincoln, where *the state (as an extension of the people)* directly and fully openly manufactured all the money required out of thin air, such that taxes, corporate profits and government loans were unnecessary. If Franklin and Lincoln's economic system were to be adopted, mild or even severe inflation could skillfully be avoided if special methods (1226) were be applied to keep the inflation rate in check.
In this context it should be understood that it is the intention of the plutocracy that the common people should never recognize that central bank economics (1227) involves a large, organized fraud that affects the entire nation. Thus the entire population is fooled - just as snake-oil salesmen duped the gullible in the past. It is only when constitutional logic is applied, with a knowledge of handling logical structures, in analyzing the fraud, that one sees through the cunning and treacherous design. And when the fraud is uncovered, one also sees that it is possible to correct it.

The door-openers may not be necessary for change

The door-openers I have described are probably not even necessary in order to invalidate the Federal Reserve Act (FRA). William T. Still, an American journalist, author, filmmaker and whistle-blower demonstrated this in one of his periodic video reports in November

2013 before FRA's forthcoming 100 anniversary (SR 118 Fed 100 years charter with Internet link: https://www.youtube.com/watch?v=0oSO8mqJso4).

As Bill Still shows, there was a clause in the law of the Federal Reserve Act, passed in 1913, which authorized the Federal Reserve System (the FED) to operate for 20 years. This authorization was supposed to expire in 1934. This was, of course, a date the bankers increasingly feared as it loomed closer, which is why they were not slow to make arrangements for its arrival. In 1927, the bankers managed to push through a new law that gave the FED unlimited authorization until:

a) Congress removes the authorization ("... until dissolved by Act of Congress ..."), or
b) The FED through negligence or breach of the law forfeited its right ("...until forfeiture of the franchise for violation of law".)

These two important objections or clauses, given to the Senate as an explanation to the Committee Meeting (the Conference Committee), completes the new Act's section 20, which in all other respects grant the FED permanent authorization. Based on this, it is Still's opinion that one can convincingly argue that they (the FED, my comment) have violated their obligation to maintain the triple mandate of promoting: 1) maximum employment 2) stable prices and 3) moderate long-term interest rates.

The FED fails on all three points. Therefore, there is probably enough evidence of mismanagement to "shut down" the Fed with Congress's power. Add to this the constitutional power of the four door-openers, and it becomes easy to understand that the FED is hanging by a thread, and has actually always been hanging by a thread. I mention these facts, because they need to be part of the US Supreme Court's evidence when the FED is subject to constitutional assessment and testing, which I recommend should be done as soon as possible.

Chapter 14 (82)

Three facts that are being kept secret

Due to its extreme importance, I will repeat: A deceptive illusion is being propagated when the Federal Reserve Act argues that the US central bank, the Federal Reserve System, is a *government bank* that *owns* large *reserves* of government money, i.e., the American people's tax money, which at any time can be used as necessary in the US economy. Instead, the truth consists of three facts that are currently kept secret:

Fact No. 1

The Federal Reserve System (the FED) is *not* an institution of the state, but is *a privately controlled central banking organization alongside the state,* an organization with *anonymous* owners (anonymous to the public, at least). Anonymity is hardly conducive to democracy and transparency, which is otherwise America's hallmark. It does not benefit the people, of course, that control (power) of the central bank does not lie with the people (the state), as 100 years of experience now clearly bears witness to, and as I have shown in great detail in the trilogy. Conventional American history books only sparsely touch on this in any clear way – something I believe is the result of a deliberate, sophisticated suppression of information. At most it is mentioned that the FED is privately owned, since that fact can be read in the text of the Federal Reserve Act itself. Said literature gives neither truthful nor detailed explanations of the circumstances under which the Fed was created, as this chapter intends to show.

Fact No. 2

The FED has not had as much as a single private dollar (or cent for that matter) to lend out since the organization was founded December 23, 1913. Basically, all the US central bank has done (and since 1971 this is all it has done), is to create money *out of thin air* by means of money manufacturing machines (with printing presses, and since the 1970s, in the form of electronic money with the introduction of computers), which have been in the hands of private bankers thanks to a law that *legally allows* these individuals to engage in perfect counterfeiting. What would instead be natural, was if the US money manufacturing was *legally* handled by the Congress (the state), in accordance with the American Revolution's basic ideals and the actual intent of Article 1, Section 8 of the US Constitution. Nothing in the text of the Constitution says that electronic money should be an exception, which is why this too concerns counterfeiting by private operators.

Fact No. 3

Let us first establish some principles: When you borrow money in a bank, it involves a business deal, a *business contract* between two parties - the bank and the borrower (legally the *creditor* and the *debtor*). Agreements in Sweden, my homeland, are legally governed by a special law (Contract law from 1915, modernization proposed in 2010). The United States obviously has corresponding laws concerning business agreements. Business deals are all about buying, or otherwise providing payment for a *performance* by someone by means of compensation, called *consideration*. Performance may be about work or a service performed, or that an item is sold. If, for example, the performance is babysitting for a few hours, the movie ticket you get for your trouble is consideration.

Usually, money is *consideration,* but the consideration can also be paid through a counterpart in the form of work, service or good. For an agreement to be legally fulfilled, i.e., to be valid, obviously the performance, as well as consideration, must be in line with expectations, i.e., the preconditions. If the work done, service or supplied good is substandard or inferior, the agreement risks, in the worst case, being legally annulled. The same applies if the consideration for any reason does not measure up.

If we now analyze the special commercial agreement that "a bank loan" in principle is, one can conclude that the borrower is the buyer of "goods" in the form of money (loan money) from the bank, which is the product's legal seller. The consideration is, in the first instance, the debt the borrower is put in, i.e., the debt note. In the longer term, consideration is the amortization of the loan's principal plus interest. The Swedish legal term for the loan of money (e.g. bank loans) is "*extension*" (försträckning), which is *a special form of commercial agreement* where the seller (bank) *requires* the repayment of the same kind of good (money) in equal amount, i.e., the principal, at a later stage. The seller thus establishes *a claim*. And now to what is important in the context of "bank loans": For the bank to be legally able to "lend out" an object, i.e., its good, in this case money, it must be the legal *owner* of the object being lent out (or have the owner's permission). And the same bank must be the *owner* of the object (in this case money) in order to legally be able to reclaim the loaned good. Thus both lending and reclaiming requires ownership of the good. Without ownership, the good can not be loaned or recovered. In addition it can be said that the requirement of interest, i.e., an additional requirement, also requires the creditor's (the bank's) legal ownership.

As usual in commercial contracts, the buyer - in this case the borrower – expects the purchased goods, the borrowed money, to meet the quality requirements that the buyer has the right to expect: i.e., that the borrowed money is valid for use as money, and that it commands the *value* it claims to represent. If this is not the case, the borrower has been duped. In the same way, the seller of the goods, in this case the bank, of course expects that the consideration fulfills what has been agreed on, i.e., that the borrower will fulfill his responsibility regarding principal and interest payments. Well, what then is the situation with respect to the legal quality of the article (the loan money) and the consideration if we examine "bank loans" in general? This indeed is a major issue in the trilogy.

If we first look at the consideration, we can conclude that most borrowers manage their repayments and interest payments as agreed. There is generally not much to discuss. Sometimes however, for various reasons it does not work out as planned, and then repossession, bankruptcy or loss of the pledge is threatened because the bank in this case often acts with unreasonably severity - with or without the assistance of the law. Now to the "good", the money lent out by the bank: Does the bank's loan money meet the requirements that the borrower, in terms of the agreement, has the right to expect? First of all, the good that the borrower has purchased, as we have said, must not be *worthless*. It must command a value, because the borrower pays with a corresponding value - in fact more than that. In the context of a bank loan, is the purchased good worthless? As we know, the loan money that the bank gives the borrower is *not* drawn from the bank's own underlying wealth (despite the bank giving this impression), but is, in the case of commercial banks, overwhelmingly, and with respect to central banks (which lend to commercial banks) since September 15, 1971 in the United States completely based on *air*. And air (at least in uncompressed form) is something that so far only banks been able to sell successfully (although many would have like to do the same thing).

Therefore, the banks' lending money, whether it is lent out by commercial banks or central banks, is almost entirely, in the latter case entirely and literally - *worthless*. If we ignore this first finding, that the banks are not ashamed to charge for air, i.e., for a literally worthless commodity, and which for this reason really can not be used, the next question pops up: Do the banks really have the right, from a legal ownership perspective, to sell their commodity, loan money, i.e., to perform what in the context of a loan is called "lending"? Is what actually takes place permissible? - i.e., to *selling* something that is *worthless* and *not legally owned*, and receiving real, valuable money for it – all while promoting the false impression that they do own it? Not to mention additionally demanding an extra cost in the form of interest on the “air” in question. I think most right-minded people would doubtless answer no to that question. But, as this is exactly what is happening right before our very eyes *on an unimaginable scale*, how is this to be explained?

