Where has all the Money gone?

By Gordon Israel

> **"It is well that the people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning."**
>
> **- Henry Ford**

The purpose of this book is threefold:

1. To help you personally understand our banking and monetary system;
2. To itemise and illustrate the systemic problems that so alarmed Henry Ford;
3. To empower you with practical solutions so that you may instigate your own financial revolution before tomorrow morning.

Disclaimer

As per the usual, you need to know that the author of this book is neither a lawyer, nor a banker, nor an economist, and thus has failed to receive the necessary blessing for his opinions from any institution funded by bankers. The piece of paper they gave him authorised him to work on computers, on the presumption that this would limit him to sharing his opinions with his computers.

Therefore take note that this book was written on a computer for the sole and express edification of that computer. If through a complex series of programming which nobody really understands (referred to by many as a "virus"), that computer happens to send this book out to everyone on its e-mail list, then the author disclaims any and all liability for the consequences of informing real people.

"Remember, remember, the Fifth of November!"

In memory of Guy Fawkes, who planned to attack Parliament because he failed to understand that they were only doing the bidding of their paymasters, the bankers.

Published for New Zealand this 5th day of November 2008
via the Internet to avoid the usual contract with a banker

It is our gift to our planet, though written particularly for the good people of New Zealand, with special thanks to all Tangata Whenua of Ao Tea Roa, who have warmly received us on their Land of the Long White Cloud.

The information contained herein has parallel application to most, if not all countries on the globe. Where the IMF makes the rules, these principles govern. Sorry North Korea, we are unable to assist you at this time.

If you have a sufficient background in law to modify this book to the present situation in your country, please coordinate this effort with us, as there may be others from your country with the same intent. Please note that we are not lawyers, nor do we expect you to be a lawyer to be able to work with us. Turn to the back of this book for contact details.

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Chapter 1

The True Cause of the Global Economic Crisis

What is this new "crisis" we hear about in the news, supposedly worse than anything we've seen in our lifetime? Weren't we already struggling to pay the mortgage? Isn't home ownership for young families already an almost impossible dream? Aren't both Mum and Dad already working to feed fewer mouths than Dad supported by himself in previous generations? Isn't petrol already too expensive? Wasn't it already too difficult to save enough for retirement?

In short, who's got a crisis now that we were not already living in the middle of before this one made international headlines? Can somebody fix our crisis first, please??? Oh, this one matters because it involves rich people. And Bankers.

Do you really want to know what is going on? Forget everything you are hearing in the News. Forget what economists and financial advisors tell us. Stop searching for a politician who understands how to fix things. Even the legendary Texas Congressman Ron Paul, who understands sound fiscal policy better than most economists, will not mention these three simple truths when telling us what is wrong with the economy or how to fix it:

1. Modern "money" depends upon debt. Without debt, we have no money. Every dollar today is borrowed into existence from a global network of private banks;

2. With every debt, comes interest payable on that debt, but the interest due is never created. Thus there is never enough money in circulation to pay both the principal and the interest on all outstanding debts.

3. To prevent mass bankruptcy, more money must be created each year (by borrowing more dollars into existence), just to allow most people to meet the previous year's debt obligations. This creates the upwardly spiralling inflationary cycle we see today.

> "I am afraid the ordinary citizen will not like to be told that the banks can, and do, create money… Those who create and issue money and credit direct the policies of government and hold in the hollow of their hands the destiny of the people."
>
> **- Reginald McKenna**
> **Britain's Chancellor of the Exchequer in 1915-16**
> **Chairman of the board of the Midland Bank**
> **January 1924**

The present “crisis” is caused by nothing more than a slowdown in the rate of lending. In recent years interest rates were dropped and lending policies were relaxed, thus creating a glut of new “money” in society. This then fuelled an explosion in housing prices. Soon too many people had over-extended their ability to borrow. This resulted in fewer potential customers for new loans. At the same time, housing prices started to fall, leaving the banks vulnerable to defaults on too many of their existing loans. Thus they also became reluctant to make news loans, even to other banks.

Consequently, new lending dropped dramatically, creating a situation where there is not enough “money” in circulation for everyone to meet their existing debt obligations. People start defaulting, more houses are for sale, but with fewer qualified buyers, and the cycle spirals downward.

In a desperate effort to stem the bleeding, governments have stepped in to borrow huge sums from their Central Banks. But these governments are over-extended as well. Their ability to repay depends on their tax base which is decreasing as more and more taxpayers go bankrupt. So it becomes an act of blind faith that new government borrowing will inject enough new cash into circulation to kick start a “healthy” upward inflationary spiral again.

Inflation is not the only consequence of private fractional reserve banking. Other hidden “benefits” include income taxes to pay the interest, and a necessary number of bankruptcies each year. Together with new private lending, these factors complicate the money flows such that it is impossible for the layman to see what is happening. This also creates endless discussion points for economists and politicians to distract you from the unchanged underlying problem, namely that it is impossible to pay back both capital and interest when only capital was created in the first place.

> ”The money World … has its own logic, values, and imperatives for healthy function. Its institutions are designed to collapse unless there is sustained growth in profits, stock prices, output, consumption, trade, investment, and tax receipts. Its appetites are insatiable and it acknowledges no physical limits. Whatever exists today, more is required tomorrow. Everything—even life—has its price. An absence of growth is a sign of stagnation and even decline. Its song calls us with promises of ease, personal power, and material prosperity; in return we must accept Money as the mediator of all values and dedicate our lives to its reproduction.”
>
> - **David Korten**
> **Former Harvard Business professor**
> **1999**

An even larger problem is looming right behind the immediate crisis: the exponential nature of the upward inflationary spiral. This aspect may soon get out of hand. It happened in Germany in the 1930’s and it is happening right now in Zimbabwe. It could soon happen to the modern banking system on a global scale.

Follow carefully to what is proposed at the "global economic summit" of world leaders, to be hosted by George Bush at Camp David starting on 15 November 2008, a mere ten days away. They will most likely propose a global currency. What they will not propose will be any real change in the fundamental structure of the banking system that will deal with the three problems listed above. You will rarely hear those discussed in public, as they are not up for negotiation.

So you must understand them yourself. You must understand firstly that they are unsustainable, secondly that they are bankrupting you, your family and your country, and thirdly that there is action you can take today to change this. Changing your world does not require a vote of Parliament, it most certainly does not require blowing up Parliament, and it doesn't even require getting mad at the bankers who scammed us into their game in the first place. You have the power to make them irrelevant to your life and well-being.

> "Whosoever controls the volume of money in any country is absolute master of all industry and commerce... And when you realise 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."
>
> **- U.S. President James Garfield**
> **just weeks before his assassination in 1881**

If this brief introduction has made your head spin, the next chapter explains these principles in more detail by way of an allegory. If you learn better by watching than by reading, then we suggest you watch the 15 minute video found at this link before reading any further:

video.google.com/videoplay?docid=-4179505350194809051

Chapter 2

The Money Myth Exploded

This chapter is an expanded version of a pamphlet written by Louis Even and published by the Pilgrims of St. Michael, a Catholic movement he founded in Canada to promote the concept of Social Credit. The original pamphlet can be found at: www.michaeljournal.org/myth.htm

1. Shipwreck survivors

An explosion had blown their ship apart. Each one grasped the first bit of wreckage that came to hand. And when it was over, there were five left, five huddled on a raft which the waves carried along at their will.

Hour after long hour their eyes searched the horizon. Would some passing ship sight them? Would their make-shift raft finds its way to some friendly shore?

Suddenly a cry rang out: "Land! Look! Over there, in the direction the waves are carrying us!"

And as the vague silhouette proved itself to be, in fact, the outline of a shore, the figures on the raft danced with joy.

They were five. There was Frank, the carpenter, big and energetic. It was he who had first cried, "Land!".

Then Paul, Jim and Harry, all farmers. You can see two of them kneeling and one seated on a trunk salvaged from the wreck, all gazing in the direction of land.

And finally Tom, a prospector and a mineralogist; he is the merry fellow standing in the rear of the picture with his hand on the carpenter's shoulder.

2. A providential island

To our five men, setting foot on land was like returning to life from the grave.

When they had dried and warmed themselves their first impulse was to explore this little island on to which they had been cast, far from civilization.

A quick survey was sufficient to raise their spirit. The island was not a barren rock. True enough, they were the only men on it at the moment. But judging from the herds of semi-domesticated animals they encountered, there must have been men here at some time before them. Jim, an experienced animal breeder, was sure he could completely domesticate them and put them to good service.

Paul found the island's soil, for the most part, to be quite suitable for cultivation.

Harry discovered some fruit trees which, if properly tended, would give good harvests.

Most important were the large stands of timber embracing many types of wood. Frank, without too much difficulty, would be able to build houses for the little community.

As for Tom, the prospector, well, the rock formations of the island showed signs of rich mineral deposits. Lacking the tools, Tom still felt his ingenuity and initiative could produce metals from the ores.

So each could serve the common good with his special talent. All agreed to call the place Salvation Island. All gave thanks to Providence for the reasonably happy ending to what could have been stark tragedy.

3. True wealth

Here are the men at work.

The carpenter builds houses and makes furniture. At first they find their food where they can. But soon the fields are tilled and seeded, and the farmer has his crops.

As season followed season this island, this heritage of the five men, Salvation Island, became richer and richer.

Its wealth was not that of gold or of paper bank notes, but one of true value; a wealth of food and clothing and shelter, of all the things to meet human needs.

Each man worked at his own trade. Whatever surpluses he might have of his own produce, he exchanged for the surplus products of the others.

Life wasn't always as smooth and complete as they could have wished it to be. They lacked many of the things to which they had been accustomed in civilization. But their lot could have been a great deal worse.

Besides, all had experienced the depression in Canada. They still remembered the empty bellies side by side with stores crammed with food.

At least on Salvation Island they weren't forced to see the things they needed rot before their eyes. Taxes were unknown here. Nor did they go in constant fear of seizure by the bailiff. They worked hard but at least they could enjoy the fruits of their toil.

So they developed the island, thanking God and hoping for the day of reunion with their families, still in possession of life and health, those two greatest of blessings.

4. A serious inconvenience

Our men often got together to talk over their affairs.

Under the simple economic system which had developed, one thing was beginning to bother them more and more; they had no form of money. Barter, the direct exchange of goods for goods, had its drawbacks. The products to be exchanged were not always at hand when a trade was discussed. For example, wood delivered to the farmer in winter could not be paid for in potatoes until six months later.

Sometimes one man might have an article of considerable size which he wished to exchange for a number of smaller articles produced by different men at different times.

All this complicated business and laid a heavy burden on the memory. With a monetary system, however, each one could sell his products to the others for money. With this money he could buy from the others the things he wanted, when he wished and when they were available.

It was agreed that a system of money would indeed be very convenient. They asked Tom how much gold he had found on the island. Unfortunately he had found none. What about silver? No luck there either. He had covered the island quite thoroughly, and was sure that no easily identifiable source of the precious metals was at hand.

Lacking any gold or silver, none of them knew how to set up a monetary system. They knew how to produce true wealth - goods. But how to produce money, the symbol of this wealth, was something quite beyond them. They were ignorant of the origin of money, and needing it they didn't know how to produce it. Certainly, many men of education would have been in the same boat; all our governments were in that predicament during the ten years prior to the Great War. The only thing the country lacked at that time was money, and the governments apparently didn't know what to do to get it.

5. Arrival of a refugee

One evening, when our boys were sitting on the beach going over their problem for the hundredth time, they suddenly saw approaching a small boat with a solitary man at the oars.

They learned that he was the only survivor of a wreck. His name: Oliver.

Delighted to have a new companion, they provided him with the best that they had, and they took him on an inspection tour of the colony.

“Even though we're lost and cut off from the rest of the world,” they told him, “we haven't too much to complain about. The earth and the forest are good to us. We lack only one thing — money. That would make it easier for us to exchange our products.”

“Well, you can thank Providence,” replied Oliver, “because I am a banker, and in no time at all, I'll set up a system of money guaranteed to satisfy you. Then you'll have everything that people in civilization have.”

A banker!... A BANKER!... An angel coming down out of the clouds couldn't have inspired more reverence and respect in our men. For, after all, are we not accustomed, we people in civilization, to genuflect before bankers, those men who control the lifeblood of finance?

6. Civilization's god

“Mr. Oliver, as our banker, your only occupation on this island will be to look after our money; no manual labour.”

“I shall, like every other banker, carry out to complete satisfaction my task of forging the community's prosperity.”

“Mr. Oliver, we're going to build you a house that will be in keeping with your dignity as a banker. But in the meantime, do you mind if we lodge you in the building that we use for our get-togethers?”

“That will suit me, my friends. But first of all, unload the boat. There's paper and a printing press, complete with ink and type, and there's a little barrel which is so precious that I must unload it myself.”

They unloaded everything. The small barrel aroused intense curiosity in our good fellows.

“This barrel,” Oliver announced, “contains a treasure beyond dreams. It is full of... gold!”

Full of gold! The five all but swooned. The god of civilization here on Salvation Island! The yellow god, always hidden, yet terrible in its power, whose presence or absence or slightest caprice could decide the very fate of all the civilized nations!

“Gold! Mr. Oliver, you are indeed a great banker!”

“Oh august majesty! Oh honourable Oliver! Great high priest of the god, gold! Accept our humble homage, and receive our oaths of fidelity!”

"Yes, my friends, gold enough for a continent. But gold is not for circulation. Gold must be hidden. Gold is the soul of healthy money, and the soul is always invisible. But I'll explain all that when you receive your first supply of money."

