FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

Issue #114
April 14, 2023

The Federal Reserve Conspiracy

I just finished reading The Federal Reserve Conspiracy (4 stars) by Antony Sutton, which was published in 2005. It answers these questions: What is the Fed and what does it do? How, why and by whom was it created? As I've said before, the so-called Federal Reserve Bank isn't federal, has no reserves, and is not a bank. It's a private corporation owned by the Too Big to Fail/Jail banks that has a legal monopoly to set key benchmark interest rates, control the money supply, create currency out of thin air, and increasingly, do whatever it wants, with virtually no oversight or accountability. As Sutton writes, "The Congress has never investigated the Fed and is highly unlikely to do so. No one sees Fed accounts; they are not audited. No balance sheets are issued."

Sutton notes that political leaders such as Thomas Jefferson, James Madison and Andrew Jackson believed "that the Republic and the Constitution are always in danger from the so-called 'money power,' a group of autocrats, an elite...who have manipulated the political power of the state to gain a monopoly over money issue." As Jefferson wrote, "I sincerely believe the banking institutions are more dangerous to liberty than standing armies."

You're no doubt familiar with the popular Broadway musical *Hamilton* (and its leftist cast). Why the veneration of this one Founding Father? Because Alexander Hamilton was an early and leading proponent of a central bank in the U.S. Sutton writes, "It was Hamilton who introduced a bill [in the U.S. House] in 1790 to grant a charter for the privately owned Bank of the United States....[which] had the sole right to issue currency, it was exempt from taxation, and the U.S. government was ultimately responsible for its...debts. No other bank was to be permitted." Hamilton's bill was referred to a Senate committee that included Hamilton's father-in-law.

Sutton writes that "The War of 1812 presented [national] bank supporters with a new argument—financial distress brought about by the war required financial relief in the form of a new national bank." (War is the health of the State.) Consequently, the Second Bank of the U.S. was created in 1816. Unlike the current Federal Reserve System, its charter was limited in time. Congress renewed the charter when it expired in 1832, but President Andrew Jackson vetoed it, writing: "The framers (of our Constitution) were too well aware of the corrupting influences of a great moneyed monopoly upon government to legalize such a corrupting monster....The motive of the enormous extension of loans can no longer be doubted. It was unquestionably to gain power...and force the government through the influence of the debtors to grant it a new charter....The only currency known to the Constitution of the U.S. is gold and silver. This is consequently the only currency which that instrument delegates to Congress the power to regulate."

Sutton writes, "Jackson recalled the extraordinary and rapid increase of government debt to the bank which had grown by...66% in...16 months....banks use debt as a political weapon for control....[His] final message [in] 1837 was unbelievably prophetic...and the last time an American President was sufficiently independent of the elitist powers behind the scenes to publicly warn American citizens of the dangers to their freedoms and livelihood." Jackson wrote that if the the national bank had not been defeated, "the government would have passed from the hands of the many to the few, and this organized money power, from its secret conclave, would have dictated the choice of your highest officials and compelled you to make peace or war, as best suited their own wishes."

Fifty years later, war once again made a national bank seem necessary: "In 1862, Lincoln presented to Congress a bill to make U.S. notes full legal tender and so enable the federal government to print sufficient paper money to finance the Civil War." But bankers wanted the government to transfer the right to issue money to them. So "while Lincoln pushed his legal tender act, the bankers met to draft what became the National Bank Act of 1863...[the purpose of which] was to give control of the money issue to bankers. This monopoly could be used for profit and with the Civil War, the profits would be substantial."

In 1863, Senator John Sherman, who was responsible for Senate passage of financial legislation, wrote to the Rothschild brothers in London about "the profit that may be made in the National Banking business, under a recent act of Congress." The brothers then wrote a Wall Street firm about it, which said that the act "would prove highly profitable to the banking fraternity throughout the world. Mr. Sherman declares that there has never been such an opportunity for [crony] capitalists to accumulate money as that presented by this act. It gives the National Bank almost complete control of the national finance. 'The few who understand the system,' he says, 'will either be so interested in its profits, or so dependent on its favors that there will be no opposition from that class, while…the great body of people, mentally incapable of comprehending the tremendous advantages that Capital derives from the system, will bear its burden without complaint, and perhaps without even suspecting that the system is inimical to their interests."