A magic trick

Yes, it is all due to the simple fact that banks create *the illusion* that they are the owners of the commodity sold, the loan money, and that it has value. It is in the creation of this illusion that the banks' major fraud is committed: The banks are not embarrassed to sell something completely worthless as if it had value, or to something ownerless, as if they were the owner. In essence, the fraud lies in the fact that one party in a commercial agreement between two parties - the bank and the borrower - commits breach of contract law by selling a product that does not fulfill expectations. It is quite another thing that the criminality of the banks, as we know, goes far beyond this, encompassing embezzlement, counterfeiting, forgery and theft, in addition to the moral aspects involved. They have destroyed, and are destroying, the lives of countless people.

With these principles in place, let us return to a more specifically American discussion (which really still is relatively "universal"): Colossal sums of money are manufactured and lent out by anonymous, high-level criminals – the individuals who are the owners of America's 12 central banks, as well as those who own stakes in the country's over one thousand commercial banks and credit card companies. This loan money *lacks initial ownership* when it leaves the manufacturing machines because there is no legislation in the United States that explicitly regulates the ownership of newly manufactured money. This is carefully detailed in the trilogy. Since then it has been difficult, even impossible, to legislate on initial ownership of the money that is usually made from thin air, because the fraud would unavoidably be revealed.

If the item for sale by the bank (loan money) is demonstrably ownerless, the agreement is legally invalid. In this case the "buyer's" (the borrower's) *obligation to provide consideration* is revoked, which in plain language means that the borrower is not required to repay or pay interest on the loan, which he in good faith (legal: in bona fide) "bought" from the seller (bank). In this respect, hundreds of millions of people are cheated by banks worldwide. Over the centuries, billions of invalid bank loans are involved. Doing business with something that one falsely gives the impression of owning (lending money), thereby deceiving people, is the same as *forgery*, which is a legal breach of contract.

Three highly compromising facts

It is not difficult to understand that the above three facts are extremely incriminating for banks in general, and of course also for US commercial banks and financial institutions, as well as, in particular, the US central bank, which manufactures all its money out of thin air. It is my opinion that they will now held responsible for their actions in what will become the trial of the century.

Chapter 15 (83)

People who have recognized the importance of these events

Many people in the United States are aware of the facts regarding the vote of Congress in 1913, which I discussed the above, but none or few dare to make a legal case of it. People in general are scared because they know that the world's hidden banking power is extremely powerful, both in the US and in other countries. So that you may understand that this really is the case - that there are others than merely the author of this trilogy who have recognized the importance of these events, I bring the following quotes:

Thomas Woodrow Wilson, America's 28th president, has written:

> *"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 had better not speak above their breath when they speak in condemnation of it. "*(1231)

About 75 years before the putschist the vote took place December 22, 1913 in the US Congress, the powerful German banker Nathan Rothschild stated the following:

German banker Nathan Rothschild

> *"Let me issue and control a nation's money and I care not who writes its laws."* (1232)

The banker brothers Bauer-Rothschild in Germany wrote about bribery and corruption:

"The few who understand the system will either be so interested in its profits, or so dependent on its favors, there will be no opposition from that class. The great body of people, mentally incapable of comprehending the tremendous advantages, will bear its burden without complaint ". (1234)

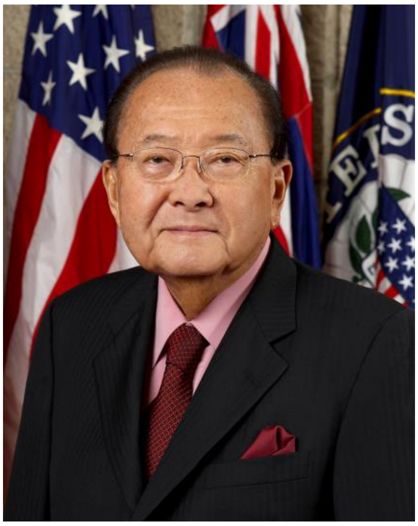
Amschel Mayer Rothschildt

Nathan Mayer Rothschild

Calmann Mayer Rothschild

In connection with the completion of the Iran-Contra hearings during the second half of the 1980's, when Ronald Reagan was president, Senator Daniel Inouye said to the US Congress:

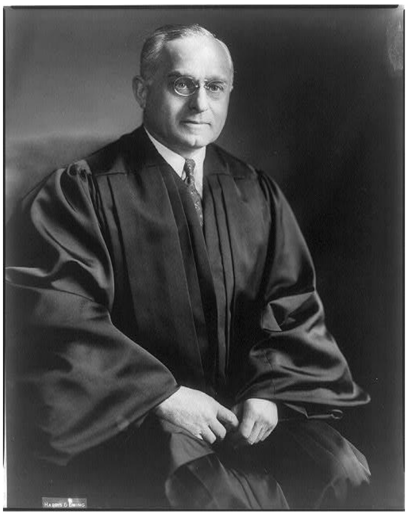
"There exists a shadowy government with its own Air Force, its own Navy, its own fundraising mechanism, and the ability to pursue its own ideas of national interest, free from all checks and balances, and free from the law itself." (1235)



Daniel Inouye

The US Supreme Court Justice, Felix Frankfurter, stated in 1952:

"The real rulers in Washington are invisible and exercise power from behind the scenes." (1236)



Felix Frankfurter

Wright Patman, Congressman and Chairman of the House Banking and Currency Committee, stated in 1967:

> *"In the U.S. 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 Bank (FED),*
> *operating the money powers which are reserved to Congress by the Constitution."* (1237)

Wright Patman

John Adams, America's second president, and one of the politicians who co-wrote the US Constitution, wrote:

> *"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."* (1238)

Thomas Jefferson, America's third president, and one of the politicians who co-authored the US Constitution, wrote in 1816:

"I sincerely believe ... that banking establishments are more dangerous than standing armies." (1239)

Napoleon Bonaparte, Emperor of France in the 1800s, stated:

"When a government makes itself dependent on the bank for the sake of money, it's the bank, not the government, who controls the situation, since the hand that gives, is superior to the hand that takes." (243)

Napoleon Bonaparte

Robert H. Hemphill, Credit Manager of the Federal Reserve Bank, Atlanta, Georgia, stated in 1934:

"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." (1241)

Sir Josiah Stamp, Governor of The Bank of England, wrote:

"It is the biggest sleight of hand trick ever witnessed." (1242)

Reginald McKenna, former Chairman of the central bank Midlands Bank of England, wrote:

"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." (1243)

Chapter 16 (84)

A national general referendum

Many people in the US are thus aware of the facts concerning the congressional vote in 1913. All societal manipulators fear having to face the rage of the entire population if and when the people should come to understand that they have been duped. It would mean being faced with a primordial force that cannot withstood, whether it be the savage indignation that foments a revolution, as with the American Revolution of the 1700s, or the more restrained feelings which are liable to be expressed in a modern-day referendum. Although this is a sensitive issue and the indignation of the people may be roused to fever pitch, such a referendum must not take on the character of a lynching. But it is time for the people to call the shots.

What I mean is that there is much at stake now. For the American people, the first priority is to *gain understanding* – and after that, to *take a position*. Banking and business interests with their respective boards are responsible for between 1 and 5 percent of the total votes of the people in the United States. The rest, between 95 and 99 percent of the American people, is made up jointly of the working and middle classes of the United States. This balance of forces is a constant source of fear for the covert power that at this very moment is bribing and corrupting, among others, portions of the US Congress.

As I have touched on before, much is suppressed in American history books. Hopefully, the events I have reported on will play a part in opening your eyes in such a way that you yourself will now begin researching and investigating the facts and circumstances. There is a strong social grouping in the United States that is purely "anti-American" in the sense that it literally opposes the three fundamental ideals of the American Revolution: *less government*, *lower taxes* and *more freedom* for the people. One manifestation of the unseen government's opposition is the withholding of important historical facts from American people. I would argue that the people have been thoroughly duped when it comes to the three ideals. These hidden societal forces seem opposed to the spirit and fervor that characterized the original colonial societies that gave birth to the American Revolution.

The American people need to be reminded of the Revolution's three ideals, as well as the original goal of the Revolution: *that the State (the common good) and no one else shall control the nation's production of all forms of money*, which now also includes electronic money. The three ideals of the Revolution are still very much alive in our day. However, it is important to understand the ideals in the context of the revolutionary 1700's, so that the kind of historical distortion that occurs today can be avoided, where the ideals put forward by some politicians through, e.g., the neo-liberal think-tank at the University of Chicago, or the Tea Party movement. The three ideals originally emerged in connection with hope in the Promised Land of America. My intention is to help the American people to understand how easily they can in fact win back the wealth and harmony associated with the boom years of 1723-1750 in substantial parts of the American colonies. Yes, there is much room for improved prosperity and harmony in our modern world. To realize this requires both an initial understanding of the problem that hinders progress, as well as a subsequent, organized change in the position of the people.