7. The secret burial

Before they went their separate ways for the night, Oliver asked them one last question.

"How much money will you need to begin with in order to facilitate trading?"

They looked at one another, then deferentially towards the banker. After a bit of calculation, and with the advice of the kindly financier, they decided that $200 each would do.

The men parted, exchanging enthusiastic comments. And in spite of the late hour, they spent most of the night lying awake, their imaginations excited by the picture of gold. It was morning before they slept.

As for Oliver, he wasted not a moment. Fatigue was forgotten in the interests of his future as a banker. By dawn's first light, he dug a pit into which he rolled the barrel. He then filled it in, transplanting a small shrub to the spot about which he carefully arranged sod. It was well hidden.

Then he went to work with his little press to turn out a thousand $1 bills. Watching the clean new banknotes come from his press, the refugee turned banker thought to himself:

"My! How simple it is to make money. All its value comes from the products it will buy. Without produce, these bills are worthless. My five naive customers don't realize that. They actually think that this new money derives its value from gold! Their very ignorance makes me their master."

And as evening drew on, the five came to Oliver — on the run.

8. Who owns the new money?

Five bundles of new banknotes were sitting on the table.

"Before distributing the money," said the banker, "I would like your attention."

“Now, the basis of all money is gold. And the gold stored away in the vault of my bank is my gold. Consequently, the money is my money. Oh! Don't look so discouraged. I'm going to lend you this money, and you're going to use it as you see fit. However, you'll have to pay interest. Considering that money is scarce here, I don't think 8% is unreasonable.”

“Oh, that's quite reasonable, Mr. Oliver.”

“One last point, my friends. Business is business, even between pals. Before you get the money, each of you is going to sign a paper. By it you will bind yourselves to pay both interest and capital under penalty of confiscation of property by me. Oh! This is a mere formality. Your property is of no interest to me. I'm satisfied with money. And I feel sure that I'll get my money, and that you'll keep your property.”

“That makes sense, Mr. Oliver. We're going to work harder than ever in order to pay you back.”

“That's the spirit. And any time you have a problem, you come and see me. Your banker is your best friend. Now here's two hundred dollars for each one of you.”

And our five brave fellows went away, their hands full of dollar bills, their heads swimming with the ecstasy of having money.

9. A problem in arithmetic

And so Oliver's money went into circulation on the island. Trade, simplified by money, doubled. Everybody was happy.

And the banker was always greeted with unfailing respect and gratitude.

But now, let's see... Why does Tom, the prospector, look so grave as he sits busily figuring with a pencil and paper? It is because Tom, like the others, has signed an agreement to repay Oliver, in one year's time, the $200 plus $16 interest. But Tom has only $180 in his pocket, and the date of payment is near.

He knew that Frank had done quite well building everyone’s houses, so he decided to ask Frank if he could borrow the extra $36 he would need to pay his debt to Oliver.

When he arrived at Frank’s place, he found that Jim and Harry were there asking Frank for loans as well. Jim had his original $200 back, so he only needed an extra $16 to pay for the interest, and Frank had already agreed to lend this to him.

But now there was a problem. It came out that Harry had only $100 to his name. There simply had not been enough demand for his fruit for him to earn back as much as he had spent that year. He was asking Frank if he could borrow $116.

Frank also needed to repay his loan plus interest, and was quite pleased with himself that he would still have $84 left over that was all his own. The new monetary system was great so far as he was concerned. He was going to loan $16 to Jim, which left him with only $68 to meet the requests of Harry and now Tom, who needed $152 between them.

“I know!” said Jim, “Let’s ask Paul. He isn’t here, so he must have plenty of money as well.” So off the four of them went to Paul’s house. There they explained the predicament to Paul and asked if they could borrow the extra $84 they needed so that everyone could pay their obligations to Oliver.

“Hmmmm”, says Paul. “I hadn’t thought about this because I knew I would be able to repay my loan. “You see, I only have $220, which leaves me with a mere $4 after I’ve paid Oliver. We are $80 short. The only one who might have this much money available to lend would be Oliver.” So off they all went to meet at Oliver’s.

10. The benevolent banker

Oliver guessed what was on their minds, and listened intently as the impetuous Frank stated the case for the group.

“Some of us have not done as well as others this past year. Not all of us can repay our loans. Also, if Paul and I repay you in full, that will only leave us with a small amount of money to do business with next year.”

Oliver appeared deep in thought for a moment, as if pondering their troubles. In reality he was exulting over the fact that they had not figured out his game. Finally his face brightened as if he had just come up with the answer to their troubles.

“Yes, of course my friends; I should have thought of that before. But never mind; Bankers, for the greater good of the community, always adapt themselves to the conditions of the times. I'm going to loan you each an additional $100, and I am only going to require that you pay me the interest at this time. Only $16 each. You will go on holding the capital, and with the additional capital that this injects, you will soon find that business is better than ever.”

There were broad grins all around as everyone saw how simply Oliver had solved their problems. It never occurred to one of them that Oliver had created the problem in the first place!

"Now I just need to remind you that a banker never cancels a debt. You still owe me all the money you borrowed. But you'll pay me, each year, only the interest. If you meet the interest payments faithfully each year, I won't push you for the capital. If you feel you are running short of money, I'll loan you some more, just like we did today."

So our boys left in high spirits, too busy thinking about what they could buy with the extra $100 to consider the fact that they would owe even more interest next year.

11. Oliver exults

Oliver is alone. He is deep in reflection. His thoughts run thus:

"Business is good. These boys are good workers, but stupid. Their ignorance and naivety is my strength. They ask for money, and I give them the chains of bondage. They give me flowers, and I pick their pockets.

"True enough, they could mutiny and throw me into the sea. But pshaw! I have their signatures. They're honest. They'll honour their pledges. Honest, hardworking people were put into this world to serve the Financiers.

"Oh great Mammon! I feel your banking genius coursing through my entire being! Oh, illustrious master! How right you were when you said: `Give me control of a nation's money, and I care not who makes her laws.' I am the master of Salvation Island because I control its money.

"My soul is drunk with enthusiasm and ambition. I feel I could rule the universe. What I, Oliver, have done here, I can do throughout the entire world. Oh! If only I could get off this island! I know how I could govern the world without wearing a crown.

"My supreme delight would be to instil my philosophy in the minds of those who lead society: bankers, industrialists, politicians, reformers, teachers, journalists — all would be my servants. The masses are content to live in slavery when the elite from among them are constituted to be their overseers."

12. Inflation and Employment

For a time the island's economy thrived because of the additional money in circulation. The amount of trade was greater than ever. Everyone wanted Frank to build additions to their house, so Frank became quite wealthy. Harry figured he had not earned enough the year before, so he raised the price of his fruit. No one seemed to mind, as they had plenty of money to pay the higher price.

But no one was eating more food than the year before, and in general the demand for extra things had only risen marginally. Jim could not sell an extra cow or sheep, so he too decided that he needed to raise his prices if he was to get ahead. Soon everyone, including Frank, had raised their prices. So now it took more money to buy the same things.

This increased the demand for Oliver's money each year that it was time to pay him his interest. No one had a name for what was happening. They simply knew that they had to keep raising their prices to keep up with everyone else, and especially with the growing amount of interest that Oliver exacted each year.

It did not take too many years before Harry was once again in a position that he could not pay his debt to Oliver. He borrowed the difference from Frank, promising to pay it back in the coming year. Frank was quite happy to do this, as he did not know what else to do with all his extra money.

Before much longer, Harry was unable to repay his debt in full to Frank and Frank was not willing to loan him any more money. What was more, Tom was now in trouble and knocking on Frank's door asking for a loan. Jim too was dissatisfied, as he could only meet his payments each year if he accepted the next year's loan from Oliver. He had been hoping to join Frank and Paul who had stopped borrowing new capital from Oliver each year.

When they came to Oliver to pay that year's interest, the signs of discontent were obvious. Harry looked downcast, fully expecting Oliver to call his loan due and to seize all of his property. Oliver did indeed look stern and serious about the situation, but he quickly assured Harry that things were not as bad as they seemed.

"Paul", he asked, "You have done reasonably well in this monetary system, and you are a farmer just like Harry, correct?"

"Yes, that's true", Paul answered

"Well I propose that you buy Harry's farm from him for a bit more than he owes. That will leave him with enough to live on and it will expand your business. You can work both farms, and whenever you need extra help, Harry will be available for a low hourly rate. I do know that you don't have enough money saved to pay the full amount for Harry's farm, so I will loan you the balance."

Harry was in despair, but had to agree that this was a better outcome than losing everything. Paul was convinced that this would finally allow him to join Frank among the very wealthy on the island, so he once again signed a loan agreement and became indebted to Oliver.

13. Making the Money Work

Behind his big smile, Oliver was starting to worry about two problems. First, he knew that Frank was becoming wealthy enough that he would soon start spending less time working and more time relaxing. Once he stopped working all day, his mind might turn itself to figuring out how Oliver's monetary system worked.

If Frank ever did the calculations necessary to figure out that Oliver was far wealthier than he was, but without having done any hard work at all, he might not continue to be so supportive of Oliver's system. Up to then, Oliver could always count on Frank to smooth things over when the discussions turned to money. Frank's generosity had also helped everyone through the worst times, further assisting Oliver by keeping down the level of discontent.

What Oliver needed was a scheme to ensure that Frank would forever be endeared to him. So he approached Frank one day and offered to pay interest of 6% if Frank would deposit all of his savings with Oliver's bank. He explained to Frank that if he saved enough, soon he could quit working and simply live off of the interest payments he would receive each year.

Frank was quite taken by this idea, and deposited his savings immediately. He then imagined how all his hard work would finally pay off one day because the money he had saved could now work for him. He did not consider for a moment that he would be paid out of the higher amount of interest that the others were paying Oliver, and thus they, and not the money, were the ones in fact doing the work.

14. A National Debt

The second problem Oliver was concerned about was even bigger. His scheme was unsustainable and he knew it. While Frank had paid off his debt and was now earning interest himself, the other four were falling deeper than ever into debt. It was only a matter of time before he would have to bail out Harry yet again, and he knew he needed to do something before that day arrived.

So Oliver called a meeting. There he announced to the men with confidence, "This is going to be a great day in the history of our small island. Today we will join the ranks of the civilized world. Today we will elect our own government."

"It is not good for you all to have to individually bear the burden of your debts. The poorer ones of you now have the higher debts, and the very capital you have borrowed is sitting in the pockets of the richer ones. Since all of you need this money in circulation, and the rich benefit from it more, you need to handle this issue collectively."

"The way to do this is to organize yourselves like a nation. Set up a system of money contributions, what we call taxes. Those who have more money will be taxed more; the poor will pay less. You will all be equally responsible for the total capital owed, which we will call the National Debt. At the end of the year you can bring me the interested owed, in one lump sum, and I'll be satisfied. And your little nation will thrive."

Frank was the only one who did not think this was such a great idea. Silently, each of the other four were thinking about how Frank would now be paying for a share of the interest on their debt. Frank, however, kept his objections to a minimum because he did not wish to make Oliver look bad for fear this might jeopardize his retirement. A vote was taken and everyone voted in favour except Frank, who decided to simply abstain.

Next the men discussed who should actually manage the taxation system. When Oliver's name was put forward, Oliver said deferentially, "Oh no. That could be a conflict of interest. Look here, Harry has extra time on his hands, and he is not earning enough working part time for Paul as it is. Why not hire him as the government administrator to handle the collection of taxes."

Even Frank could see the sense of this. Harry felt useful for the first time in years. It was soon agreed to give Harry the title of "Governor" of Salvation Island. He would be exempt from the taxes and would be paid a little extra as well for the service he was doing for the common good.

Harry started keeping a record of the National Debt, and asked everyone to tell him how much money they used each year. He would deduct a minimum "living allowance" and then tax them a percentage on top of that. Tom ended up owing no taxes. Jim's taxes were minimal. Paul's were quite high, and he was not afraid to state his opinion on the matter. Frank's taxes, of course, were the highest of all, but they were still lower than the amount of interest Oliver was paying him. So he resigned himself to make up for it by working a few years more before he retired.

15. Control of the press

With these two problems successfully resolved, Oliver still knew that it was only a matter of time before the burden of taxation necessary to make the interest payments grew out of control again. He had Frank and Harry on his side, but he needed a means of ensuring that any blame for increased taxation would not be linked to the interest paid to him on the National Debt.

He knew that whoever controlled the nation's money controlled the nation. But he knew also that to maintain that control, it was necessary to keep the people in a state of ignorance, and to distract them by a variety of means.

Oliver had observed that of the five islanders, Frank and Paul were conservatives who believed that the monetary system was basically a good thing. The other three were liberals who tended to resent the conservatives for the fact that they always had enough money. That much had evolved from their evening conversations, and between the conservatives and those who were liberals, there was a constant friction.

On occasions, Jim, the most neutral of the five, considering that all had the same needs and aspirations, had suggested the union of the people to put pressure on the authorities. Such a union, Oliver could not tolerate; it would mean the end of his rule. No dictator, financial or otherwise, could stand before a people united and educated.

Consequently, Oliver set himself to foment, as much as possible, political strife between them.

The refugee put his press to work, turning out two weekly newspapers, “The Sun”, for the Liberals, and “The Star”, for the Conservatives.

The general tenor of “The Sun” was: “If you are unable to get ahead, it is because of those traitorous Conservatives who have sold out to big business.”

That of “The Star”: “The ruinous state of business and the national debt can be traced directly to the political irresponsibility of those unmentionable Liberals.”