The Wall Street firm wrote back to the brothers, laying out how the bankers would profit from a National Bank, including: "The U.S. government will pay 6% interest on the bonds in gold ["the barbarous relic"]….The currency is printed by the U.S. government in a form so like greenbacks, that the people do not detect the difference although the currency is but a promise of the bank to pay….[also,] National Banks pay no taxes…." Earnings of the bank were estimated to be between 28% and 33% annually. Sutton writes, "The National Banking Act was a guaranteed profit making machine for anyone who wanted to get into banking….The National Banking bill was in the Senate only three or four days and in the House only two days before it was rushed through at a particularly critical time in the Civil War" before Lincoln signed it into law.

Sutton writes that from "1900 to 1920, the money trust was effectively controlled by the banking firm J.P. Morgan." In 1913, the Pujo Committee investigated the money trust and concluded that "Far more dangerous than [the] elimination of competition in industry, is the control of credit through the domination of these groups over banks and industries."

Proponents of a central bank argued that it would stop financial panics. "However, the 1907 panic was deliberately created by the 'Standard Oil crowd' [the Rockefellers] and the Morgan firm. In other words, the same group that stood to benefit from a central bank created the panic used to persuade the electorate that a central bank was vital." That's some 3D chess!

In 1976, a Congressional investigation found that "the Federal Reserve directors are apparently representative of a small elite group which dominates much of the economic life of this nation." In 1977, the *Wall Street Journal* "showed how these insiders used privileged Fed information for personal advantage." When the Fed says that they "talk to market participants," they talk to firms like Goldman Sachs and J.P. Morgan, not to everyday investors like you.

Sutton asks, "How did the Money Trust pull off this coup—establishment of a central bank under their control in a country that strongly opposed the idea? [Supreme Court] Justice Brandeis describes the process: 'The development of our financial oligarchy…with which the history of political despotism has familiarized us—usurpation proceeding by gradual encroachment rather than by violent acts; and by subtle and often long concealed concentration'."

Next Sutton documents the Jekyll Island conspiracy: "In 1910, six prominent Wall Street financial men met on Jekyll Island to map plans for a central banking system in the U.S. The Federal Reserve System originated in a conspiracy [which is] a *secret* meeting for an *illegal* purpose." The six conspirators included Senator Nelson Aldrich (the father-in-law of John D. Rockefeller, Jr., of whom former Vice President Nelson Rockefeller was a direct descendent), German banker Paul Warburg (who came to the U.S. in 1902 and was "the central intellectual figure in the creation of the Fed" despite his limited command of English), a J.P. Morgan partner, and three senior executives (including one related to the Rockefellers by marriage) from banks in the Morgan group. "This triad—Morgan-Aldrich-Warburg--was the focal point for planning the introduction of central banking to the U.S."

Sutton explains why secrecy was of paramount importance: "Above all the conspirators knew they had to maintain absolute secrecy. If any Wall Street name ever became attached to a central banking Federal Reserve bill, it would be the kiss of death. Not only were code names adopted but individuals went to great lengths to avoid public knowledge of their meetings and discussions."

One of the conspirators later wrote, "We were told to leave our last names behind us...that we should avoid dining together...[and] to come one at a time...to the railroad terminal... where Senator Aldrich's private car would be in readiness [including closed blinds].... [Another conspirator] and I adopted even deeper disguises, abandoning our own first names....Discovery, we knew, simply must not happen....If it were to be exposed publicly that our particular group had gotten together and written a banking bill, [it] would have no chance whatever of passage by Congress." Sutton notes that "...the Sherman Antitrust Act had just made monopoly in restraint of trade illegal....What this group proposed to do —and actually did do in 1913—was replace gold and silver with a paper factory which they controlled."

Sutton profiles the Ron Paul of the day: "Representative Lindbergh [father of Charles] is... the only man in Congress who read the entire 20 volumes of the Aldrich Monetary Commission...which raised the suspicion...that those interests responsible for it were purposely making it impossible for Congressmen to digest it. Of the Aldrich Plan, Lindbergh said: '[It] is a monstrous scheme to place under one control all the finances of the country, public and private....With that power centered in the great city banks and these banks controlled by the trusts and money powers, the politics as well as the business of the country would be under its dictation....When the President signs this bill, the invisible government by the Monetary Power will be legalized."

Sutton details Woodrow Wilson's involvement with advocates of a central bank. In 1907, Wilson, who was then president of Princeton University, "wrote a brief for the Wall Street establishment in which he provided academic support for the Trusts—incidentally, in total contradiction to his public statements. This Wall Street cabal...pushed for Wilson to become Governor of New Jersey....[Years later,] two-thirds of Wilson's campaign funds for the presidency came from just seven individuals, all Wall Streeters and linked to the very trusts Wilson was publicly denouncing."