Summary

The American people certainly won national freedom from the hegemony of the English with the signing of the peace treaty in Paris in 1783. But it was only a half victory for freedom. Although not all have understood it, the American public is still financially and politically hampered by the same banking power that their ancestors so forcefully revolted against in 1773. The American Revolution was, in fact, hijacked. The American people were cunningly deprived of their money manufacturing apparatus a second time, gradually and step by step beginning in the fall of 1774. The first time it happened was with the introduction of the English currency acts of 1751 and 1764.

Revolutions are most certainly important (and dramatic) milestones in the historic development of human civilization. However, revolutions are remarkably often *commandeered and manipulated* in such a way that the end result is rarely what the revolutionaries, idealistically, had hoped for - in that sense, the American Revolution was no exception. Fortunately, however, the aforementioned manipulations can, as I have said, be corrected - although in this case the correction would be taking place 240 years late. It is for this reason that I suggest in great earnestness that the American people now vigorously make common cause, and in the spirit of their forefathers, once again insist that the revolutionary ideals be realized in the form of a *national general referendum* on the following three basic vital questions:

I) What body in the United States shall have power over the nation's money manufacturing apparatus?

II) Who will initially *own* the money that is created “out of thin air” in the USA?

III) How will this money, created out thin air, to be distributed into American society?

If such a referendum should support my expectation, namely that it is the American people who, through their extension the state, should have 100 percent control of the money manufacturing apparatus in the USA, and also own the money that is created - well, there would not be much more to discuss. Then any other power (the bankers) that lays claim to the same thing would simply have to knuckle under and comply with the decision. Hopefully this change of power will take place calmly and quietly, but that can unfortunately not be guaranteed. It must be clear that the plutocracy we are talking about here owns unimaginable resources and influence. Therefore, a power struggle cannot be ruled out when push comes to shove. More about this matter, and my serious proposals for crisis prevention are taken up in Part III of the trilogy.

America's neglected infrastructure

America's infrastructure is in dire need of renovation as it has been neglected for so long. Finally, with power over America's money manufacturing apparatus, and its money completely in its own hands, the American people can calmly begin to organize society in the spirit of Benjamin Franklin, for the benefit of *everyone*. Then society will be able to flourish: *everyone* will be able to enjoy a society with material wealth, without taxation, without unemployment and without social exclusion – the same progress that emerged, as history illustrates, in 1773 when the revolution broke out and temporarily threw the bankers out of the saddle i.e. when the colonial governments retook command of the monetary manufacturing machines and began cranking out their own printed banknotes again. Yes, the current social exclusion which is plaguing parts of the US, would disappear within a few years or even less. The community would be able to *vigorously* eliminate slums and misery, and be able to largely deal with the widespread crime that is caused by poverty. This also applies to a great extent to problems like drug abuse, apathy and depression. Wide-reaching reforms for the better could also in short order be implemented in the areas of health and geriatric care.

New roads, railways, ports, waterways, airports and other infrastructure across the US will be built *from the ground up* without any real cost, either for the individual or the state (since the state can easily manufacture all the money required). With the new economy, the US defense, which is already the world's strongest, could be modernized and and improved even further. An entirely new approach will see the light of day, instead of society in effect being governed by *a lack of money and resources,* as has been the case since 1781 (about two years before the Treaty of Paris). The result of this lack has been a relatively tightfisted approach to construction of society's infrastructure. Where the watchwords before were "repair" and "patch up", the new motto will instead be "rebuilding" and building *with the highest quality,* because resources for these will be *inexhaustible*.

As we know, the American infrastructure is in many respects old, worn and rundown. This also applies to housing for those worst off in society - which today is a category that is growing. The innovation I am talking about is my own development of Benjamin Franklin's model of society, as I discuss and describe in detail in Part III of the trilogy. In my modernized model of Franklin's well-functioning monetarily financed economy, the intentional and intelligently planned societal money shortage, which mainly benefits a tiny group of capitalist elites through its focus on lending at interest, is to be replaced by "abundance thinking", where money, resources and possibilities are endless, as long as:

1) They are used in conjunction with both works that are useful to society, as well as for investments (productive community investments) - not speculation

2) Natural resources are recycled

3) Inflation is skillfully prevented in accordance with certain rules that are clearly defined in Parts II and III of the trilogy.

I therefore offer expertise in the implementation of a more highly developed socio-economic system than Franklin's, whereupon it will be possible in a relatively short time to introduce *financial independence for all Americans,* men and women, young and old - not like today, where only those who belong to a small privileged group are wealthy. This applies, in fact, not only for Americans, but eventually for all the world's people. And all this is financed without the need for a single government loan, without the people somehow needing to be taxed, and without any interest being due. A lot of people will have ideas that require special investment loans, but these will not, in extraordinarily many cases, have to be paid back, because the loans will be considered "gifts from the people to itself". This is possible because the three societally crucial questions **I**, **II** and **III**, have been answered to the *people's* advantage in a national referendum. In order to logically understand these astonishing claims, it is necessary to have read the trilogy because we are concerned here with advanced issues that cannot be explained in a few simple words. There thus exists a fully logical exposition that makes these claims both credible and fully achievable - *without inflation occurring*.

In the first instance, this is all about activating the opportunities granted by the US Constitution - to the advantage of the people. These opportunities are granted by the Constitution's Article 1, Section 8, which namely already provides room for the four "door-openers" which grants Congress power over the entire US money manufacturing apparatus. Again and again I will return to this crucial initial step, which opens up for all the staggering changes indicated above.

Chapter 17 (85)

I now turn directly to the US President

Dear Mr. President

Here it would be appropriate to direct some words to the US president. As everyone knows, the United States has an astronomical debt today (more than $17 trillion). I can state in all seriousness that you, Mr. President, could in the space of just a few hours be rid of this enormous debt in its entirety. So powerful are the logical tools that modern higher mathematics can assist with. All that is required is to, with evidence n hand, refer to the fact that all the money that the US government has borrowed from the Federal Reserve, a number of foreign banks and institutional investors who purchased government securities of different types, is based on a *series of systematic legal breaches of contract*. When this matter is then legally established, the bulk of the debt will be null and void. The systematic contract violations have been legally possible thanks to the existence of a gap in legislation, not least in American legislation, with regard to the initial ownership of the colossal amounts of money that the above institutions, the Federal Reserve System and others, have lent to the US government as one of their major borrowers. There are thus presumably a very large number of borrowers that in parallel and alongside the US government are at the same time affected by this important legal principle. The legislative gap consists of there being no defined original owner of the newly created loan money in the banking system, i.e., there is no legislation favoring the banks. For me it is a matter of course a nation's money should be owned by the country's people, but this detail has been overlooked in the legislation.

As for the relatively smaller, though still sizable, portions of the US national debt where the state has borrowed money from *a legally defined owner*, for example, from various overseas institutional investors and others (including gigantic Chinese state-owned investment funds) who have lent their own genuine money, the case is of course different. Here, repayments will naturally be carried out as arranged, which can easily be effectuated by the US Treasury Department giving the order to initiate its own money production under the auspices of the state (a computer terminal for manufacturing electronic money, a printing press for banknotes, US dollars), and these will produce the money required to pay what the state owes to the legal lenders. It is no more complicated than that.

I emphasize that this does not involve any expenditure for the United States as a nation in that money is something that is created from nothing, and therefore comes into existence at the moment of production. That production itself is free because the equipment (i.e., machines and, if necessary, paper) used in the manufacturing process is easily paid for by the manufactured product (genuine fiat money). It is likely that a polarized public debate will occur regarding the actions taken by the state, especially in light of the fact that these actions in reality repeal the Federal Reserve Act banking law. This is the time to keep in mind that the four door-openers in Article 1, Section 8 of the US Constitution, being superior to all banking laws, grants the state all required mandates and tools for its actions. As previously stated, the public will of course in this context have to be thoroughly informed and instructed about how these aspects are inter-related, not least the way in which the Federal Reserve Act came into being, and how that law is contrary to the fundamental ideals of the American Revolution and is in opposition to the true meaning of the Constitution's Article 1, Section 8 (Congressional powers).

To reiterate: Money is made for free "out of nothing", which means that money comes into existence the moment is created. This can be done with machines in different ways: printing presses for banknotes, stamping dyes for coins, computers for electronic money. By giving the Treasury the order to set up, among other things, a computer which is programmed to produce electronic money, and legally connect this to the international electronic banking transfer system, then in an instant *government* dollars in the order of e.g. $10 trillion could be keyed in and, with the sanction of Congress and the President, dispatched in return for a receipt of repayment to the lenders who are awaiting payments on their lawfully loaned money.