16. The cost of living unbearable

Over time, the National Debt continued to increase. Paul and Jim were also carrying personal debts which they would pay down for a few years before obtaining an even larger loan in the name of expanding their business. Tom barely got by, but comforted himself with the undying hope that he would strike it rich one day by discovering a vein of gold in his mine.

Over time, things went from bad to worse on Salvation Island. Production was up, and bartering had dropped to a minimum. Governor Harry paid the interest on the National Debt regularly. The others had to think of setting money aside for him. Thus, money tended to clot instead of circulating freely.

Those who paid the most in taxes complained against those who paid less. They raised the prices of their goods to compensate for this loss. Poor Tom who paid no taxes lamented the high cost of living, and bought less.

If one took a salaried job with another, he was continually demanding increases in salary in order to meet the mounting cost of living.

Morale was low. The joy went out of living. No one took an interest in his work. Why should he? Produce sold poorly. When anyone made a sale, they had to pay taxes to Harry. They went without things. It was a real crisis. And they accused one another of wanting in charity, and of being the cause of the high cost of living.

One day, Tom, having despaired of getting ahead by working harder, sat outside his mine, pondering over the situation. He finally arrived at the conclusion that this “progress”, born of a refugee's monetary system, had spoiled everything on the island. Unquestionably, all five had their faults, but Oliver's system seemed to have been specifically designed to bring out the worst in human nature. By signing an agreement to pay interest each and every year, regardless of how large the obligation grew, they had placed themselves in an impossible situation. No matter how rosy things looked one day, over time the debt would only grow until it reached an amount they could not pay. Rather than blame the banker for this, they had been blaming each other.

Tom was tired of being accused of being a freeloader on the system, and decided to demonstrate to his friends what the true source of the problem was so he could unite them for action. He started with Jim, who was not hard to convince. “I'm no genius,” he said, “but for a long time now there's been a bad smell about this banker's system.” Paul soon agreed as well, and the three of them went over to see Oliver.

17. Enslaved by Oliver

When Oliver saw the look on their faces, he quickly called Frank and Harry to his support. The three malcontents burst into a veritable tempest about the ears of the banker.

“Money's scarce on the island, fellow, because you take it away from us! We pay you and pay you, and still we owe you as much as at the beginning. We work our heads off! We've the finest land possible, and yet we're worse off than before the day of your arrival. Debts! Debts! Up to our necks in debts!”

“Oh! Now boys, be reasonable! Your affairs are booming, and it's thanks to me. A good banking system is a country's best asset. But if it is to work beneficially, you must have faith in the banker. Come to me as you would to a father... Is it more money that you want? Very well. My barrel of gold is good for many thousands of dollars more.”

“See, because your system of government is so stable and you have never failed to pay your taxes, I'm going to lend your government ten thousand dollars more right now. That will be spent into circulation in the form of public works. Those of you who are struggling to earn enough money can help build roads on the island.”

“So our National Debt goes up again! We are going to have to pay you interest for the rest of our lives!”

“Well, yes — but I'll lend you more whenever its needed, and you'll never pay anything but the interest. And you can add to the debt, year after year.”

“And raise the taxes, year after year?”

“Obviously. But your revenues also increase every year.”

“So then, the more the country develops each year because of our labour, the more the public debt increases!”

“Why, of course! Just as in your home country – or in any other part of the civilized world for that matter. The degree of a country's civilization is always gauged by the size of its debt to the bankers.”

“This is a natural phenomenon. Actually it’s unavoidable. We call it ‘Inflation’. A small amount of inflation each year is a good thing. If the money supply went down we would have ‘deflation’ which leads to depressions, and I can assure you that you do not want to experience one of those.”

18. The wolf devours the lambs

“And that's a healthy monetary system, Mr. Oliver?”

“Gentlemen, all sound money is based on gold, and it comes from the banks in the form of debts. The National Debt is a good thing. It keeps men from becoming too satisfied. It subjugates governments to the supreme and ultimate wisdom, that which is incarnate in bankers. As a banker, I am the torch of civilization here on your little island. I will dictate your politics and regulate your standard of living.”

“Mr. Oliver, we may be simple and uneducated folks, but we don't want that kind of civilization here. We'll not borrow another cent off of you. Sound money or not, we don't want any further transactions with you.”

“Gentlemen, I deeply regret this very ill-advised decision of yours. But if you break with me, remember, I have your signatures. Repay me everything at once — capital and interest.”

“Very well”, announced Tom with a smug sense of satisfaction, “I don’t owe you anything. There, you’re paid. Now get out of my life. And by the way, Harry doesn’t owe you anything either and I think you are the one who actually owes Frank.”

Everyone was so shocked by Tom’s brazen remarks that they failed to notice the devilish smirk spreading across Oliver’s face. Jim spoke next.

“Frank, don’t you agree it is time to end this? How about you lend Paul and me enough to pay off Oliver? We’ll owe the money to you. We’ll even be happy to keep paying you interest. We’re paying 8% now, while Oliver is only paying you 6%. If we agree on 7% then we all win and Oliver is out of our lives.”

Frank thought about this, and was on the verge of agreeing to it when Oliver spoke up.

“Gentlemen; gentlemen; you have forgotten the National Debt. All five of you owe that to me, with interest. All five of you have pledged your property to me as security for that debt. You need to repay this as well.”

“But that's impossible, sir. Even if we give you all the money on the island, we still won't be square with you.”

“I can't help that. Did you or did you not sign? Yes? Very well.

“Governor Harry, by virtue of the sanctity of contracts, I demand that you exercise your lawful powers and seize all mortgaged property as was agreed to at the time you were all so happy to have my help. If the others don't want to serve willingly the supreme authority of money, then you'll make them obey by force. They will continue to exploit the island, but in my interests and under my conditions. Now, get out! You'll get your orders from me tomorrow.”

Harry knew that he owed everything to Oliver, as life as a politician had been far better to him than life as a fruit farmer ever had. He did not like the thought of being seen as a tyrant by the others, but the law was the law, so he determined that he would do as Oliver had directed.

19. A priceless bit of floatsam

Early the next day, Tom, the prospector, went to a remote beach to escape the ugly scene he envisioned would unfold that day. There he found a lifeboat, empty except for a trunk in good condition lying in the bottom of it.

He opened the trunk. Among the articles within, a sort of album caught his eye: “The First Year of Social Credit”. Between the covers he found a Social Credit publication.

Curious, Tom sat down and began to read the volume. His interest grew; his face lit up.

“Well, just look at this!” he cried out loud. “This is something we should have known a long time ago. Money gets its value, not from gold, but from the products which that money buys.”

“Simply put, money should be a sort of accountancy, credits passing from one account to another according to purchases and sales. The sum total of money will depend upon the sum total of production.

“Each time production increases, there is a corresponding increase in the amount of money. Never at any time should interest be paid on new money. Progress is marked, not by an increase in the public debt, but by the issuance of an equal dividend to each individual... Prices are adjusted to the general purchasing power by a coefficient of prices. Social Credit...”

But Tom could no longer contain himself. He got up and set off at a run, the book in his hands, to share this glorious discovery with his four comrades.

20. Money — elementary accounting

Fortunately, Oliver had not yet issued any directive, so even Governor Harry was happy to meet and hear what Tom had to say. So Tom became the teacher. He taught the others what he had learned from that God-sent Social Credit publication.

"This," he said, "is what we can do without waiting for a banker and his keg of gold, and without underwriting any debt.

"I open an account in the name of each one of you. In the right hand column are the credits which increase your account; to the left are the debits which subtract from your account.

"Each wants $200 to begin with. Very well. We write $200 to the credit of each. Each immediately has $200.

"Frank buys some goods from Paul for $10. I deduct $10 from Frank, leaving him $190. I add $10 to Paul, and he now has $210.

"Jim buys from Paul to the amount of $8. I deduct from Jim $8, leaving him $192. Paul now has $218.

"Paul buys wood from Frank for $15. I deduct $15 from Paul, leaving $203. I add $15 to Frank's account, and it goes back to $205.

"And so we continue; from one account to another, in the same fashion that paper banknotes go from one man's pocket to another's.

"If someone needs money to expand production, we issue him the necessary amount of new credit. Once he has sold his products, he repays the sum to the credit fund. The same with public works; paid for by new credits.

"Likewise, each one's account is periodically increased, but without taking credits from anyone, in order that all may benefit from the progress society makes. That's the national dividend. In this fashion, money becomes an instrument of service."

21. The banker's despair

Everyone understood. Even Frank no longer felt rich once he realised that he only had enough savings to pay off a small portion of the National Debt. His taxes kept increasing, his wealth had come at the expense of the others, and it was ultimately at the mercy of Oliver and whatever scheme he dreamed up next.

Harry was unsure of what this would mean for his job as Governor, but he told the others that he would abide by the vote of the majority.

So the members of this little community voted to change from Oliver's debt-based monetary system to a system of Social Credit. The following day, Oliver, the banker, received a letter signed by all five:

"Dear Sir! Without the slightest necessity you have plunged us into debt and exploited us. We don't need you anymore to run our money system. From now on, we'll have all the money we need without gold, debts, nor thieves. We are establishing, at once, the system of Social Credit on the island. The national dividend is going to replace the National Debt."

"If you insist on being repaid, we can repay you all the money you gave us. But not a penny more. You cannot lay claim to that which you have not made."

Oliver was in despair. His empire was crumbling. His dreams shattered. What could he do? Arguments would be futile. The five were now Social Crediters: money and credit were now not more mysterious to them than they were to Oliver.

"Oh!" said Oliver. "These men have been won to Social Credit! Their doctrine will spread far more quickly than mine. Should I beg forgiveness? Become one of them? I, a financier and a banker? Never! Rather, I shall try and put as much distance between them and me as I can!"

22. The fraud unmasked

To ensure a smooth transition to the new regime, Governor Harry had Oliver sign a document attesting that he again possessed all he had when he first arrived on the island.

An inventory was taken; the boat, the oars, the little press, and the famous barrel of gold.

Oliver had to reveal where he had hidden the gold. Our boys hoisted it from the hole with considerably less respect than the day they had unloaded it from the boat. Social Credit had taught them to despise gold.

Tom, the prospector, who was helping to lift the barrel, found it surprisingly light for gold. "Either this barrel is far from full," he told the others, "or there is something in it besides gold."

The impetuous Frank didn't waste a moment; a blow of the axe, and the contents of the barrel was exposed.

Gold? Not so much as a grain of it! Just rocks — plain, worthless rocks! Our men couldn't get over the shock.

"Don't tell us that he could bamboozle us to this extent!"

"Were we such muttonheads as to go into raptures over the mere mention of gold?"

“Did we mortgage all of our possessions for a few pieces of paper based on a few pounds of rocks? It's a robbery, compounded with lies!”

“To think that we sulked and almost hated one another all because of such a fraud! That devil!”

Furious, Frank raised his axe. In great haste, the banker had already taken flight towards the forest.

23. Farewell to Salvation Island

After the opening of the barrel, and the revelation of his duplicity, nothing further was heard of Oliver.

Shortly after, a ship, cruising off the normal navigation route, noticed signs of life on this uncharted island, and cast anchor a short distance offshore.

The men learned that the ship was en route to America. So they decided to take with them what they could carry, and return to Canada.

Above all, they made sure to take back with them the album, “The First Year of Social Credit”, which had proven to be their salvation from the hands of the financier, Oliver, and which had illumined their minds with an inextinguishable light.

The original pamphlet goes on to sing the praises of this alternative to the modern monetary system, known as “Social Credit”. Political parties sprang up in many countries around this idea, with the Social Credit Party in New Zealand gaining 21% of the votes nationally in the 1981 General Election. However, being a third party in a two-party system, this earned them only two seats in Parliament.

That party is still active in New Zealand politics, but has changed its name to Democrats for Social Credit. They can be found on the web at:

http://www.democrats.org.nz/

By the end of this book, you will know how create your own Social Credit without winning an election, with no vote of Parliament, and even if the entire rest of the country thinks you are nutty.

Chapter 3

The 123 Year Plan to Create the Present Crisis

> "We are not yet ready for such a crisis. Capital must protect itself in every possible manner through combination and legislation. The courts must be called to our aid. Debts must be collected, bonds and mortgages foreclosed as rapidly as possible. Where, through a process of law, the common people have lost their homes, they will be more tractable and easily governed through the influence of the strong arm of government, applied by central power of imperial wealth, under the control of leading financiers. The truth is well known among our principal men now engaged in forming an imperialism of capital to govern the World. While they are doing this the people must be kept in a condition of political antagonism. … By thus dividing the voters we can get them to expend their energies in fighting over questions of no importance to us".
>
> **- from the United States Bankers' Magazine of 1892**

If you don't believe in conspiracy theories, you can skip over this chapter without missing much. If you don't want to consider the possibility that the present crisis was planned, then you had better turn to the next chapter now.

What follows are a series of quotes which show that the bankers have been up to their mischief for a very long time. Their plans were especially laid bare in a document written in 1885 and published in English in 1905. All we ask is that you not let any pre-conceived notions cause you to miss the main point of this chapter, which is that someone knew we would have the problems we are having today, and obviously wanted them to occur just as they have.

Do not let this information cause you to despair. Do not even let it get you angry. As you will see in the following chapters, you have always had a choice. Even if you have made the wrong choice up to now, you have the ability to change that today. You can thwart the power of this plan over your own life before tomorrow morning.

> "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance… If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered… The issuing power should be taken from the banks and restored to the government to whom it properly belongs." "The modern theory of the perpetuation of debt has drenched the earth with blood, and crushed its inhabitants under burdens ever accumulating".
>
> **- Thomas Jefferson**:
> **Letter to the Secretary of the Treasury Albert Gallatin (1802)**

America was still in its infancy, yet Jefferson saw enough danger from banking institutions in his own day that he uttered these prophetic words. What would follow would be a century of struggle before the bankers would finally gain the upper hand through the Federal Reserve Act of 1913.