Sutton excoriates: "Congressional passage of the Federal Reserve Act in December, 1913, must count as one of the more disgraceful unconstitutional perversions of political power in American history....it is hard to think of any act that has had greater effect and illegally transferred more monopoly power to a conspiratorial clique....The Act transferred control of the monetary supply of the U.S. from Congress to a private elite. Paper fiat currency replaced gold and silver. Wall Street financiers were able now to tap an unlimited supply of fiat money at no cost."

But as one senator observed, "This bill did not originate in any party platform." Another said, "...we were commanded to pass without a hearing and without much investigation." Sutton writes that "An extraordinary lobbying effort surrounded the bill....Most Congressmen had no idea what the bill was about. There were no amendments [allowed]....The Senate took...4.5 hours to debate and adopt [the bill]....No member of the Senate could have known its contents and some senators even stated...that they had no knowledge of the contents of the [bill]."

However, during debate, some senators recognized that "without the discipline of limited gold and silver, the pressure of unlimited fiat money would lead to price inflation." The counterargument was that "sound bankers would not allow price inflation." Other senators were unconcerned about inflation because "the U.S. has the most competent bank men in the world....[and] inflation was not possible if the securities issued were good government securities." But one senator countered that "the facilities of easy money has brought [great commercial nations] to a point of most injurious and serious collapse." However, another senator "claimed that the great inflation feared [by some senators] was only a 'bare mathematical possibility.' Why? Because...'no President conceivably would appoint one member of the board who believed in fiat money.'....[Today,] every single member of the Federal Reserve Board and its Regional Banks is an ardent believer in fiat money and an adversary of gold!"

The House-Senate conference to work out the "20 or 40 (depending on the source) major points of disagreement [between the House and Senate bills]...excluded all Republican members, [who] did not even see the conference report....During this brief 23 hours, the major differences were reconciled, worded, sent to the printer, set up in type, proofread, printed, distributed, read by every member of the House, discussed, pondered, weighed, deliberated, debated and voted upon....In brief, the Republican leader did not know what was in the Act nor was he given the opportunity to find out....Both Finance Committee Chairmen...had conflict of interest with personal banking interests and stood to gain from the bill. Meetings to discuss the bill were held without knowledge of committee members. Decisions were arrived at and established without the knowledge and agreement of members. Major sections of the bill were settled without consultation and railroaded into final form."

Finally, Sutton includes an interesting page that shows how the money trust honored its supporters. The $10,000 bill "bears the portrait of Samuel Chase, Lincoln's Treasury Secretary who pushed through the National Bank bill for the money interest. The highest value Federal Reserve Note of $100,000 bears the portrait of Woodrow Wilson, a real friend of the money trust." This note, which is used for transfers between Federal Reserve regional banks, is the only one that bears the inscription "payable in gold." Andrew Jackson--central bankers' worst enemy--who had been on the $20 bill, will be replaced by Harriet Tubman around 2030. When Old Hickory's ghost knows that his visage no longer adorns fiat currency, he may finally rest in peace.

News Items

[The Everything Collapse]

[What Will Finish the World?]

[Dodging the Apocalypse]

[Inside the Corporate Equality Index]

[Whole Foods Closes Its "Flagship" San Fran Store After Just a Year Due to Crime]

[Walmart Closes Half of Its Chicago Stores]

Newsletter Archive

I would love to hear from you! If you have any comments, suggestions, insight/wisdom, or you'd like to share a great article, please leave a comment.

Disclaimer

The content of this newsletter is intended to be and should be used for informational/ educational purposes only. You should not assume that it is accurate or that following my recommendations will produce a positive result for you. You should either do your own research and analysis, or hire a qualified professional who is aware of the facts and circumstances of your individual situation.

Financial Preparedness LLC is not a registered investment advisor. I am not an attorney, accountant, doctor, nutritionist or psychologist. I am not YOUR financial planner or investment advisor, and you are not my client.

Investments carry risk, are not guaranteed, and do fluctuate in value, and you can lose your entire investment. Past performance is not indicative of future performance. You should not invest in something you don't understand, or put all of your eggs in one basket.

Before starting a new diet or exercise regimen, you should consult with a doctor, nutritionist, dietician, or personal trainer.