In closing

The contents of my "American" chapters (Chapter 69-85 of the trilogy) is actually a demonstration of how modern higher mathematics can be applied to *macroeconomics* in order to solve a seemingly insoluble Catch-22, namely the US debt situation. What I have done is simply to apply my knowledge of mathematical constitutional logic on a number of America's most important laws in turn: First and foremost on the nation's Constitution, specifically Article 1, Section 8; subsequently on the Federal Reserve Act banking law; and finally on the parts of US legislation that regulate counterfeiting, forgery, as well as forgery-based theft by expropriation and seizure. My conclusions urge me to earnestly recommend that US Congress and the President forthwith, in all major political considerations, in addition to, as is already done, incorporating the opinions of the Supreme Court and prominent legal experts, to also garner the views of America's great minds in the field of *constitutional logic.* As I have hopefully managed to show, these logicians, possibly with the assistance of the world's other great talents in constitutional logic, have vital perspectives to contribute in many areas. The crucial point is that the highest expertise in constitutional logic is consulted, preferably several independent constitutional logicians concurrently so that solutions can be accurately compared.

Thus Mr. President, it is with all my heart that I wish you and the American people success, as the United States now – this is my hope - is transformed in the spirit of Benjamin Franklin, Andrew Jackson, Abraham Lincoln, and not least the American Revolution, into what is actually within reach - the realization of the promised land of America, of which we are all a part.

Footnotes and Literature

The footnotes in the trilogy are numbered from 1 upwards. The following list reflects the footnote numbers occurring in the original Swedish text which available for free download from the website www.nyaekonomiskasystemet.se

236 English original text given in Ellen Hodgson Brown's book Web of Debt. p. 100 (236 is a footnote contained in Part II of the trilogy).
971 See Ellen Hodgson Brown's book Web of Debt (2007), p. 39
972 http://en.wikipedia.org/wiki/Benjamin_Franklin
973 http://en.wikiquote.org/wiki/Benjamin_Franklin
974 For those involved in the major investigations, an in-depth analysis of large amounts of literature in economic history that concern the American colonies and how capitalism was introduced in America is suggested. Ellen Hodgson Brown's book Web of Debt (2007) provides many sub-analyses as well as a wide range of literature references to get you started. I have conducted a thorough logical analysis of the constitutional Brown presents, which resulted in a number of further developments that Brown did not mention in her book. I indicate, among other things, a secret plan in seven stages, the concept of pretend notes, and the four “door-openers”.
975 See analysis FAQ section (Frequently Asked Questions) on http://www.nyaekonomiskasystemet.se/.
976 See analysis in Part I, Chapter 6 and 10, and in Part II, Chapter 9-17, 33 and 43
977 See Part II, Chapter 28-31 and 69-85
978 http://en.wikipedia.org/wiki/First_Bank_of_the_United_States
979 See analysis, Part II, Chapter 69-70, 73 and 85
981 The Bible, Exodus 13: 5 - Jeremiah 32:22, See analysis, Part II, Chapter 26, 70, 73 and 85
982 In a capitalist society, there is always a shortage of money, even during booms (see analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9-17, 46 and 70). The consequence is that many or extremely numerous people, small, medium-sized, and also some larger companies have difficulties raising money for important investments. The government, seemingly frustrated, refers to the fact that due to the lack of money, nowhere near all the necessary and/or desirable societal reforms for the common good can be implemented. The lack of (an inadequate amount of) money is so fundamental to the capitalist system that the shortage is enshrined in the definition of the science of economics. In society there is thus a cake (a certain amount of money) which has in advance been, note well, *cynically* designed to be too small for everyone get a piece when they start to "fight" for it. That is how the *shortage* is built into society and makes itself known. There are a number of comprehensive analyses you need to take note of earlier in Part I and II of the trilogy to clearly understand these details in depth.
983 See analysis, Part II, Chapter 28-31
984 See analysis, Part II, Chapter 28-31 how it happened in practice.
985 See analysis, Part II, Chapter 28-31

986 Hayes, Dave (years not given), “Colonial script *[sic]*- A study of American Colonial history will reveal that Benjamin Franklin went to England as a representative of the Colonies”-
http://www.kamron.com/liberty/colonial_script.htm
987 See analysis Part I, Chapter 10, and Part II, Chapter 16, 24, 36, 40, 42-43 and 69
988 About the Lisbon Treaty - http://www.lissabonfordraget.se/
Full text of the Treaty is available in PDF format here:
http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2007:306:FULL&from=EN
989 See analysis, Part II, Chapter 7, 25, 28-32, 35, 39-40, 42, 45, 59, 62-63, 66, 70 and 990 See analysis in Part II, Chapter 25-46, 48, 59, 62 -63, 66-70, 80
991 See analysis Part II Chapters 14-26
992 See analysis, Part II, Chapter 45, 47, 59, 79-81
993 http://en.wikipedia.org/wiki/Counterfeit
994 http://en.wikipedia.org/wiki/False_document http://en.wikipedia.org/wiki/Forgery
995 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
996 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
997 http://en.wikipedia.org/wiki/Nixon_Shock
998 See analysis, Part II, Chapter 28-33
999 For details of how this economic system was structured, I refer to chapter 28-31 of the trilogy, Part II.
1000 Catechism of questioning for elementary schools: children's education in Vara parish for 200 years -
http://books.google.se/books/about/Fr%C3%A5n_katekesf%C3%B6rh%C3%B6r_till_folkskola.html?id=DSjDt gAACAAJ & redir_esc = y
1001 Vilhelm Moberg i blickpunkten-
http://books.google.se/books?id=S_xUAAAACAAJ&dq=Vilhelm+Moberg&hl=sv&sa=X&ei=3EnDUa6FOdSc 4gSb7oCIBQ & ved = 0CF0Q6AEwBzgo
1002 Kristina: a Swedish musical based on Vilhelm Moberg's emigrant epic
http://books.google.se/books?id=_rCvSgAACAAJ&dq=Kristina+fr%C3%A5n+Duvem%C3%A5la&hl=sv&sa= X & ei = lUrDUaL4Fse74ATkh4DgCg & ved = 0CEYQ6AEwAg
1003 http://en.wikipedia.org/wiki/Slavery_in_the_United_States
1004 See analysis, Part II, Chapter 28-32 as well as 45-additional
1005 Franklin, Benjamin (1729) A Modest Enquiry into the Nature and Necessity of a Paper Currency http://etext.lib.virginia.edu/users/brock/webdoc6.html
1006 See analysis, Part II, Chapter 28-31
1007 In my trilogy, I show that there are a number of examples in economic history which are variations of Benjamin Franklin's economic system and where no inflation occurred despite the comparatively large sums of money, in terms of each individual economy's size, manufactured and distributed into the community. Examples of such economies are King Henry I's tally systems (see Analysis, Part II, Chapter 7, 25, 28-32, 35, 39-40, 42, 45, 59, 62-63, 66, 70 and 80); the local politicians on the island of Guernsey in the English Channel in 1816-1958 (see Analysis, Part II, Chapter 7, 24, 26, 29, 35, 42 and 65); and the German economy the years 1934-1936 (see analysis in Part II, Chapter 25-46, 48, 59, 62-63, 66-70, 80). These are very touchy issues because modern macroeconomics argues that it is not possible to disburse money in such large quantities in these types of economies (monetarily financed economy) without mild or even severe inflation occurring. This is incorrect because economic history shows the opposite in black and white. I show with

carefully and thorough logic in Part II how this statement is inaccurate. By withholding these most sensitive and important economic historical facts, a false macroeconomic argument is created in modern media reporting that says you can not make use of Benjamin Franklin's type of well-functioning monetarily financed economy because inflation or severe inflation occurs. This error is also enshrined in the EU's Lisbon Treaty.
1010 See analysis, Part II, Chapter 6, 8, 22, 51, 62-66, 71
1011 The Currency Act - http://www.ushistory.org/declaration/related/currencyact.htm The Currency Act of 1751 - http://etext.lib.virginia.edu/users/brock/curract1751.htm Hodgson Brown, Ellen (2007), Web of Debt, page 37
1012 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1013 See Part II, Chapter 28-31 and 69-85
1014 See analysis FAQ section (Frequently Asked Questions regarding central bank economy [capitalism]) on
http://www.nyaekonomiskasystemet.se/
1015 http://www.ushistory.org/declaration/related/currencyact.htm Hodgson Brown, Ellen (2007) Web of Debt, page 39
1016 See analysis, Part II, Chapter 28-31
1017 http://en.wikipedia.org/wiki/Lehman_Brothers
http://en.wikipedia.org/wiki/Bankruptcy_of_Lehman_Brothers
1018 Hodgson Brown, Ellen (2007) Web of Debt, p. 39
1019 See analysis, Part II, Chapter 26, 69, 73 and 85
1020 See analysis, Part II, Chapter 69-70, 73 and 85
1021 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1022 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1023 See analysis, Part II, Chapter 12-17
1025 See analysis, Part II, Chapter 12-17
1026 See analysis, Part II, Chapter 9-17
1027 See analysis in Part II, Chapter 25-46, 48, 59, 62-63, 66-70, 80
1028 See analysis, Part II, Chapter 25-43
1029 See analysis in Part I, Chapter 5, and Part II, Chapter 4, 6, 7, 24-25, 26-30, 32-36, 40-42, 45-46, 50, 62-63, 65-70, 80-81 and 85 of part II
1030 See analysis FAQ section (Frequently Asked Questions) on
http://www.nyaekonomiskasystemet.se/
1031 See analysis, Part II, Chapter 36
1032 See analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9-17
1033 The illusion of the political parties (The illision of democracy; The 2nd societal lie, The 2nd societal illusion) -see analysis in Part II, Chapter 7, 22, 24, 26, 34, 43, 54, 61-63
1034 See analysis in Part I, Chapter 2, 3, 5-6, 8-10, 12, and Part II, Chapter 3, 6, 8-12, 16-17, 19-26, 29-30, 32, 34, 44, 46, 48-49, 51-57, 63-66, 70, 81, 83
1035 *The illusion of the two fortunes* (the illusion with giant with two backpacks; The 9th societal lie, The 9th societal illusion) - see the analysis, Part II, Chapter 50 and 59
1036 See analysis, Part II, Chapter 8
1037 See analysis, Part II Chapter 12-17
1038 See analysis Part I, Chapter 6 and Part II, Chapter 1-24
1039 *The illusion of the political parties* (the illusion of democracy; The 2nd societal lie, The 2nd societal illusion) -see analysis in Part II, Chapter 7, 22, 24, 26, 34, 43, 54, 61-63.