> "The bold efforts that the present bank has made to control the government and the distress it has wantonly caused, are but premonitions of the fate which awaits the American People should they be deluded into a perpetuation of this institution or the establishment of another like it...If the People only understood the rank injustice of our money and banking system there would be a revolution before morning!"
>
> **- U.S. President Andrew Jackson**
> **in an 1828 address to Congress**
> **upon vetoing the Second Bank of the United States Charter**

Jackson's presidency was a low point for the bankers. For a short time, he eliminated the National Debt. Yet the bankers continued to fight back, knowing that politicians come and go and the memory of the people is short. The only long term defence against the bankers is an informed populace, and the bankers admit this!

> "The few who can understand the [banking] system will either be so interested in its profits, or so dependent on its favors, that there will be no opposition from that class, while on the other hand, the great body of the people, mentally incapable of comprehending the tremendous advantages that capital derives from the system, will bear its burdens without complaint and perhaps without even suspecting that the system is inimical to their interests".
>
> - **John Sherman, protege of the Rothschild banking family**
> **in a letter sent in 1863 to New York Bankers, Morton and Gould,**
> **in support of the then proposed National Banking Act.**

Angered at the bankers, in Acts of February 25 and March 4, 1862, Abraham Lincoln persuaded Congress to authorize the U.S. Treasury to issue $450 million in United States Notes to finance the Civil War. This currency was interest-free full legal tender.

> "The money powers prey upon the nation in times of peace and conspire against it in times of adversity. It is more despotic than a monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes. I have two great enemies, the Southern Army in front of me and the Bankers in the rear. Of the two, the one at my rear is my greatest foe."
>
> **- Abraham Lincoln**
> **November 1864**

> "If this mischievous financial policy [of creating a debt-free currency], which has its origin in the American Republic, shall become permanent, then that government will furnish its own money without cost! It will pay off its debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous without precedent in the history of the World...That government must be destroyed or it will destroy every monarchy on the globe!"
>
> **- The London Times, 1865**

Long after Lincoln was dead, the bankers were still smarting from the effect of his government issuing currency without being indebted to them. They would use every means possible, and especially the media, to convince a naïve populace that this policy of Lincoln's was a very bad one and the Acts instituting it should be repealed.

> "It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the Agricultural and Religious Press, as will oppose the greenback issue of paper money and that you will also withhold patronage from all applicants who are not willing to oppose the government issue of money. To repeal the Act creating bank notes, or to restore to circulation the government issue of money will be to provide the people with money and will therefore seriously affect our individual profits as Bankers and lenders. See your congressman at once and engage him to support our interest that we may control legislation."
>
> **- James Buel**
> **Secretary of the American Bankers Association, 1877**

The Economic Plan of 1885

The following extracts, from an economic plan written in 1885 and translated to English in 1905, show the level of detail already contemplated about structuring our modern monetary system:

1. 7. In our day the power which has replaced that of the rulers who were liberal is the power of Gold. Time was when Faith ruled. The idea of freedom is impossible of realization because no one knows how to use it with moderation. It is enough to hand over a people to self-government for a certain length of time for that people to be turned into a disorganized mob. From that moment on we get internecine strife which soon develops into battles between classes, in the midst of which States burn down and their importance is reduced to that of a heap of ashes.

5. 7. Capital, if it is to co-operate untrammeled, must be free to establish a monopoly of industry and trade: this is already being put in execution by an unseen hand in all quarters of the world. This freedom will give political force to those engaged in industry, and that will help to oppress the people.

6. 1. We shall soon begin to establish huge monopolies, reservoirs of colossal riches, upon which even large fortunes … will depend to such an extent that they will go to the bottom together with the credit of the States on the day after the political smash ...

6. 4. The aristocracy … as a political force, is dead -- We need not take it into account; but as landed proprietors they can still be harmful to us from the fact that they are self-sufficing in the resources upon which they live. It is essential therefore for us at whatever cost to deprive them of their land. This object will be best attained by increasing the burdens upon landed property -- in loading lands with debts. These measures will check land-holding and keep it in a state of humble and unconditional submission.

6. 6. At the same time we must intensively patronize trade and industry, but, first and foremost, speculation, the part played by which is to provide a counterpoise to industry: the absence of speculative industry would multiply capital in private hands and would serve to restore agriculture by freeing the land from indebtedness to the land banks. What we want is that industry should drain off from the land both labor and capital and by means of speculation transfer into our hands all the money of the world …

8. 2. We shall surround our government with a whole world of economists. That is the reason why economic sciences form the principal subject of the teaching ... Around us again will be a whole constellation of bankers, industrialists, capitalists and - THE MAIN THING - MILLIONAIRES, BECAUSE IN SUBSTANCE EVERYTHING WILL BE SETTLED BY THE QUESTION OF FIGURES.

9. 11. Above the existing laws without substantially altering them, and by merely twisting them into contradictions of interpretations, we have erected something grandiose in the way of results. These results found expression in the fact that the INTERPRETATIONS MASKED THE LAW: afterwards they entirely hid them from the eyes of the governments owing to the impossibility of making anything out of the tangled web of legislation.

10. 4. WHEN WE HAVE ACCOMPLISHED OUR COUP D'ETAT WE SHALL SAY THEN TO THE VARIOUS PEOPLES: *"EVERYTHING HAS GONE TERRIBLY BADLY, ALL HAVE BEEN WORN OUT WITH SUFFERING. WE ARE DESTROYING THE CAUSES OF YOUR TORMENT -- NATIONALITIES, FRONTIERS, DIFFERENCES OF COINAGES.*

20. 6. A tax increasing in a percentage ratio to capital will give much larger revenue than the present individual or property tax, which is useful to us now for the sole reason that it excites trouble and discontent …

20. 20. Economic crises have been produced by us … by no other means than the withdrawal of money from circulation. Huge capitals have stagnated, withdrawing money from States, which were constantly obliged to apply to those same stagnant capitals for loans. These loans burdened the finances of the State with the payment of interest and made them the bond slaves of these capitals .... The concentration of industry in the hands of capitalists out of the hands of small masters has drained away all the juices of the peoples and with them also the States …

20. 21. The present issue of money in general does not correspond with the requirements per head, and cannot therefore satisfy all the needs of the workers. The issue of money ought to correspond with the growth of population and thereby children also must absolutely be reckoned as consumers of currency from the day of their birth. The revision of issue is a material question for the whole world.

20. 22. YOU ARE AWARE THAT THE GOLD STANDARD HAS BEEN THE RUIN OF THE STATES WHICH ADOPTED IT, FOR IT HAS NOT BEEN ABLE TO SATISFY THE DEMANDS FOR MONEY, THE MORE SO THAT WE HAVE REMOVED GOLD FROM CIRCULATION AS FAR AS POSSIBLE.

20. 27. The reforms projected by us in the financial institutions and principles … will be clothed by us in such forms as will alarm nobody. We shall point out the necessity of reforms in consequence of the disorderly darkness into which the [politicians] by their irregularities have plunged the finances. The first irregularity, as we shall point out, consists in their beginning with drawing up a single budget which year after year grows …

20. 33. If the superficiality of … kings on their thrones in regard to State affairs and the venality of ministers or the want of understanding of financial matters on the part of other ruling persons have made their countries debtors to our treasuries to amounts quite impossible to pay it has not been accomplished without, on our part, heavy expenditure of trouble and money.

20. 36. How clear is the undeveloped power of thought of the purely brute brains of the [politicians], as expressed in the fact that they have been borrowing from us with payment of interest without ever thinking that all the same these very moneys plus an addition for payment of interest must be got by them from their own State pockets in order to settle up with us. What could have been simpler than to take the money they wanted from their own people?

20. 37. But it is a proof of the genius of our chosen mind that we have contrived to present the matter of loans to them in such a light that they have even seen in them an advantage for themselves.

20. 41. The accounts of [politicians] in the sphere of affairs were drawn up for them by our agents, and every time gave satisfaction to short-sighted minds by promises that in the future economics and improvements were foreseen .... Economics from what? From new taxes? -- were questions that might have been but were not asked by those who read our accounts and projects.

20. 42. You know to what they have been brought by this carelessness, to what pitch of financial disorder they have arrived, notwithstanding the astonishing industry of their peoples ....

21. 2. We have taken advantage of the venality of administrators and slackness of rulers to get our moneys twice, thrice and more times over, by lending to the … governments moneys which were not at all needed by the States. Could anyone do the like in regard to us?

21. 3. States announce that such a loan is to be concluded and open subscriptions for their own bills of exchange, that is, for their interest-bearing paper. That they may be within the reach of all the price is determined at from a hundred to a thousand; and a discount is made for the earliest subscribers. Next day by artificial means the price of them goes up, the alleged reason being that everyone is rushing to buy them. In a few days the treasury safes are as they say overflowing and there's more money than they can do with. The subscription, it is alleged, covers many times over the issue total of the loan; in this lies the whole stage effect -- look you, they say, what confidence is shown in the government's bills of exchange.

21. 4. But when the comedy is played out there emerges the fact that a debit and an exceedingly burdensome debit has been created. For the payment of interest it becomes

necessary to have recourse to new loans, which do not swallow up but only add to the capital debt. And when this credit is exhausted it becomes necessary by new taxes to cover, not the loan, BUT ONLY THE INTEREST ON IT. These taxes are a debit employed to cover a debit ....

21. 5. Later comes the time for conversions, but they diminish the payment of interest without covering the debt, and besides they cannot be made without the consent of the lenders; on announcing a conversion a proposal is made to return the money to those who are not willing to convert their paper. If everybody expressed his unwillingness and demanded his money back, the government would be hooked on their own files and would be found insolvent and unable to pay the proposed sums. By good luck the subjects of the … governments, knowing nothing about financial affairs, have always preferred losses on exchange and diminution of interest to the risk of new investments of their moneys, and have thereby many a time enabled these governments to throw off their shoulders a debit of several millions.

> "The only statement I care to make about [the details of the economic plan translated to English in 1905] is that they fit in with what is going on. They are sixteen years old, and they have fitted the world situation up to this time. THEY FIT IT NOW."
>
> **- Henry Ford,**
> **in an interview published in the New York WORLD**
> **February 17th, 1921**

The first step towards instituting this economic plan in New Zealand was taken in 1908 when all legislation was rewritten in its entirety. The ***Bills of Exchange Act 1908*** and the ***Judicature Act 1908*** are among the statutes written then, and that remain current law today, which altered the fundamental structure of the law so as to make way for the new monetary system based upon paper rather than gold or silver coins. These new laws were rolled out across the British Empire, with Australia's laws being rewritten in 1909 and the mission being completed in 1913 with new banking and tax laws passed in Canada and the United States.

> "I am a most unhappy man. I have betrayed my country. A great industrial Nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation 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 World - no longer a Government of free opinion no longer a Government by conviction and vote of the majority, but a Government by the opinion and duress of small group of dominant men".
>
> **- U.S. President Woodrow Wilson**
> **in 1914 after signing the Federal Reserve Act**

Chapter 4

Money in New Zealand law

Money is an essential part of most contracts. One cannot fully understand the proper role of money without considering it within the context of contract law.

For a contract to be valid, each party much exchange an equal amount of valuable consideration. What is equal is up to the parties to decide. But what if one party presents an item that everyone knows is of little or no value? Can they have engaged in a valid contractual relationship, enforceable in a court?

A piece of paper is known to have little intrinsic value. Certain courts will recognise that paper as equalling the valuable consideration it is able to be exchanged for. So a promissory note redeemable for a one-ounce silver coin will be treated as if the party presenting the paper had actually presented the silver coin to complete their half of the contract.[1]

This all changes the moment the piece of paper is not redeemable for anything of value. The fact that some other sucker is eager to exchange that piece of paper for an item of value does not give the paper value. If the bank who issued the paper is not obliged to redeem it for an item of value, then neither is anyone else obliged to. Today's "cash", while very useful on a practical level, is still of zero value when it comes to completing lawful contracts. Digits in a bank ledger (usually on computers), are worse still. They are items of pure faith, not law.

The word "money" properly means an item of value capable of completing a contract. This meaning has been completely corrupted in our day, such that we apply it to items we know have no value whatsoever. The words "pay", "paid" or "payment" all imply the completion of a contract. When one party gives an item of value to another party, this creates a debt obligation on the part of the second party. This obligation remains until such time as the second party presents the amount of money agreed to between the parties. The money presented must have intrinsic value, or the contract is not completed. If it does have value, the debt is "paid".

All items used today as "money" (with one exception we will cover soon) are in fact items which evidence debt. They are promises to pay. But when you present them for payment, you only receive a different promise to pay! So instead of "paying" our debts, we merely "discharge" them with an item which says in essence that someone

1

The courts which recognise the piece of paper sit in "Admiralty" jurisdiction. The original "Common Law" only recognises the actual item exchanged. So a contract completed by one party presenting a piece of paper (as historically used by merchants) would be thrown out as void in a court of Common Law. Thus the reason that almost all court cases today are heard in courts of Admiralty jurisdiction, which recognise merchant law. For those who have studied this and consider it unjust to be dragged into Admiralty courts, stop using paper (or electrons) to complete your contracts.

else will pay this debt for us. Yet there is no one at the end of this chain who will actually pay. It is all just a big merry-go-round of debt obligations.

All of the above is recognised in New Zealand law.