The illusion of lending of money at interest in order to achieve at least four goals (The illusion of the gigantic Ponzi scheme; The 3rd societal lie, The 3rd societal illusion)) - see analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9 17, 46 and 70

The profit illusion (The illusion that commercial activities must be profitable; The 4th community falsehood; The 4th societal illusion) - see analysis in Part I, Chapter 2, 3, 5-6, 8-10, 12, and Part II, Chapter 3 , 6, 8-12, 16-17, 19-26, 29-30, 32, 34, 44, 46, 48-49, 51-57, 63-66, 70, 81, 83

The illusion that society can not manage a bank collapse (the illusion that the bank bailout is necessary [the illusion of the 3rd dagger]; The 5th societal lie, The 5th societal illusion) - see analysis in Part I Chapter 6.8 to 9, and in part II, Chapter 6, 8, 22, 51, 62, 64-66, 71, 73

The Illusion of the German hyperinflation (the illusion that the German central bank acted under the cover of venture capitalists (investors) 1919-1923; The 6th societal lie, The 6th societal illusion) - see the analysis, Part II, Chapter 24-26, 32, 35, 38, 40-42, 62, 68

The banks' big illusory magic trick (the illusion of own money out of thin air with leverage; The 7th social falsehood; The 7th societal illusion) see Analysis, Part II, Chapter 45, 47, 59, 79-81

Illusion of perfect counterfeiting (The perfect crime illusion; The 8th societal lie, The 8th societal illusion) - see analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27- 28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82

The illusion of the two fortunes (the illusion with giant with two backpacks; The 9th societal lie, The 9th societal illusion) - see the analysis, Part II, Chapter 50 and 59

The illusion of earning interest and mortgages (The illusion of the "truck" and loan money; The 10th societal lie, The 10th societal illusion) - see the analysis, Part II, Chapter 51, 54-55, 59, 63, 65-66

The illusion of using state power to acquire large deposits (The large deposit illusion; The 11th societal lie, The 11th societal illusion) - see analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9.10 to 11, 16 , 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82

The illusion of English Common Law (the illusion of trustee-beneficiary; The 12th societal lie, The 12th societal illusion) - see the analysis, Part II, Chapter 59 and 60

1040 See analysis, Part II, Chapter 43 and 65
1041 See analysis, Part II, Chapter 28-31 regarding the pretend IOU money that the colonists used
1042 About the Tea Party movement - http://en.wikipedia.org/wiki/Tea_Party_Movement
1043 See table 1 in chapter 12-17 of Part II of the trilogy
1044 As I describe in detail in Chapter 28-31 of Part II
1045 http://en.wikipedia.org/wiki/Boston_Tea_Party
1046 See analysis, Part II, Chapter 28-31
1046a) http://en.wikipedia.org/wiki/Tally_stick
1046b) = (59c) http://sv.wikipedia.org/wiki/Oliver_Cromwell,

1046c) = (59d) http://en.wikipedia.org/wiki/Henry_I_of_England
1046d) = (59e) See analysis, Part II, Chapter 29 and 32
1046e) = (59f) The Bible warns that build communities with the help of loans at interest (Exodus 22:25, Deuteronomy 23:19, Luke 6:34 and Ezekiel 18:13). The Qur'an in Surah 2, verse 276 unambiguously warns against building communities on loans and deposits at interest.
1046f) = (59g) Federal Reserve Bank of New York, I Bet You Thought, p.19
1046g) = (59h) http://www.PositiveMoney.org/
1047 See analysis, Part II, Chapter 28-31
1048 See analysis, Part II, Chapter 7, 25, 28-32, 35, 39-40, 42, 45, 59, 62-63, 66, 70 and 80
1049 See analysis, Part II, Chapter 28-31
1050 See Hodgson Brown, Ellen (2007) Web of Debt p. 37
1051 King Henry I's tally system (a monetarily financed economic system characterized by very low inflation or no inflation at all) - see the analysis, Part II, Chapter 7, 25, 28-32, 35, 39-40, 42, 45, 59, 62 -63, 66, 70 and 80
1052 See Hodgson Brown, Ellen (2007), Web of Debt p. 40-42, 44-45, 176, 423-424
1053 Hodgson Brown, Ellen (2007) Web of Debt p. 41
1054 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1055 Hodgson Brown, Ellen (2007) Web of Debt p. 45. Tightening of the money supply in the American colonies: see the analysis, Part II, Chapter 71, 73, 77-78 and 80
1056 Hodgson Brown, Ellen (2007) Web of Debt p. 45
1057 See Part II, Chapter 28-31 and 69-85
1058 See analysis Part II, Chapter 45, 47, 59, 79-81
1059 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1060 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1061 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 24, 27-28, 31, 34, 42-45, 47-51, 54, 56- 57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1062 http://en.wikipedia.org/wiki/United_States_Constitution
http://usgovinfo.about.com/od/usconstitution/a/a1s8.htm
1063 See analysis, Part II, Chapter 74
1064 Hodgson Brown, Ellen (2007) Web of Debt, page 48
1065 Shrinkage - see the analysis, Part II, Chapter 47-66 and the analysis of the so-called illusion of state power (see Analysis, Part II, Chapter 50, 61-62, 64-67)
1066 See analysis in Part I Chapter 6.8 to 9, and Part II, Chapter 6, 8, 22, 51, 62, 64-66, 71, 73
1067 Whose basic features I went through in Chapter 28-31 of Part II
1068 See analysis, Part II, Chapter 28-31
1070 See analysis, Part II, Chapter 73
1071 Capitalism's two cornerstones - see analysis in Part II, Chapter 8, 33 and 43. Capitalism's four goals see analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9-17

The illusion that the community needs to demonstrate continuous productivity (GDP growth) - see the analysis, Part II, Chapter 19, 37 and 68 extra

The illusion of the political parties (the illusion of democracy; The 2nd societal lie, The 2nd societal illusion) - see analysis in Part II, Chapter 7, 22, 24, 26, 34, 43, 54, 61-63

The profit illusion (The illusion that commercial activities must be profitable; The 4th community falsehood; The 4th societal illusion) - see analysis in Part I, Chapter 2, 3, 5-6, 8-10, 12, and Part II, Chapter 3 , 6, 8-12, 16-17, 19-26, 29-30, 32, 34, 44, 46, 48-49, 51-57, 63-66, 70, 81, 83

The illusion of central banks, commercial banks and financial institutions their own money (or short-form: the illusion of banks' own money; The 1st social lie, the 1st societal illusion) - see analysis in Part I, Chapter 3-10, and Part II, Chapter 1 4, 9-11, 19, 22, 24, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80- 81samt 85

The illusion that society can not tolerate a bank collapse (the illusion that the bank bailout is necessary [the illusion of the3rd dagger]; The 5th societal lie, The 5th societal illusion) see analysis in Part I Chapter 6.8 to 9, and in Part II Chapter 6, 8, 22, 51, 62, 64-66, 71, 73

The illusion of state power - see analysis in Part II, Chapter 50, 61-62, 64-67

1072 *Special psychological personality test* – see analysis Part I, Chapter 8, 10 and 12, and Part II, Chapter 11, 17, 18, 29, 38, 39, 40, 54, 58 and 75
1073 *Special psychological personality test* – see analysis Part I, Chapter 8, 10 and 12, and Part II, Chapter 11, 17, 18, 29, 38, 39, 40, 54, 58 and 75

1074 See analysis of the current trend towards a United States of Europe with the USA as a model, Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72-73. Although the United States is a major failure from the American people's point of view since the devastating capitalism which started the Revolution continues in the US today, making life difficult for the American people, federalist European politicians believe that the United States must be imitated and emulated when attempt to convince the people of Europe to do as was done in the United States: to create a European supranational authority modeled on the USA. These European politicians tell us nothing about how some American politicians managed to thoroughly dupe the American people with a secret seven-stage plan, and now there is a secret plan in Europe to also dupe the European people.
1075 See analysis, Part II, Chapter 28-31
1076 Hodgson Brown, Ellen (2007) Web of Debt, p. 40 Zarlenga, Stephen (2002), The Lost Science of Money, http://www.monetary.org/lostscienceofmoney.html
1077 See analysis, Part II, Chapter 28-31
1078 US Declaration of Independence - https://en.wikipedia.org/wiki/United_States_Declaration_of_Independence
1079 http://en.wikipedia.org/wiki/American_Revolutionary_War
1080 Hodgson Brown, Ellen (2007) Web of Debt, p. 44
1082 Hodgson Brown, Ellen (2007) Web of Debt, p. 41
1083 Rhodes, Charles (2012) The counterfeiting Weapon - Attacks against the American currency Began in 1776, the Region Focus | First Quarter | 2012 - http://www.richmondfed.org/publications/research/region_focus/2012/q1/pdf/economic_history.pdf%20.
1085 https://en.wikipedia.org/wiki/Early_American_currency
1086 See analysis of the United States of Europe, Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72-73
1087 See analysis in Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72-73
1088 Hodgson Brown, Ellen (2007) Web of Debt p. 44

1089 Banks' big illusory magic trick (the illusion own money out of nothing with leverage; The 7th social falsehood; The 7th societal illusion) - see the analysis, Part II, Chapter 45, 47, 59, 79-81
1090 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1091 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1092 See analysis Part II Chapters 28-31
1093 The illusion of using state power to acquire large deposits (The large deposit illusion; The 11th societal lie, The 11th societal illusion) - see analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1094 http://en.wikipedia.org/wiki/BankBoston
1095 Tightening of money supply in the American colonies see Analysis, Part II, Chapter 71, 73, 77-78 and 80
1096 See analysis, Part II, Chapter 28-31
1097 See analysis model II, Chapter 12-17
1098 See analysis, Part II, Chapter 44-45 and 48-53
1099 http://wiki.mises.org/wiki/Bank_of_North_America
Schwartz, Anna J. Money in Historical Perspective (1987) -
http://www.nber.org/chapters/c7495.pdf Gouge, William (without years) A Short History, CHAPTER IV Of the Bank of North America - http:
//www.yamaguchy.com/library/gouge/gouge_04.html
http://en.wikipedia.org/wiki/Bank_of_North_America
About Robert Morris, The "Financier of the Revolution."
http://pabook.libraries.psu.edu/palitmap/bios/Morris http://64.79.106.163/Bank_of_North_America
1100 *The illusion of central banks, commercial banks and financial institutions their own money* (or short-form: the illusion of banks' own money; The 1st social lie, the 1st societal illusion) - see analysis in Part I, Chapter 3-10, and Part II, Chapter 1 4, 9-11, 19, 22, 24, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80- 81 and 85
1101 *The banks' big illusory magic trick* (the illusion of owning money out of thin air with leverage; The 7th social falsehood; The 7th societal illusion see Analysis, Part II, Chapter 45, 47, 59, 79-81
1102*The illusion of using state power to acquire large deposits* (The large deposit illusion; The 11th societal lie, The 11th societal illusion) see Analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9.10 to 11, 16 , 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1103 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81
1104 Leverage - see the analysis, Part II, 11, 44-45, 47, 50-52, 54-56, 59, 61, 63-64, 66, 73, 79-80
1105 http://en.wikipedia.org/wiki/Coinage_Act_of_1792
1106 The secret of capitalist control - see the analysis, Part II, Chapter 12, 14, 16-17 and 52
Freemasons - see the analysis, Part II, Chapter 25-26, 44, 46-55, 57-66, 73, 75, 78-80
1107 The exceptionally advanced complementary and alternative area of mathematics (the arithmetical variant, which I examined earlier in chapters 44-45 and 48-53 of Part II, which can be summated as: owning money out of thin air with leverage) in the doctrine, the part that predecessors of the Freemasons, the Knights Templar, used already in the 1100's - see the analysis, part II, Chapter 44-45 and 48-53
See analysis, Part II, 11, 44-45, 47, 50-52, 54-56, 59, 61, 63-64, 66, 73, 79-80
1108 See analysis, Part II, Chapter 28-31
1109 See analysis, Part II, Chapter 26, 69.70 and 85
1110 It was this realization - that recessions are deliberately triggered by the banking powers - that should have been presented on September 17, 1787, rather than Hamilton's speech. Now, at least President Garfield stated this after more than a hundred years of further financial woes and several devastating recessions in the newly-formed American state since the 1780's.
1111 http://cpe.us.com/article/famous-monetary-quotes/

1112 *The illusion of central banks, commercial banks and financial institutions their own money* (or short-form: the illusion of banks' own money; The 1st social lie, the 1st societal illusion) - see analysis in Part I, Chapter 3-10, and Part II, Chapter 1 4, 9-11, 19, 22, 24, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-
75, 79, 80-81 and 85
1113 In chapters 69-85 of Part II, which specifically targets the American people, I present concrete proposals on how best to escape the capitalist trap.
1114 United States of Europe see Analysis Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72-73
1115 *The illusion of the political parties* (the illusion of democracy; The 2nd societal lie, The 2nd societal illusion) - see analysis in Part II, Chapter 7, 22, 24, 26, 34, 43, 54, 61-63
1116 Usury = to put someone in debt: *The illusion of central banks, commercial banks and financial institutions their own money* (or short-form: the illusion of banks' own money; The 1st social lie, the 1st societal illusion). Capitalism's two cornerstones - see analysis in Part II, Chapter 8, 33 and 43 Capitalism's four goals - see analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9-17
1117 *The illusion of lending of money at interest in order to achieve at least four goals* (The illusion of the gigantic Ponzi scheme; The 3rd societal lie, The 3rd societal illusion) - see analysis in Part I, Chapter 6, and 10, and in Part II, Chapter 9 -17, 46 and 70
1118 See analysis in Part I Chapter 6, 8-9, and Part II, Chapter 6, 8, 22, 51, 62, 64-66, 71, 73
1119 http://en.wikipedia.org/wiki/Founding_Fathers_of_the_United_States
1120 See analysis Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72
1121 See analysis in Part I, Chapter 5, and Part II, Chapter 46, 56, 59, 72-73
1122 See Part II, Chapter 28-31 and 69-85
1123 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1124 LoCascio, Vincent R (2005) *The Monetary Elite Vs. Gold's Honest Discipline*
1125 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1126 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1127 See analysis, Part II, Chapter 81-84
1128 In 1939, the genius of constitutional logician, Austrian professor of mathematics, Kurt Gödel encountered a US official on Ellis Island (the US immigration authority) on the Hudson River Estuary in New York (next to Liberty Island where the Statue of Liberty stands). Gödel knew that he, as a constitutional logician, would be among the first to be classified as a security risk in Adolf Hitler's Third Reich because he had constitutional-logical skills that allowed him to see through many of the illusions that Hitler's dictatorship was building up. Therefore, Professor Kurt Gödel emigrated to America.
At that time, all immigrants arrived by boat at Ellis Island to be interrogated with the aim of establishing whether they posed a terrorist or security threat. Yes, terrorism was a concern even back then. One of the questions that the American government officials would normally ask newly arrived immigrants, and hence Gödel, was about the US Constitution. Government officials were tasked with routinely claiming that the US Constitution is secure, legally well-established, and supervised by the US Supreme Court. As such, a dictatorship, whether open or covert, could *absolutely not* be introduced in the United States. Einstein, who had passed through the Ellis Island-hearing in 1933, warned his friend Gödel not to use his expertise in constitutional logic in conversations with the government personnel on Ellis Island. Einstein said that the Ellis Island staff were just doing their job but were obviously not anywhere near the same level of expertise that a number of people in the world had when it came to in-depth logical analyses of a series of constitutions (including the US Constitution). Gödel was, however, not someone who was interested in playing the hypocrite. He listened to Einstein's advice, but chose not to follow it. When Gödel was asked the expected question about the American Constitution, he calmly looked the official in the eye. He then systematically began, as one of the world's foremost experts in constitutional logic, to sort out the key parts of the US Constitution that reveal loopholes in Article 1, Section 8's granting of Congressional powers. Gödel explained that the loopholes that exist in