1) All "money" used today is really a "security".

> *Public Finance Act 1977 (Repealed), section 2: Interpretation*
>
> **Public money** means all money, or securities of any kind for the payment of money, received by or for or on account of, or payable to, or belonging to, or deposited with, or held by or on behalf of, the Crown or any Government department; and includes trust money and securities representing the investment or advance of any public money:
>
> **Public security** means any security issued pursuant to section 80 of this Act or any other provision of any Act in respect of money borrowed, or a guarantee given, by the Crown; and includes any loan or credit agreement, guarantee, indemnity, bond, note, debenture, bill of exchange, [ ] Treasury bill, Treasury promissory note, Government stock, and any other security, representing part of the public debt of New Zealand:

Looking at the list of securities, it becomes clear that these are all debt instruments. Before the advent of computers, day to day monetary transactions were by cash or cheque. The cash we use is called Reserve Bank Notes, and a cheque is a form of a bill of exchange. "Note" and "bill of exchange" are in the list of securities. The definition of (Public) money includes "securities of any kind". The legal basis for our financial transactions is "securities", not actual "money". Parliament is well aware of this fact, and has written the legislation accordingly.

With all our so-called "money" actually being debt instruments, we have a situation where for every dollar in circulation, some poor sap is paying interest to a banker just to keep that dollar of credit available. In many cases, the poor sap is the government (and by extension, the taxpayer), and thus the reason we see the National Debt always increasing.

> "I set to work to read the Act of Parliament by which the Bank of England was created, and all the Acts about loans, and funds, and dividends, and payings, and sinking funds and I soon began to perceive that the fate of the Kingdom must finally turn upon what should be done with that accursed thing called the National Debt. The sum at first borrowed was a mere trifle. The inventors knew well what they were about. Their design was to mortgage by degrees the whole of the country... to those who would lend money to the State... the deep scheme has from its ominous birth been breeding usurers of every description, feeding and fattening on the vitals of the country, till it has produced what the World never saw before - starvation in the midst of abundance!"
>
> - **William Cobbett**
> **MP in the reformed Parliament of 1832 and author of "Rural Rides"**

All debt instruments which we use as "money" are the creation of a private banking system. Even the government must borrow from private bankers, agreeing to pay them interest in return, just to have the "money" to pay its bills and for us to have cash in circulation. This will remain the case so long as we each demand so-called "payment" in the form of private bank credit or Reserve Bank Notes.

2) Without actual money, the best we can offer is "Legal Tender".

To "tender" means to "offer", so a "legal tender" is a means of offering to pay (as opposed to actually paying) that has the official blessing of Parliament.

> *Reserve Bank of New Zealand Act 1989, section 27: Legal tender*
>
> (1) Every bank note issued, or deemed to be issued, under this Act shall be a legal tender for the amount expressed in the note.
>
> (2) A tender of payment of money, to the extent that it is made in coins issued, or deemed to be issued, under this Act, shall be a legal tender,—
>
> > (a) In the case of coins of a denomination of $10 or more, for the payment of any amount:
> > (b) In the case of coins of a denomination of $1 or more but less than $10, for the payment of any amount not exceeding $100:
> > (c) In the case of coins of the denomination of 5 cents or more, but less than $1, for the payment of an amount not exceeding $5:

A "bank note" issued by the Reserve Bank is legal tender. What is missing here?

Coins are able to be used as "a tender of payment of money". The same is not claimed for a "bank note". Of the coins in circulation, the largest amount we can offer to pay with them is $100. Have you ever seen "coins of a denomination of $10 or more" in New Zealand? These are the only things that are legal tender "for the payment of any amount."[2]

Keeping in mind that until we have made payment, our contract is incomplete, it should be clear by now that even Parliament recognises that if our only choice is doing business with the Reserve Bank, that we have a serious problem with our contracts. We are unable to complete them by paying with real money.

Also note what is missing from the above list of legal tender. No transaction made via a bank qualifies as legal tender. No personal cheque, bank cheque, wire transfer,

[2] There are in fact New Zealand legal tender coins with a face value of $10. They consist of a half ounce of pure gold, and will cost you about 100 times their face value to obtain. We have confirmed that the Reserve Bank will not give you one of them in exchange for a Reserve Bank Note of the same $10 face value. Since the Reserve Bank must approve all issue of legal tender, then we must conclude that their Notes are a false measure, as those notes are unable to be used to obtain a $10 coin of the same face value they gave it, when that coin is made of gold. While economists will talk of how the price of gold is rising, in fact it is the Reserve Bank Notes suffering from a constantly diminishing purchasing power due to inflation.

direct credit, EFTPOS, or credit card transaction can ever be a legal tender, much less a legal tender for the payment of money. All of the registered banks are merely an extension of the Reserve Bank, and their credit is not even as good, in law, as cash from the Reserve Bank. So they offer us no solution to our problem.

> "In other words, every Reserve Bank in the Federal Reserve System purporting to issue these "Federal Reserve Notes" as money to its member Banks and every member Bank issuing them to its customers is legally insolvent, because they cannot ever redeem such a "Federal Reserve Note" in lawful money of these United States of America. Further, they are also wilfully committing Fraud upon their customers, because they know (even if their customers do not know) that they cannot redeem those "Federal Reserve Notes".
>
> **- U.S. Congressional Report on Money (1964)**

The legal implications of this are staggering:

- You have never been paid for your labour;
- The Notes or bank credit you have accepted for your labour cannot be converted to a form that is able to be legally tendered in payment of any debt over $100;
- You are therefore insolvent if you have any debt over $100.

3) The law always provides a remedy

So Parliament knows that all money is securities, or debt instruments. Parliament also knows that these securities are not backed by actual value. Do they know that they have created two huge problems, and have they offered a solution? There are two relevant maxims of law: firstly, "*The law does not demand the impossible*", and secondly, *"The law always provides a remedy."* So the answer to this question must be an unequivocal, "Yes!"

> *Wages Protection Act 1983*
>
> **money**, in relation to any wages, means any New Zealand coin or New Zealand banknotes, or combination of both, the tender of which in respect of the payment of those wages is legal tender:

Here we see that one can offer legal tender for the payment of wages, provided the money tendered is "New Zealand coin" or "New Zealand banknotes". Neither of these terms occurs in the Reserve Bank Act. Even the word "banknotes" is written differently to "bank notes" which the Reserve Bank issues. In law, words are everything, and differences like this are significant. Parliament knows that you cannot be paid an item of no value in exchange for your labour; otherwise you would be a slave. So they make clear that you must be paid in "money" that is distinctly different from the stuff issued by the Reserve Bank.

But they also give you the option of agreeing with your employer to be paid in any other fashion. What you didn't know is that you have agreed by your silence to be paid in another fashion. You agreed to be paid with items of no value, and which are only evidence that someone else is in debt to the private banking system that issues those items.

4) The law cannot be used to diminish our rights

The last money of intrinsic value that circulated in New Zealand was the silver coins in the old English pound system. These were replaced by the ***Decimal Currency Act 1964***. When these coins disappeared, the people of this country were left without the ability to pay their debts using real money. They could now only offer someone else's promise to pay, and that promise was backed up by hot air. The law cannot take away something so critical without first offering a suitable replacement.

As it turns out, Parliament offered a second remedy that same year. It is a "security" which is backed up by something of value. The value is your labour, and the security is your birth certificate. This form of "money" is accessed through the ***Social Security Act 1964***. And you thought "security" had to do with feeling safe and protected! When you see "security" from now on, remember that it is a reference to modern "money" and those things which back up this system, mostly your labour.

"Security" is what guarantees a debt. The modern banking system operates on double-entry bookkeeping. This means that for every debt, there must be a corresponding credit. This is why someone must go into debt in order for us to have a credit floating around in the system that we use as "money". The credit is proof that the debt exists. So when you have security, it secures a debt, which in turn creates a credit. "Security/debt" and "credit" are as inseparable as if they were two sides of the same coin. So the next time you see "Social Security", know that you are merely looking at "Social Credit" in disguise.

So there is no need for the Social Credit party to win an election. The system has been there for the asking for at least 44 years. The stigma attached to Social Security beneficiaries has been deliberately manufactured to scare you away as a "hard working, productive member of society". The bankers know they cannot leave you without a remedy, but that does not prevent them from putting out the propaganda necessary to convince you to work for them by accepting their funny munny.

Chapter 5

Money in the Creator's Law

> "All great republics throughout history cherished sound money. This meant that the monetary unit was a commodity of honest weight and purity. When money was sound, civilizations were found to be more prosperous and freedom thrived. The less free a society becomes, the greater the likelihood its money is being debased and the economic well-being of its citizens diminished…. Yet here we are today with a purely fiat monetary system, managed almost exclusively by Alan Greenspan. The Founders were well aware of the biblical admonitions against dishonest weights and measures, debased silver, and watered-down wine. The issue of sound money throughout history has been as much a moral issue as an economic or political issue."
>
> **- Congressman Ron Paul of Texas**
> **5 September 2003**

The Law of Moses, as contained in the first five books of what is commonly called the "Old Testament", is acknowledged as authoritative by nearly half the people on the globe. Christians of all stripes, Jews and Muslims all count this as the foundational book of their law. Moses claimed to be teaching the Law as it was given to him directly by the Creator who "made heaven and earth, the sea, and all that in them *is*".

Now if there is a God, regardless of what you want to call Him, and He actually made this planet we call home, let's see if He had anything to say about the problems we now face. We find these three fundamental laws governing money.

1) Unjust weights and measures

> "Ye shall do no unrighteousness in judgment, in meteyard, in weight, or in measure. Just balances, just weights, a just ephah, and a just hin, shall ye have: I *am* the LORD your God, which brought you out of the land of Egypt."
>
> **- Leviticus 19:36 - 37**

If modern "money", as a store of value, buys a certain amount (measure) of goods one day, but through inflation it buys less of those goods over time, does it pass the test of being a just weight or measure? Unlike the old days, where you could be robbed through tricks such as false weights or debasing coins, today's inflation is a hidden robber that we do not understand and we are told we have no control over.

"A false balance *is* abomination to the LORD: but a just weight *is* his delight."

- Proverbs 11:1

"Divers weights, *and* divers measures, both of them *are* alike abomination to the LORD."

- Proverbs 20:10

When money retains it value, people have confidence in their future. More importantly, it prevents them from being blindly robbed by people who do not even enter their houses. When you work, you create a specific amount of value. On the day that you trade your labour for money, you agree to the amount of money that was an equal value. If you hold onto that money and it loses its value, you have really been robbed of the fruits of your labour.

Inflation, like any unjust weight or measure, fundamentally violates the 8th Commandment: "Thou shalt not steal." It is unlikely that you will find anyone who raises a vigorous objection to this simple premise. No one goes around promoting unjust weights and measures. However, few people relate inflation of the money supply to this simple principle, and therefore the financial gurus get away with discussing this form of daylight robbery as if it were normal.

2) Usury

The next issue is far more divisive. Ask any Christian pastor if usury (charging interest on a loan) is acceptable, and they will probably say it is. Ask any Jew and they will say that it definitely is, so long as it is charged to non-Jews. Ask any Muslim and they will say it is forbidden. Is there something written in the Koran that Moses neglected to put into the Old Testament?

"And if thy brother be waxen poor, and fallen in decay with thee; then thou shalt relieve him: *yea, though he be* a stranger, or a sojourner; that he may live with thee. Take thou no usury of him, or increase: but fear thy God; that thy brother may live with thee. Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase."

- Leviticus 25: 35 - 37

"Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of any thing that is lent upon usury: Unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend upon usury: that the LORD thy God may bless thee in all that thou settest thine hand to in the land whither thou goest to possess it."

- Deuteronomy 23:19 - 20

Now if we accept the Jewish view that Moses made an exception in Deuteronomy that allows usury to be charged to a stranger, then we must come to the inescapable conclusion that we are, one and all, strangers to the bankers. We should then ask why it is that none of our brothers are in the money-lending business. After all, who do you know that is out there lending money without interest? Or have we reached the place in history where no man is our brother because we ourselves refuse to treat them as such? Thus we too are brother to no one and stranger to all.

> "In thee have they taken gifts to shed blood; thou hast taken usury and increase, and thou hast greedily gained of thy neighbours by extortion, and hast forgotten me, saith the Lord GOD. Behold, therefore I have smitten mine hand at thy dishonest gain which thou hast made, and at thy blood which hath been in the midst of thee."
>
> **- Ezekiel 22:12 - 13**

Usury ranks up there with blood money and extortion among the most hated forms of "dishonest gain" described by the prophet Ezekiel. By contrast, avoiding it is among the tests of who may dwell in the presence of the Creator:

> "LORD, who shall abide in thy tabernacle? who shall dwell in thy holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart. *He that* backbiteth not with his tongue, nor doeth evil to his neighbour, nor taketh up a reproach against his neighbour. In whose eyes a vile person is contemned; but he honoureth them that fear the LORD. *He that* sweareth to *his own* hurt, and changeth not. *He that* putteth not out his money to usury, nor taketh reward against the innocent. He that doeth these *things* shall never be moved."
>
> **- Psalm 15**
> **A Psalm of King David**

3) Forgiveness of debts

Moses also prescribed a seven yearly cycle for debts, with all debts to be forgiven in the seventh year. Money was to be loaned without usury, and was to be repaid within seven years, or the balance of the debt was to be forgiven. These two laws would ensure that the society could never become buried in debt, as we find ourselves today.

> "At the end of *every* seven years thou shalt make a release. And this *is* the manner of the release: Every creditor that lendeth *ought* unto his neighbour shall release *it*; he shall not exact *it* of his neighbour, or of his brother; because it is called the LORD'S release."
>
> **- Deuteronomy 15:1 - 2**

Did Jesus come to change the law?