this passage of the Constitution make it quite possible to impose an economic dictatorship in the United States. In other words, to take over American society both economically and socially via a covert economic coup - just the opposite of what the official had claimed. Gödel was able to prove it with the precision of a mathematics professor. Gödel would have stressed that the power over America, its industry, political life and people, lies with he who has the power over America's money manufacturing apparatus, and thus determines the rules to be used when the money is transferred into society after being manufactured, all the while trying to hide the fact that the above-mentioned four loopholes strictly logically can conceptually be turned into four door-openers by interpreting the wording in depth. Gödel naturally reported that a hidden economic dictatorship in America had already been introduced in America - that it was not therefore a question of this possibly happening, but that it had already happened!
If Gödel had studied US economic history, then perhaps Gödel would also have explained that the American people had been cheated out of their Revolution's initial purpose (to gain control over America's money manufacturing apparatus and the rules that guide the distribution of money into the community) with the help of a secret seven-stage plan that European bankers used in order to grab power in America. Maybe Gödel mentioned that the Federal Reserve Act is legally invalid because it tries to cancel a vital part of the Constitution (see Analysis, Part II, Chapter 69-85 of the trilogy), but that the Federal Reserve was implemented nevertheless, with no strong protests from the US Supreme Court having been heard so far. In this way, the American people have effectively been deceived for decades. Neither has this highly sensitive detail resulted in a response from the US Supreme until now. The Government officials at Ellis Island twisted uncomfortably. They were stumped by the precise and undeniable skills Gödel presented and represented in his arguments. Any other person would in that situation have immediately been arrested and interrogated by the police, with further inquiries where the FBI would be called in, etc. In Gödel's case, the government official picked up a stamp with the letters 'OK' on it and without further discussion quickly stamped the approval for Gödel to enter, settle and work in the United States. The official was, in other words instructed to make an exception in Gödel's case, despite the security risk presented not only for Adolf Hitler, but as he openly demonstrated at Ellis Island in 1939, also to the banking power in America. He was a security risk relating to revealing the bankers' power down to its foundations as today, over 79 years later, my own trilogy does, where I illustrate how it is possible with the help of constitutional logic to analyze a particular context. Gödel was given an office a few rooms down from Einstein's at the then six year old Institute for Advanced Studies at Princeton University. Gödel had briefly chosen to step forward in all honesty and openness, which was very unusual at the time, but as increasingly more people today are starting to do, among others, the former NSA employee Edward Snowden. To come forward with courage and take the role of whistle-blower and thus safeguard democracy's foundations and point to wrong-doing or even extremely serious irregularities taking place in a society at the expense of democracy and the people as a whole.

1129 See analysis, Part II, Chapter 28-31

1130 See analysis, Part II, Chapter 25-43, and in some parts of Part III

1131 See analysis in Part I, Chapter 5, and Part II, Chapter 4, 6, 7, 24-25, 26-30, 32-36, 40-42, 45-46, 50, 62-63, 65-70, 80-81 and 85 of part II

1132 Hodgson Brown, Ellen (2007) Web of Debt, page 47

1133 http://baselinescenario.com/2013/06/20/new-research-in-financial-regulation/ http://en.wikipedia.org/wiki/First_Bank_of_the_United_States

1134 http://sv.wikipedia.org/wiki/Bankoktroj

1135 See analysis, Part II, Chapter 74 1136 See analysis, Part II, Chapter 81-82

1137 See analysis, Part II, Chapter 80

1138 See analysis Part I, Chapter 8, 10 and 12, and Part II, Chapter 11, 17, 18, 29, 38, 39, 40, 54, 58 and 75

1139 *https://en.wikipedia.org/wiki/Populism*

1140 See analysis, Part II, Chapter 9-12

1141 See Part II, Chapter 28-31 and 69-85

1142 See analysis, Part II, Chapter 28-31

1143 Hodgson Brown, Ellen (2007) Web of Debt, pages 43-49

1144 Hodgson Brown, Ellen (2007) Web of Debt, page 48
1145 Hodgson Brown, Ellen (2007) Web of Debt, pages 43-48
1146 Hodgson Brown, Ellen (2007) Web of Debt, page 45
1147 See analysis Part I, Chapter 10, and Part II, Chapters 9, 11, 13, 63 and 77
1148 See analysis, Part II, Chapter 85
1149 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81
1150 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1151 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1152 This situation continues today. There is a small group of secretive people behind the scenes in Washington, D.C. These people are mightier than US President, but have no formal titles because they operate in secret. They have their headquarters in two buildings. One building is the Federal Reserve Bank, and the other is the Freemasonic Temple near the White House.
1153 Hodgson Brown, Ellen (2007) Web of Debt, p. 48
1154 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1155 See Part II, Chapter 28-31 and 69-85
1156 Hodgson Brown, Ellen (2007) Web of Debt p. 48
1157 This intensified propaganda constituted an embryonic form of the very extensive, well-organized and well-funded political lobbying that goes on in Washington, D.C. today, lobbying that is directed at Congressional politicians and, not least, the service people subordinate to the senators, and who prepare various items for senators to formally and officially take a position on in Congress' many voting sessions. The political lobbyists have their offices strategically placed locations around the Congress building and the White House. The same strategy plays out in principal is around the Congresses of the 50 states. Lobbying involves several thousand highly paid, even exorbitantly paid, lobbyists who above all, and as far as possible, work in secret, so their presence is not felt too keenly or too obviously, conduct persuasion/psychological manipulation of, and I focus here on Washington, D.C., Congressional Senators and those who officially prepare items for their consideration. This preparation involves, at the deepest level, getting the politicians to focus on and absorb the four loopholes, and they are certainly not encouraged to get the idea of activating any of the four door-openers. The four door-openers are extremely sensitive to the banking power because they know that the day of the four door-openers are activated is the day that will herald the end of en era for the bankers in the USA. Their whole empire will collapse in a short time once the US Supreme Court points out the power of the four door-openers and there will be a national referendum in which the American people can choose if they want to continue to be manipulated or once and for all do away with central bank economics (capitalism). One aim of this book is to bring about a public debate in America concerning the four extremely critcal door-openers. If special psychological personality tests were introduced in Congress and the US government, America will be able get to the roots of the problems with bribery and corruption. The this situation, constitutional logic will also be an integral part of the services that the American nation's leaders will consult, because it is within the high intelligence inherent in constitutional logic that the big picture can be presented while at the same time point out the initial cornerstone information (see analysis part I, Chapter 1-4, 6-7 and 10-11 and part II, Chapter 4, 22-25, 28, 39, 48, 54, 57, 61-62, 64-65, 68 and 72) . America has a number of extremely intelligent constitutional logicians (people in modern higher mathematics) and these will be very important for the US economy. America will once again become *"a land flowing with milk and honey"*, to use a phrase from the Bible.
1158 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9.10 to 11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1159 See analysis FAQ section (Frequently Asked Questions) on http://www.nyaekonomiskasystemet.se/
1160 See Part II, Chapter 28-31 and 69-85
1161 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81

1162 Hodgson Brown, Ellen (2007) Web of Debt p. XVIII, 1, 4, 31, 67-68, 71-76, 79, 106, 152, 354.389, 459
http://en.wikipedia.org/wiki/Andrew_Jackson
1163 See analysis in Part I, Chapter 5-6, and in Part II, Chapter 6, 42, 45, 79-80 and 85
1164 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53- 57, 59, 61-66, 70-71,73-76, 78-82
1165 See analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27-28, 32, 40-41, 43-44, 46-47, 50.55, 57; 59, 61-62, 64, 68, 71, 73-74, 79, 82
1166 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81
1167 See analysis, Part II, Chapter 44-45 and 48-53
1168 See analysis, Part II, Chapter 45, 47, 59, 79-81
1169 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1170 In Part III of the trilogy I treat the concept of nonsense-mathematics in detail. The concept involves replacing one or more axioms with new axioms in logical systems so that mutually incompatible and complementary logical systems are created. Thereby, for example, an assertion A in a logic system alfa perceived as nonsense (logically contradictory = logically false) in the logical system beta as a reference in the evaluation of the logical truth of A, but where A may be perceived as logically proven (logically true) in an another logical system beta and does thus not lead to logical contradiction in beta. It was the introduction of the imaginary number system with the complex plane, set theory and hyperbolic non-Euclidean geometry which clarified these facts from about 1790 to about 1830 in that era's modern higher mathematics. The constitutional logician Kurt Gödel further developed the concept in his two incompleteness theorems the 1930s. The conclusion is that there are reasonable grounds to not ignore nonsense (logical contradictions within a given logical system). What we call common sense is only the ingrained and accepted "reality" of a certain logical system. What is nonsense in a logical system may therefore very well be a logical truth in another logical system. In this way, different "worlds" (logical systems) emerge where one can not exclude a certain "world" just because we do not understand it (its logic) with the habitual logic we use in our own world (logical system). Nonsense can thus be a valid common sense in a new frame of reference (new logical system) that we are not yet comfortable or familiar with. In principle therefore, infinitely many "realities" exist, quite logically. Realities that relate to each other as logical contradictions (alternative and complementary systems). Each such "reality" (alternative and complementary system) is in all other "realities" a paradox (illusion) and/or a seemingly hopelessly stuck Catch-22. It is the theory of these details which is the “instrument of brilliance” that I mention repeatedly in Part I and II of the trilogy. The “big spiders” have in their banking system created a "reality" (alternative and complementary arithmetic) that is nonsense in normal human "reality", but which is reality (logically true statement) and common sense in the bankers 'world'. By covering up the common sense of the bankers, and presenting it as ordinary people's common sense, the bankers are lying and creating the illusion that their mathematics is common sense when it is pure nonsense in ordinary human reality. That is how the illusion is seen through, and how a more than one thousand year old, seemingly bogged-down Catch-22 can finally be resolved. To accurately and clearly penetrate this, it helps to have constitutional-logical skills so that you know how to “bounce” back and forth between the so-called mutually and incompatible complementary logical systems.
1171 Hodgson Brown, Ellen (2007) Web of Debt p. 3-4, 8, 12, 14, 71, 74-77, 79-80, 83-85, 87-88, 94-96, 126, 132, 137 , 209, 212-213, 220, 232, 244, 250, 364, 370, 389-390
1172 See Part II, Chapter 28-31 and 69-85
1173 http://en.wikipedia.org/wiki/Harriet_Beecher_Stowe
1174 http://en.wikipedia.org/wiki/Uncle_Tom's_Cabin
1175http: //en.wikipedia.org/wiki/Slavery_in_the_United_States
"Slavery and the Making of America," PBS WNET, New York (4-Part Series). Wahl, Jenny. (2008) "Slavery in the United States", EH.Net Encyclopedia, edited by Robert Whaples. March 26. Economic History Net North American Slave Narratives, Documents of the American South, University of North Carolina
1176 https://en.wikipedia.org/wiki/Emancipation_Proclamation

1177 http: //en.wikipedia.org/wiki/American Civil War
1178 http://en.wikipedia.org/wiki/Thirteenth_Amendment_to_the_United_States_Constitution
1179 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9.10 to 11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1180 http://en.wikipedia.org/wiki/Milton_Friedman
Hodgson Brown, Ellen (2007) Web of Debt p. 133 "The Federal Reserve definitely caused the Great Depression by reducing the amount of currency in circulation by a third from 1929 to 1933."
1181 See analysis, Part II, Chapter 45, 47, 59, 79-81. See also the analysis in Part II, Chapter 44-45 and 48-53
1182 See Chapter 28-31 and 69-85 in the trilogy, Part II
1183 See analysis FAQ section (Frequently Asked Questions) on www.nyttekonomisktsystem.se
1184 See analysis, Part II, Chapter 7, 25, 28-32, 35, 39-40, 42, 45, 59, 62-63, 66, 70 and 80
1185 Grignon, Paul (2006) Money as Debt I & II - an animated documentary, http://en.wikipedia.org/wiki/Money_as_Debt
1186 See analysis, Part II, Chapter 27, 31 and 62
1187 http://www.measuringworth.com/uscompare/
1188 See analysis Part I, Chapter 8, 9 and 10, and Part II, section 6, 8, 18, 21, 30, 34, 40, 42, 64, 66, 80
1189 See analysis, Part II, Chapter 28-31
1190 http://global.britannica.com/EBchecked/topic/334889/Legal-Tender-Act
http://en.wikipedia.org/wiki/Legal_Tender_Cases http://www.history.com/this-day-in -history / legal-tender-act passed
1191 See analysis in Part I, Chapter 5, and Part II, Chapter 4, 6, 7, 24-25, 26-30, 32-36, 40-42, 45-46, 50, 62-63, 65-70, 80-81 and 85 of part II
1192 Professor Bob Blain, The Other Way to Deal with the National Debt, Progressive Review, June 1994
1193 See analysis, Part II, Chapter 28-31
1194 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81
1195 See analysis, Part II, Chapter 44-45 and 48-53
1196 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 8
1197 See analysis, Part II, Chapter 77-78
1198 See analysis in Part I, Chapter 5-6, and in Part II, Chapter 6, 42, 45, 79-80 and 85
1199 https://en.wikipedia.org/wiki/Rothschild_family.
http://en.wikipedia.org/wiki/Rothschild_banking_family_of_England
http://sv.wikipedia.org/wiki/Rothschild
Rothschild-owned Central Bank in All But Three Countries in 2013 !! - See seven minutes on Youtube -http: //www.youtube.com/watch? V = idLCbVv4l5Y
1200 See footnote 29
1201 Hodgson Brown, Ellen (2007) Web of Debt p. 84
Rob Kirby, Dead Presidents Society, http://www.financialsense.com/, February 6, 2007, and many more sources
http://en.wikiquote.org/wiki/Talk:Money
Attributed to an editorial in the Times of London in 1865. No such editorial ever appeared. The earliest known appearance is September 2, 1898 in The Flaming Sword, Vol. XII.
"The Plutocratic Programme" in the Labor Advocate, (Birmingham, AL) Saturday, June 18, 1898; Issue 23; col D (in InfoTrac's 19th Century U.S. Newspapers), Reprinted from the Cleveland Recorder "Forged Documents" in the Grand Junction News (Colo.), Oct. 10, 1896, p. 3, Reprinted from the Seattle Post is almost Certainly Referring to it When It says:
“Another article Going the rounds of the Populist pressure is an alleged extract from an editorial by the London Times. One of our local contemporaries Reproduced it. This was one of the most glaringly absurd forgeries Which has yet appeared in print, for it represents the Thunderer using the language of the most rabid type of wild-eyed Populists.”
1202 Hodgson Brown, Ellen (2007) Web of Debt p. 84-85
1203 See analysis, Part II, Chapter 47-66

1204 See analysis in Part II, Chapter 25-46, 48, 59, 62-63, 66-70, 80
1205 Hodgson Brown, Ellen (2007) Web of Debt, p. 80
1206 http://en.wikiquote.org/wiki/Talk:Money
http://en.wikipedia.org/wiki/Assassination_of_John_F._Kennedy
http://en.wikipedia.org/wiki/United_States_House_Select_Committee_on_Assassinations http: // en. wikipedia.org/wiki/John_F._Kennedy_assassination_conspiracy_theories
1207 See analysis in Part II, Chapter 6, 7-8, 18, 23, 43, 45, 56 and 80
1208 http://en.wikipedia.org/wiki/Federal_Reserve_Act,
1209 http://en.wikipedia.org/wiki/Federal_Reserve_Act
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1210 See analysis in Part I, Chapter 3-10, and Part II, Chapter 1-4, 9-11, 19, 22, 27-28, 31, 34, 42-45, 47-51, 54, 56-57, 59, 61-66, 70, 74-75, 79, 80-81 and 85
1211 See analysis in Part I, Chapter 5, and Part II, Chapter 4, 6, 7, 24-25, 26-30, 32-36, 40-42, 45-46, 50, 62-63, 65-70, 80-81 and 85 of part II
1212 See analysis, Part II, Chapter 74
1213 See analysis, Part II, Chapter 74
1214 See analysis Part I, Chapter 4.5, and 10, and Part II, Chapter 9, 10-11, 16, 24,28, 31-33, 44-45, 47-48, 50-51, 53-57, 59, 61-66, 70-71,73-76, 78-82
1215 See analysis, Part II, Chapter 44-45 and 48-53
1216 See analysis in Part I, Chapter 2, 3, 5-6, 8-10, 12, and Part II, Chapter 3, 6, 8-12, 16-17, 19-26, 29-30, 32, 34, 44, 46, 48-49, 51-57, 63-66, 70, 81, 83
1217 http://en.wikipedia.org/wiki/Fort_Knox
1218 See analysis in Part II, Chapter 6, 26, 45-55, 57-67, 73, 75, 78-81
1219 *The Illusion of perfect counterfeiting* (The perfect crime illusion; The 8th societal lie, The 8th societal illusion) - see analysis Part I, Chapter 5, and Part II, Chapter 9, 11, 17, 19, 22, 24-25, 27 - 28, 32, 40-41, 43-44, 46-47, 50, 55, 57, 59, 61-62, 64, 68, 71, 73-74, 79, 82
1220 See analysis, Part II, Chapter 44-53
1221 Hodgson Brown, Ellen (2007) Web of Debt p. 99, 114, 116, 127
1222 http://en.wikiquote.org/wiki/Talk:Woodrow_Wilson
1223 See analysis, Part II, Chapter 45, 47, 59, 79-81
1224 See analysis, Part II, Chapter 44-45 and 48-53
1225 See analysis, Part II, Chapter 62-66
1226 See analysis, Part II, Chapter 25-43 and Part III of the trilogy
1227 See analysis FAQ section (Frequently Asked Questions) on http://www.nyaekonomiskasystemet.se/.
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