Despite all these admonitions, usury and continual debt are a fact of everyday life in all Christian nations. Christian leaders will justify this by saying that the Law of Moses was done away with by Jesus dying on the cross. Most likely they have never thought through the full implications of their blind acceptance of a monetary system built upon usury. In fact, we do not have to look far to discover Jesus' own views on usury:

> "And they come to Jerusalem: and Jesus went into the temple, and began to cast out them that sold and bought in the temple, and overthrew the tables of the moneychangers, and the seats of them that sold doves; And he taught, saying unto them, Is it not written, My house shall be called of all nations the house of prayer? but ye have made it a den of thieves."
>
> **- Mark 11: 15 & 17**

This meek and mild-mannered guy who loved and healed everybody only ever demonstrated physical rage once, and it was right here. He said some mean things to the Pharisees, but here he actually pushed people out of the temple and tipped over tables full of coins. It is difficult to see how he was winning friends and influencing people by these actions. Is it a surprise that he referred to these men conducting monetary transactions as "thieves"? Merely buying and selling does not make one a thief. There must have been an element of "creative" stealing, in the form of usury and false weights and measures and the like.

Most churches in the world teach their members to pray this famous prayer taught by Jesus, yet without linking it to Deuteronomy 15 from whence the last phrase originates:

> "After this manner therefore pray ye: Our Father which art in heaven, Hallowed be thy name. Thy kingdom come. Thy will be done in earth, as *it is* in heaven. Give us this day our daily bread. And forgive us our debts, as we forgive our debtors."
>
> **- Matthew 6:9 - 12**

Some really clever Christians will object that these events and teachings occurred before Jesus had been crucified. They imply that everything changed after His death. If one accepts this, then one believes either that money ceased to cause problems after Jesus' death, burial and resurrection, or that it is now acceptable to rob our brothers through devices such as usury and false weights and measures. Rather than wonder about this, let's look at what the Apostle Paul had to say, several decades after the crucifixion:

> “But they that will be rich fall into temptation and a snare, and *into* many foolish and hurtful lusts, which drown men in destruction and perdition. For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows.”
>
> **- I Timothy 6:9 - 10**

Usury is the ultimate outworking of the love of money, as will be shown in the next few chapters. It is also the fastest path to destruction. Debt (with usury) is used to control every nation who accepts that it be governed by rules contrary to the Law of Moses.

> "History records that the money changers have used every form of abuse, intrigue, deceit, and violent means possible to maintain their control over governments by controlling money and its issuance."
>
> **- President James Madison 1809-1817**

Chapter 6

Control the Money and you Control the World

> "Give me control over a man's economic actions, and hence over his means of survival, and except for a few occasional heroes, I'll promise to deliver to you men who think and write and behave as I want them to."
>
> **- Benjamine A. Rooge**

Money is a strange creature. There is no other thing in this world that is so universally used by people, and whose rules are so universally accepted, even across great cultural divides. With the advent of globalisation, that is truer today than ever before. If you don't believe this, just try paying for your holiday on a tropical paradise island in the South Seas, with seashells. If you happen to know of a spot where one can bring a shipping container full of glass beads and live like a king, please let us know without delay.

We were not born with an instinctive understanding money. Our parents gave us food, clothing, shelter and gifts in exchange for nothing. We were never asked to pay. They could put a gold coin or a hundred dollar note in our hands, and we would quickly trade it for a pretty seashell or glass bead. We had not yet become addicted to the power trip a bit of money would later give us in life.

Money = Power

Money is addictive. We pull it out, and people start falling all over themselves to do our bidding. Men will slave all day under the hot sun for a hundred dollar note, even in the "rich" countries. A woman will hop in bed with the most unattractive man, for a remarkably small sum of money. The average "actor" in a Hollywood skin flick will degrade themselves before a camera for less than a thousand dollars, even though their humiliation may be seen by anyone on the planet for the rest of this lifetime, and the next. People will commit murder for around $10,000.

Sex, murder, what have we left out? Money gives one power, and it doesn't take all that much of it to achieve the most intoxicating level of power imaginable over someone else. What do you want someone to do for you? You can find someone in most countries on the globe to do that thing for you for under $10,000. The average middle-class worker in almost any country knows that this amount is within their reach.

One only has to be the kid in the candy shop, realising for the first time that he holds enough money to buy more candy than he can possibly eat, to become hopelessly addicted to the power of money. Five dollars in the candy shop should be all it takes to have your child hooked for life. If that doesn't work, give him a hundred dollars and set him loose in the mall. Isn't that how your parents got you hooked?

From that day forward, money defines our lives. Even if we only ever use it to buy food, still we accept the following conditions:

1. We are not allowed to eat unless we have money.
2. We do not like the thought of starving, so we spend time figuring out how to earn money.
3. We will accept work that we do not enjoy, simply because it provides us with the necessary money.
4. Therefore, we will allow ourselves to be controlled by anyone who can offer us enough money.

This brings us full circle. We fell in love with money because it gave us power. Now we are a slave to it, because we let it give others power over us. We go back and forth, using and being used by our fellow man, all of us in happy agreement with this almost universally accepted societal arrangement.

Enter: The Banker

Into this predefined world comes a creature who has figured out how to use the situation to his great advantage. He has realised that without even trying, he can get each and every member of society to ask to do business with him. All he has to say is that he will take care of our money, he will help us protect it and spend it in a convenient fashion (such as online banking), and he will lend it to us if we don't have enough. Soon after our parents get us drunk on money, they take us down to the bank and have us sign up as a new customer. Name one other business that is as all-pervasive in our lives.

> "People who will not turn a shovel-full of dirt on the project nor contribute a pound of materials will collect more money than will the people who will supply all the materials and do all the work."
>
> **- Thomas Edison**

If someone builds a house for us, we do not question his right to be paid for that work. But when he gives us the bill and we cannot pay him, we run off to our friendly banker. The banker offers to lend us the money we need to pay the builder, but he also wants to be paid a bit more. He calls this "interest", and he explains that this is how he gets paid for the wonderful service he is doing for us, as well as how he covers the risk that someone might not pay him back. On the surface this seems reasonable, so we sign up.

Now the banker has neglected to explain two simple facts to us. The first is that over the next 25 years of the loan, we are going to pay him approximately three (3) times the amount we borrowed. So we are going to pay him a 200% profit on the amount he actually lent to us. The amount lent went to pay the builder, so Thomas Edison was right that the banker will earn more from the deal than the builder ever could. The builder had to pay for the materials and pay a multitude of subcontractors out of his amount. The banker will only have to pay himself and whoever he pays interest to while the loan is still in circulation.

An average loan will stay in circulation for about eight years, until the time when your total payments equal the amount originally borrowed. This point is reached about one third of the way through the total loan period, which makes it just over 8 years. By that time the entire amount lent has now been repaid. At that point the banker is no longer paying interest to anyone for the money he lent into circulation. He will have paid out the equivalent of about two years of your payments to others in the form of interest payments. This means that everything he collects from you after the tenth year is pure profit to him. He gets to enjoy the next 15 years living off of your blood, sweat and tears. He will pocket more from his contract with you than the builder ever did.

Yet it was the builder who sent you to him. The builder refused to build you a house unless you “paid” up front. The builder wasn’t about to advance you a loan, payable over 25 years or even 8 years. The reason he would not is because no one else would do so for him. The reason no one else would do so for him is because YOU would not do so for them. It is a vicious circle to which we have all agreed. So instead we all agree to march down to the banker, sign his usurious contract, and get taken advantage of to a degree that few people have the courage to even consider.

The Interest that isn’t

The second fact that the banker neglected to explain is that when he created the credit for you to pay the builder with, he did not also create any additional “money” which would be available for you to pay the interest with. You blindly accepted the notion that you could get this money from others. But since all modern “money” is borrowed into existence that means that every other dollar in circulation is already spoken for in terms of the borrower needing to repay his own loan. There is no extra money for anyone to repay the interest with!

So after 8 years, you have paid back all that was borrowed. After another two years you have paid back what the banker put back into circulation in the form of interest payments to others. You now have to pay the banker for another 15 years out of money that technically does not exist. There are only two possible results that can resolve this. One is that you (or someone else) go bankrupt, as you are unable to find enough “money” to repay what you blindly agreed to repay. The other is that the banker generously offers you (or someone else) a new loan to put enough new money into circulation to temporarily make up the difference. This second scenario happens regularly, creating inflation. It is only a stop-gap measure, as it creates more debt as the solution. In such a situation, it is literally impossible to pay off all debts.

> "If all the bank loans were paid no one would have a bank deposit and there would not be a dollar of coin or currency in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic money we are prosperous: if not, we starve. We are absolutely without a permanent money system.

> When one gets a complete grasp of the picture the tragic absurdity of our hopeless position is almost incredible, but there it is. It (the banking problem) is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it becomes widely understood and the defects remedied very soon."
>
> **- Robert H. Hemphill**
> **Credit Manager of the Federal Reserve Bank of Atlanta**
> **January 24, 1939**

Thus we see a fundamental flaw in charging usury on money. It creates obligations which are impossible to pay. This becomes all the more upsetting when we learn that the bankers enchanted us with their trickery without bringing a single item of value to the table. We assumed they had gold in their barrel, but all they brought was a ledger sheet. Because we did not understand money or credit, we naively believed that we could trust the bankers to do right by us.

> "Banking was conceived in iniquity and born in sin. Bankers own the earth. Take it away from them, but leave them with the power to create credit, and with a flick of the pen they will create enough money to buy it all back again. Take this power away from them, and all the great fortunes like mine would disappear, and they ought to disappear, for then this World would be a happier and better World to live in. But if you wish to remain the slaves of Bankers and pay the cost of your own slavery, then continue to let Bankers control money and control credit."
>
> **- Sir Josiah Stamp**
> **former President, Bank of England**

Allowing paper credit to be created by a network of private bankers is where we find ourselves today. That we will pay them more for their paper than we pay the builder for our house, tells us just how intoxicated we are with the whole system. And if we cannot meet all of those payments, you know which of the two ends up with the house! Men who have created no value whatsoever have figured out how to get us falling all over ourselves to voluntarily hand them the greatest part of the fruits of our labour. We must be drunk indeed.

Chapter 7

Usury: The Impossible Obligation

Paying usury for worthless paper is the height of insanity. Paper credit might be OK if it carried a cost comparable to the difficulty of creating it. How much should one be paid for ten minutes of filling out some paperwork? If we had to pay it all back, mostly as an accounting mechanism to represent that we had indeed created an amount of value equal to what was loaned to us, there would be little to object to. But charging usury for this game is daylight robbery, in addition to being completely unsustainable.

We are sold the notion that being paid "interest" on our savings is a good thing, because if you save enough, you can "make your money work for you." Behind usury is this notion that the mere saving of money must entitle you to receive something from it. We are taught that we are missing out if our savings are not earning sufficient usury for us. This is a powerfully intoxicating notion.

Money is only a tool

But the simple fact is that money is incapable of work. Put a coin on the table and watch it for an hour. What did it do? Money is merely a mechanism. It is supposed to be used as a medium of exchange, so it is only doing its "job" when it is trading hands. When we have more money than we need for exchanging, we start using it as a store of value. If it sits there doing nothing, soon someone who doesn't have enough to complete an exchange us if they can borrow it. If we agree, and they now owe us the money, then it is still functioning properly as a store of value even though it is no longer in our hands.

It is not until we charge them usury that we try to use money in a third way, as a tool capable of creating value for us. A hammer creates value when it is in our hand pounding nails to build a house. If we lend someone a hammer, we do not expect to end up with a room in their house. But when we lend someone money, we expect something back besides what we gave them. And we expect it back in proportion to how long they held the money. This second part makes it usury and makes it unsustainable. This is like saying that the more nails that the hammer drives, the more of the house we are owed. But unlike a hammer, there is no direct correlation to how much profit will be made by the use of money over time. In many cases money is lent for purposes which produce no profit at all, such as buying a car.

If money is loaned out for a purpose that will produce a profit, then it is reasonable to ask for a share of the profit. The lender would also have to share any loss or have the debt written off after seven years. This avoids many of the problems of speculation, as time is taken out of the equation, and the lender is never entitled to a greater share if the "deal" takes a longer time.

The moment money is lent for a purpose which does not create a profit, which is what happens in most cases, the borrower must look elsewhere to find the additional amount to pay the usury. The longer it takes him, the greater the burden becomes. He must do work, unassisted by the money borrowed, to pay the usury. The money is not working for the lender, the borrower is. The money is not even working for the borrower. It is merely allowing him to survive. In this scenario, the borrower is creating the value, yet usury allows the lender to benefit from it.

The lender presumably had the money to lend because he had previously performed work and created value. So usury allows him to benefit from an accident of timing. He did the work first, so he gets to benefit from his own work and from the borrowers work, simply because the borrower did his work later. This is the fundamental injustice of usury. Of course, when banks create the funds that they lend as ledger-book entries, representing no work whatsoever, the injustice is multiplied a thousand fold.

To show that the unsustainable and unjust nature of usury is not a problem unique to the modern monetary system, consider the following, which is based upon borrowing money of intrinsic value, to be paid back with usury:

> "One penny loaned January 1st, AD 1, drawing interest at the rate of 6% compounded annually, on January 1st, 1895, would amount to: £8,498,840,000,000,000,000,000,000,000,000,000,000,000,000,000,000.00 . To pay this in gold at the rate of 1.5 grams of gold to the pound sterling, using it in spheres of pure gold the size of the planet earth, would take: 610,070,000,000,000,000 such spheres to pay the debt."
>
> **- Dr. R.E. Search**,
> **"Lincoln Money Martyred"**
> **Omni Publications Hawthorne, California. 1935**

Of course, these numbers are so large that they boggle the mind. 1895 years of usury on a single penny leaves one owing 610,070 Quadrillion Earths worth of gold! Surely that cannot be. Let's see if we can easily prove or disprove this thesis.

To start with, we will use the "rule of 72", which says that you divide the number 72 by the interest rate to find out how many years it will take for the amount owed (or invested) to double.

> At 6% interest, 72/6 = 12 years

So the amount we agree to pay back will double every 12 years. Keep in mind that we are only looking for a rough estimate. We will use rounded figures and simple calculations, just to get the basic idea.

After doubling 8 times, you owe 256 pennies ($2^8 = 256$). There were 240 pennies in a pound sterling, so we will say that after 8 doublings (8 times 12 = 96 years) one owes a pound sterling, which in 1895 was 1 pound of silver.

In Dr. Search's example, he converted that pound sterling to 1.5 grams of gold. If this is doubled 9 times (9 times 12 = 108 years), you will owe 768 grams. This amount will double again in another 12 years, so it will only take about 5 more years for the amount owed to reach 1000 grams or 1 kilogram of gold.

So it has taken us 96 plus 108 plus 5 years for the one penny debt to reach 1 kilogram of gold. This doesn't sound so bad, since none of us expect to live to be 209 years old. But this is where you need to hang onto your hats.

If a debt doubles 10 times, it multiplies by just over a thousand ($2^{10} = 1024$). For the sake of simplicity, we are going to add three zeros (multiply by a thousand) for every ten periods of doubling (10 times 12 = 120 years). So what ever amount is owed, the debt is a thousand times that amount in a mere 120 years.

This means that after 120 years, our 1 kilogram debt of gold has now grown to one tonne (1000 kilograms) of gold. We will use Dr. Search's calculation when it comes time to convert from tonnes of gold to a sphere the size of earth. By his calculation, 1 Earth would hold 20,896,388,939 Quadrillion tonnes of gold.

A Quadrillion sounds like an awfully large number. After all, we are already mind-numbed with talk debts in the amounts of Billions and Trillions, and even these are beyond our ability to conceive of. Yet through the power of exponential doubling, we only need to add our three zeros on to the end of a number 5 times for it to reach a Quadrillion. 1 – Thousand, 2 – Million, 3 – Billion, 4 – Trillion, 5 – Quadrillion. So we only need 5 cycles of 120 years, or 600 years to go from 1 to a Quadrillion. There are 3 cycles of 600 in Dr. Search's 1895 year example!

A timeline of our accumulating debt looks like this:

1 AD	1 Penny
97	1 Pound Sterling = 1.5 grams of gold
210	1 Kilogram of gold
330	1 Tonne of gold
450	1000 Tonnes
541 AD	193,000 Tonnes = You now owe all the gold ever discovered
570	1 Million Tonnes
690	1 Billion Tonnes
810	1 Trillion Tonnes
930	1 Quadrillion Tonnes
1050	1000 Quadrillion Tonnes
1170	1 Million Quadrillion Tonnes
1290	1 Billion Quadrillion Tonnes
1343 AD	21.4 Billion Quadrillion Tonnes = 1 Sphere approx. the size of Earth
1463	1000 Earths of solid gold
1583	1 Million Earths
1703	1 Billion Earths
1823	1 Trillion Earths
1895 AD	64 Trillion Earths
1943	1 Quadrillion Earths
2008	42.8 Quadrillion Earths

So we have clearly proven, unless our mathematics have gone wrong somewhere or we have wrongly transcribed his numbers, that Dr. Search was way off the mark. The amount of debt is clearly still a manageable amount by 1895, having not yet reached the 1 Quadrillion Earths mark. We'll just borrow a few Trillion more Earths next year and hope for the best.

> 29. Every kind of loan proves infirmity in the State and a want of understanding of the rights of the State. Loans hang like a sword of Damocles over the heads of rulers, who, instead of taking from their subjects by a temporary tax, come begging with outstretched palm of our bankers. Foreign loans are leeches which there is no possibility of removing from the body of the State until they fall off of themselves or the State flings them off. But the … States do not tear them off; they go on in persisting in putting more on to themselves so that they must inevitably perish, drained by voluntary blood-letting.
>
> **TYRANNY OF USURY**
>
> 30. What also indeed is, in substance, a loan, especially a foreign loan? A loan is -- an issue of government bills of exchange containing a percentage obligation commensurate to the sum of the loan capital. If the loan bears a charge of 5 per cent, then in twenty years the State vainly pays away in interest a sum equal to the loan borrowed, in forty years it is paying a double sum, in sixty -- treble, and all the while the debt remains an unpaid debt.
>
> 31. From this calculation it is obvious that with any form of taxation per head the State is baling out the last coppers of the poor taxpayers in order to settle accounts with wealthy foreigners, from whom it has borrowed money instead of collecting these coppers for its own needs without the additional interest.
>
> **- Protocol 20**
> **Economic plan of 1885**

While the above considerations of usury may be a revelation to you personally, the inherent problems of usury have been understood for some 6000 years. That understanding is imbedded in an ancient language. Unfortunately, this understanding did not follow once the word was translated into English. Even the English "usury" was more recently sanitised by referring to it instead as "interest".

The word translated "usury" in the King James Bible is translated from the Hebrew word "nâshak". The actual meaning of this word in the original Hebrew should raise the eyebrows of anyone vaguely familiar with the story of Adam and Eve eating the forbidden fruit in the Garden of Eden.

H5391

נשך

nâshak

naw-shak'

A primitive root; to *strike* with a sting (as a serpent); figuratively, to *oppress* with interest on a loan: - bite, lend upon usury.

- Strong's Hebrew Dictionary

Adam and Eve were tempted by the Serpent in the garden. The word translated "serpent" is the Hebrew word "nâchâsh"

H5175

נחשׁ

nâchâsh

naw-khawsh'

From H5172; a *snake* (from its *hiss*): - serpent.

This similarity of words in Hebrew is no accident. The ancient Hebrews were not confused about the destructive nature of usury. They likened it to the sting of the serpent, the beast representing the highest form of evil in their scriptures. Are you still eager to sign an open-ended contract that could leave you liable to pay all the gold on the planet, and then some?

Chapter 8

A Grassroots Monetary Revolution

> "If our Nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good also makes the bill good. The difference between the bond and the bill is that the bond lets money brokers [Bankers] collect twice the amount of the bond plus interest. Whereas the bill [currency] pays nobody but those who contribute directly in some useful way. The People are the basis for government credit. Why then cannot the people have the benefit of their own credit by receiving non-interest bearing currency, instead of Bankers receiving the benefit of the people's credit in interest bearing bonds? It is absurd to say that our country can issue $30 million in bonds and not $30 million in currency! Both are promises to pay: but one promise fattens the usurers and the other helps the people."
>
> **- U.S. President Thomas Jefferson**

If you have read this far then hopefully you are ready to stop doing business with the bankers on their unreasonable terms. There are several steps you can take, which we will cover, starting with the easiest. What happens today is that the government obtains funding by issuing what Jefferson refers to above as “a dollar bond”. They issue a bond agreeing to repay from taxes a dollar amount, plus interest, and the Reserve Bank then lends into circulation that amount of Reserve Bank Notes.

But wait a minute. All “money” today is debt. Why must that debt be to the bankers? Why can’t it be to you directly? The bankers trust the government to repay its debts, so can’t you extend to your government this same level of trust? You have the power and the unquestioned right to demand that your government issue “a dollar bill” instead of “a dollar bond”. The dollar bills are issued directly to the people. They are a debt to the people, and they circulate as currency in the same manner that Reserve Bank Notes do.

The two graphics on the next page will show you the difference between a United States Note, which Jefferson called “a dollar bill”, and a U.S. Federal Reserve Note, which is issued only when secured by “a dollar bond” paying interest to the private Federal Reserve Bank. In New Zealand law, we find the same distinction made. However, it is very unlikely that a New Zealand equivalent of “a dollar bill” has ever been printed, so all we have ever viewed has been Reserve Bank Notes. Thus we have wrongfully concluded that these are our only option.

“UNITED STATES NOTE”

“FEDERAL RESERVE NOTE”

You will notice a few differences between the two, the most obvious being the red ink used on the United States Note. But in most aspects they look the same, meaning that either one will be accepted as "cash" payment by anyone. The simple fact is that when you use the wrong one of these forms of "money", you slowly but surely bankrupt your country. Guess which one you get handed if you don't ask?

> "Government, possessing the power to create and issue currency and credit as money…need not and should not borrow capital at interest….The financing of all public enterprises, the maintenance of stable government and ordered progress, and the conduct of the Treasury will become matters of practical administration…Money will cease to be the master and become the servant of humanity. Democracy will rise superior to the money power."
>
> **- Abraham Lincoln**
> **Senate document 23, p. 91, 1865**

Speculation abounds that Lincoln was assassinated because he issued $450 million worth of interest-free United States Notes, known as "Greenbacks", in order to finance his war against the Southern States. This may explain why politicians are so hesitant to issue these things in the first place and therefore why we are only offered the option of currency issued by a Central Bank.

Step 1: Issue your own usury-free currency

Today we find ourselves in the situation where no one will issue usury-free "New Zealand banknotes" unless we demand that they do. We do not have to lobby our Member of Parliament. This does not rely upon winning a majority vote. You have veto power. You can be a revolution of One.

The ***Wages Protection Act 1983***, and the Employment Court if necessary, are all the tools you need. Today you are not being paid. No one in New Zealand is being paid for their work. What you are accepting in lieu of payment is driving up taxes and will eventually bankrupt your government. It is issued by private banks who have brought nothing of value to the table. This is a terrible deal, with no upside for you. In the short term, you may continue to eat. In the long term, you are doomed to legalised slavery. Look up "debt bondage" in the ***Crimes Act 1961***. You can act to terminate this raw deal before tomorrow morning.

If you agree that you have accepted a bad deal by agreeing to an alternative form of payment, a form which is not "money" as defined in the ***Wages Protection Act 1983***, then you have two choices. You can quit your job. There is no question that this will leave you in a better position than working for free, as you presently are. But if you simply want to be paid, then send your boss a letter revoking your agreement to be paid the way he is compensating you at present, and requiring him to obey the letter of the law of the ***Wages Protection Act 1983***. As this is current New Zealand law, he will have no choice but to comply. If he does not comply, he is robbing you, and you can take this up with him in the Employment Court. That court has no choice but to enforce the ***Wages Protection Act 1983*** as written.

Wages Protection Act 1983, sections 7 through 10

7 Wages to be payable in money

Subject to sections 8 to 10 of this Act, an employer shall pay the wages of every worker in money only.

[money, in relation to any wages, means any New Zealand coin or New Zealand banknotes, or combination of both, the tender of which in respect of the payment of those wages is legal tender:]

8 Workers employed by the Crown or local authorities

The Crown, or a local authority, may pay to a worker by specified cheque any wages that have become payable to that worker.

9 Agreement as to manner of payment of wages

(1) An employer may,—

(a) With the written consent of a worker; or

(b) On the written request of a worker,—

pay to that worker by postal order, money order, specified cheque, or lodgement at a financial institution to the credit of an account standing in the name of that worker or in the name of that worker and some other person or persons jointly, any wages that have become payable to that worker.

(2) A worker may vary or withdraw a consent given or request made by that worker under subsection (1) of this section by giving the employer written notice to that effect; and in that case, that employer shall—

(a) Within 2 weeks of receiving that notice, if practicable; and

(b) As soon as is practicable, in every other case,—

commence paying that worker in money, or in some other manner in accordance with subsection (1) of this section.

10 Payment where worker absent

Where any wages become payable to a worker who is for the time being absent from the proper or usual place for their payment, that worker's employer may pay them to that worker by postal order, money order, or specified cheque.

The “specified cheque”, “postal order” and “money order” mentioned must all also meet the requirement of being usury-free financial instruments to the government. Otherwise you have not been “paid”. There is another, very fun way of confirming that you have been properly paid in accordance with the Act.

The other provision of the ***Wages Protection Act 1983*** that will then apply is the provision regarding withholding of deductions. The Act allows no deductions without your consent. Remove that consent, get properly paid, and you get to take home 100% of your paycheque! This may sound too good to be true, but it is simple to understand. If you are paid using private bank credit, the government must borrow from the Reserve Bank at interest in order to pay you (or bring the funds into circulation). You are then required to pay your “fair share” of this cost back to the government in the form of Income Tax. The Income Tax is really a tax on the use of private banker’s credit. If you don’t use their private credit, there is no longer any reason to pay Income Tax. Think of “income” as use of the private banking system.

Wages Protection Act 1983, sections 4 & 5

4 No deductions from wages except in accordance with Act

Subject to sections 5(1) and 6(2) of this Act, an employer shall, when any wages become payable to a worker, pay the entire amount of those wages to that worker without deduction.

5 Deductions with worker's consent

(1) An employer may, for any lawful purpose,—

(a) With the written consent of a worker; or

(b) On the written request of a worker—

make deductions from wages payable to that worker.

(2) A worker may vary or withdraw a consent given or request made by that worker for the making of deductions from that worker's wages, by giving the employer written notice to that effect; and in that case, that employer shall—

(a) Within 2 weeks of receiving that notice, if practicable; and

(b) As soon as is practicable, in every other case,—

cease making or vary, as the case requires, the deductions concerned.

We have left out section 6(2), as it only applies to overpayments. There is nothing in the Act which makes an exception for taxes. If your employer insists on continuing to deduct taxes, then you have all the evidence you need that he is not paying "money" in accordance with the Act. Once again, your recourse is to take him to the Employment Court and demand that the Act be upheld.

You will find a sample letter covering both the payment of wages in "money" and the stopping of all deductions in Appendix A. Put your name and address on it, along with your boss' details and have it ready to hand to your boss first thing in the morning. The revolution has begun!

> "We have given the People of this Republic the greatest blessing they have ever had, their own currency to pay their own debts."
>
> **- Abraham Lincoln**
> **After Congress passed his law issuing "Greenbacks"**

Step 2: Stop further government bleeding

Next, let the government know that you do not approve of their going into further debt to private bankers, especially when they know that there is no hope of this debt ever being repaid. Use the example letter in Appendix B to put your Member of Parliament, the Minister of Finance, and the Treasurer on notice that you do not consent to their further indebting the country. This does not depend upon a majority vote. They are not allowed to knowingly put the government into a no-win situation.

If you have any doubt that they may be ignorant of their actions, send them a copy of this book. The bankers have perpetrated a fraud on every country on the planet. It remains the easy choice for most politicians to go along with that fraud, until enough people wake up and let their government know that they know it is wrong. It only takes one man to prosecute someone for fraud. We have no wish to do this, but we must let them know that we will have to consider this option should they choose to deny us the very remedies they have written into their own legislation.

If you want your letter to have extra impact, use the example only as a guideline for writing down your own thoughts based on what you have learned from this book and the other sources of information referred to. They will pay more attention to your letter if it does not read the same as the last fifty they received.

Step 3: Renegotiate all contracts for usurious private credit

Finally, you have no doubt signed a contract with a private banker in ignorance, agreeing to pay back gold by the planet-full. Why not ask him if the gold exists, and if the terms of the contract are possible to fulfil? If he cannot answer you, then offer to renegotiate the contract so that it contains only achievable terms. Otherwise, the bank may be left with no choice but to discharge you from the contract under the common law principle of frustrated contracts. See section 3 of the ***Frustrated Contracts Act 1944*** for the rules that then apply.

If you have been paying on your mortgage for about eight years, you have already paid the bank back in full. If you have been paying for about eleven (11) years, your banker has earned back all he has paid out, plus a small profit. If you have been paying for less time than this, maybe it is time to propose a plan that will have the debt paid in full in less than seven years. Appendix C contains a letter to start the negotiation process with your banker.

Step 4: Start your own Social Credit ledger

If you find yourself in a position where, after having done any or all of the above, you are unable to meet your basic costs of living, then it is time to access your birth certificate as the security to obtain an interest-free loan. This is done through Work and Income (or "WINZ"), who administer the ***Social Security Act 1964***.

When you were born, your parents applied for a Birth Certificate. What they were not told was that the birth registration created a trust relationship with the government as the Trustee and you as the beneficiary. Knowing that you would one day grow up and become competent to manage your own affairs, they made this a peculiar type of trust known as a "Cestui Que Trust". In simple English, this type of trust is one where the adult beneficiary gives instructions to the Trustee. So rather than walking into WINZ, cap in hand, thinking you are asking for a hand-out, approach them with the knowledge that you are merely asking for access to the trust account that has been yours all along.

Rather than applying for one of their "benefits", which you may not even qualify for, simply apply for "Accommodation Supplement" and/or "Temporary Additional Support". This will get you in the system and get the process started. As with everyone else, WINZ will automatically try to "pay" you in the form of bank credit.

If you allow them to do so, by giving them a bank account to pay into, then you do become a bludger on the system, as so many accuse WINZ beneficiaries of being. It is the accepting of bank credit, which requires the government to issue yet another interest bearing bond that causes the problem. The application for credit from your birth certificate does not cost anyone. It is an interest-free loan that you can repay at your leisure. Used properly, the Cestui Que trust arrangement is a powerful remedy against private credit, but it should never be misused to obtain private credit. If you have heard of the "UCC Redemption" theory and its offshoots, this is the mistake that they make.

So insist that WINZ pay you only in accordance with the ***Wages Protection Act 1983.*** You will know if you have succeeded if they do not try to take out any deductions. You will also find that they have wider latitude in how much they can provide when it does not have to be borrowed from the bankers. All the rules limiting amounts they can pay are written to limit the amounts that must be borrowed into existence from private bankers. If they instead create a no-interest debt instrument at your request, then more "money" is in circulation without impoverishing or bankrupting anyone!

While the average WINZ employee will have no idea what you are talking about, it should also be possible to use your WINZ account to keep track of "Social Credits" in the same manner as the five castaways were taught by Tom on Salvation Island. Just ask WINZ how you can credit the account of another WINZ beneficiary and how they can credit your account. Now you can pay anyone else in the WINZ system and they can pay you. Paying people in this manner is a form of actual payment, as it is backed up by your labour. Most importantly, not one penny of private bank credit has to be created in order to pay others in this manner. Every resident in New Zealand qualifies for a WINZ account, so you can do business with the whole country this way.

We all benefit when you use your WINZ account as described above. It immediately solves the "credit crunch", because you can bring new credit into being that is not getting sucked back out of circulation by taxes and interest payments. We do not have to wait for the bankers to make new loans. We do not have to go further into debt, either individually or as a nation. This is a revolution unlike the world has ever seen, and if it comes from an educated people at the grassroots, then it will be unstoppable.

Wake up tomorrow in a different world

You are now aware of the consequences of continuing to play the banker's game. That game has left us all guilty of usury and the fraud of giving false measure. If you are one who thinks you have done OK because you have accumulated lots of private credit, you now know that your illusory "wealth" exists at the expense of your countrymen who borrowed it into existence and continue to pay usury on it. From this unlawful position we are justly exposed to high taxes and bankruptcies. Using private credit carries legal obligations, which will be enforced in our Courts and against which we, having voluntarily chosen to use that private credit, have no real defence. Worst of all, the present monetary system will continue only up to the moment that the bankers wish to collapse it, leaving us all impoverished.

No amount of paper wealth can insulate you from this. Paper fortunes can disappear overnight with stock market crashes and the like. The game is rigged such that the bankers are always in control. If they want it to continue, they will make further loans or write off certain debts. At any moment they can stop the music, calling their loans due, and leaving everybody scrambling for the few chairs that are left. No one should feel comfortable to be left in such a vulnerable position to such a few men.

In summary, the remedies are sitting there, ready for you to use. Parliament has given them to us, but not told us how to use them. We can passively accept the present monetary system, or we can use the tools that are available to us today to create a new system in our own lives. We have the ability to structure that system to conform to the ancient monetary laws which lead to prosperity: No usury, just weights and measures, and forgiveness of debts can all be a reality for us today. We have the power to create the future we envision. With the right knowledge and determination, that can be a great future.

So get out and put these tools to work for yourself. Unemploy the bankers. Create your own Social Credit. Know that you are right. Do not take "No" for an answer. Do not give up if you get rebuffed after the first try. Or the second. Send this book on to everyone you know. Teach these principles to your children. Make sure that no matter what happens in the short term, a scam like we have grown up under can never again be perpetrated on our families, or our country, or our planet.

Blessings and God speed,

Gordon, of the House of Israel
5th of November 2008 Anno Domini

Appendix A

Letter to the Boss

{Date}

Dear Boss,

I am writing this letter to call your attention to the provisions of the Wages Protection Act 1983 (hereafter, "the Act"), and to require that you meet the provisions of that Act in relation to the wages you pay me.

Firstly, I do not believe I have given you a written request or written consent to pay me in a manner other than as required under section 7 of the Act, but for the avoidance of doubt, I hereby revoke any consent to be paid anything other than "money" as defined in the Act.

I therefore require you to pay me only in New Zealand coin or New Zealand banknotes or a combination of both. I understand these to be different in nature to both the Reserve Bank Notes and bank credit which you have previously used.

Secondly, in accordance with section 5 (2) of the Act, I hereby withdraw all consent for the deduction of PAYE and/or any other taxes from my pay, and I require you to pay me the full amount due, without deduction.

Take note that should you fail to comply with the two above requests within two (2) weeks of this letter, or as soon thereafter as reasonably practicable, it will be taken as a breach of your contract with me, and you may be taken to the Employment Court without further notice.

Thank you for your timely attention to these matters,

Yours sincerely,

Appendix B

Letter to the Govt

Honourable Michael Cullen
Minister of Finance
Honourable ________________
Member of Parliament
Parliamentary Buildings
Wellington

Honourable John Whitehead
Secretary to the Treasury
1 The Terrace
Wellington

Dear Dr. Cullen, {Member of Parliament}, and Mr. Whitehead,

It has recently come to my attention that New Zealand has the ability to largely insulate itself from the effects of the "Global Economic Crisis". The media tells us there is a credit "shortage" and tells us we are done for financially if banks don't start lending again soon.

Viewed objectively, I now know that they are telling us a half-truth. All money presently in circulation was borrowed into existence, either by the government or by private individuals. The problem is that we all owe huge amounts on our mortgages and cannot afford further debt. We cannot afford further taxes to fund further government debt either. Borrowing more to "fix" the crisis would be like giving a glass of water to a drowning man. No matter how well intentioned, it can only make the situation worse.

I am aware of the government's ability to issue bills instead of bonds for the payment of its debts. I for one will accept those bills as legal tender for the payment of any debt. What benefit is it to pay interest to the Reserve Bank and others just so there can be valueless Reserve Bank Notes in circulation, when for no interest cost at all you can issue New Zealand banknotes to circulate as currency in the same fashion? I am further aware that of the two, only New Zealand banknotes are legal tender for the payment of wages in accordance with the Wages Protection Act 1983.

As one who you claim to be able to tax in order to repay previous government debt obligations, I hereby forbid you from further increasing such obligations to my detriment. Take notice that you must no longer borrow from private bankers in order to meet government appropriations obligations. Rather, to the greatest extent possible, you are to meet those needs by the issuing of New Zealand banknotes and/ or New Zealand coins as interest-free debt obligations of the government.

Yours sincerely,

Appendix C

Letter to the Bank

{Date}

Dear Mr. Banker,

Re: Loan #XXXXXX and mortgage over the property at
{123 Main St., Anytown}

It has recently come to my attention that there is a problem with the loan document I signed with your company. Could you please confirm or deny the following:

1. I have reasonable grounds for believing that you did not lend me anything of value, and that therefore your loan to me cost you next to nothing;

2. I have reasonable grounds for believing that the only item of value necessary for you to create the credit facility extended, was my own signature;

3. I have reasonable grounds for believing that the loan created only the amount of credit extended, and nothing more;

4. I have reasonable grounds for believing that there is no other "money" in circulation that did not come into existence by this same mechanism;

5. I have reasonable grounds for believing that therefore all "money" in circulation is already spoken for in terms of being required to be repaid as per a loan document or other debt instrument obligating the repayment;

6. I have reasonable grounds for believing that therefore there is no excess "money" with which I may repay the interest obligation included in your loan terms without causing injury to another party by denying them the ability to repay in full the amount they have borrowed;

7. I have reasonable grounds for believing that the only way that new money is made available to repay interest obligations is by putting even more "money" into circulation via further loans, and that this causes inflation;

8. I have reasonable grounds for believing that inflation is a form of mass theft which robs everyone holding existing "money" whose value gets diminished as new "money" is lent into circulation;

9. I therefore have reasonable grounds for believing that I am in a situation where it is impossible for me to meet the terms of the loan agreement without breaking the law by injuring others or depending upon a sophisticated form of theft;

10. I have reasonable grounds for believing that this makes our agreement a frustrated contract, subject to the Frustrated Contracts Act 1944;

11. I therefore have reasonable grounds for believing that once I have repaid in full the original amount lent, that I have met all obligations I am able to meet under the contract agreement, and you are then obliged to discharge the mortgage.

12. I have reasonable grounds for believing that my obligations under the loan agreement were met in full on or about {Month Year}. [*Delete this line item if your loan is less than 8 years old*]

If you disagree with any of the above understandings, please explain your position with a substantive rebuttal of the point, together with sufficient evidence to prove your position. If you do not substantially disagree with the above, then I would urge you to contact me in a timely fashion with confirmation that my loan obligations are completed and the mortgage has been discharged.

Alternatively, you may think it most appropriate to offer a reasonable proposal for how the loan agreement may be completed without my injuring others or the need for others to obtain new loans for my benefit.

I look forward to the speedy and amicable resolution of this matter.

Yours sincerely,

Contacts, Further Sources,

and Permission to Modify this Book

Recommended viewing:

1) Money as Debt

Paul Grignon's 47-minute animated presentation tells in very simple and effective graphic terms what money is and how it is being created.

http://video.google.com/videoplay?docid=-9050474362583451279&ei=gVcRSbjPJ5zaqAOjw9iGDA

Order on DVD from: www.moneyasdebt.net

2) Zeitgeist: Addendum

The full-length (2 hour) follow up to Zeitgeist. This time, the subject is all about the money issue. A great summary of the problem, together with many ideas to direct your thinking towards a new monetary paradigm.

http://video.google.com/videoplay?docid=7065205277695921912

Buy on DVD from: www.zeitgeistmovie.com/dvdorder.htm

3) A humorous look at the financial world

These commentators understand things so well, they just might be serious!

http://www.youtube.com/watch?v=SwRFoxgEcHc

http://www.youtube.com/watch?v=hXBcmqwTV9s

http://www.youtube.com/watch?v=HKLcLhJ7pDQ

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