

## Chapter 4

### Banks

“Ever effort has been made by the Federal Reserve Board (FED) to conceal its powers, but the truth is - the FED has usurped the Government. It controls everything here (in Congress) and it controls all our foreign relations. It makes and breaks governments at will.” -

**Congressman Louis T. McFadden**

Who and what is the Federal Reserve ? First, the Federal Reserve is no more Federal than Federal Express. The Federal Reserve is another corporation created by the Lawyers, with some 3 hundred stock holders, another private corporation like Wendys or the District of Columbia (DBA) the United States or any other corporation, and in turn the Federal Reserve Bank is controlled by the joint stock trust Federal Reserve. As a Central Bank operating in accord with the Fifth Plank of the Communist Manifesto (see Exhibit “A” pg. 92)

The Federal Reserve Corporation is PRIVATE and non-governmental per Title 5 U.S.C. § 302, 305, 551.

Under trust law the beneficiaries of the trust are not required to be divulged, and they have no interest in the management of the trust, and the trust controls everything we own. If you do not believe the Fed is a private corporation, look in the phone book and see where the Federal Reserve is listed. Is it listed under Government in the blue pages, or in the business pages of the phone book? Look for yourself. (See phone book of city closest to you that has a Federal Reserve Office. Cleveland ,Ohio , San Francisco, etc) The Federal Reserve Bank incorporated in 1914.(Exhibit “C” pg. 108)

## FEDERAL H - FERROTHERM

Federal Home Life  
940 Trimble Pl Sagamore Hills Ohio — 330 467-7344

Federal House Antiques  
17106 Detroit Av — 216 221-2149

Federal Improvement Co  
1422 Euclid Av — 216 241-1211

Federal Marine Terminals Inc  
103 Ereside Av — 216 781-2081

Federal Metal Co The 7750 Denison St  
Federal Natl Mortgage Assoc — 440 232-8700

Partnership Office 1111 Superior Av — 216 687-9797

Federal Products Corp  
7537 Mentor Av Mentor — 440 946-9222

Federal Public Defender Office  
1680 W 2nd St — 216 522-4856

**FEDERAL RESERVE BANK OF CLEVELAND**  
1455 East 9th Street — 216 579-2000

General Information — 216 579-2001

Treasury Securities  
Information-Bills Notes & Bonds-Recorded Announcement — 216 579-2001

Savings Bond Information — 216 579-2001

Recorded Announcement — 216 579-2001

Savings Bond Department — 216 579-2001

Tours/Publications — 216 579-2001

Cash Services — 216 579-2001

Cash Department — 216 579-2471

Check Customer Service — 216 579-2435

Federal Reserve Employee Assistance Program — 800 888-2273

Federal Reserve System Inspector — 800 827-3340

General — 216 579-2001

Interest Rate Information — 216 579-2001

Internal Audit Director — 216 579-3056

Marketing Division — 216 579-2875

888 333-2538

Protection Department — 216 579-2829

Supervision And Regulation — 800 537-5990

Consumer Complaint Help Line — 216 579-2478

TDO — 216 579-3186

Federal Real Estate Inc 950 E 69 St — 440 423-3538

Federal Welding Fabricating & Mfg Inc  
Center St & Spruce Av — 216 861-2643

Federated Auto Parts Store  
1550 W 25 St — 216 861-1556

Federated Church 76 Bel St — 440 247-6490

Federation For Community Planning  
614 W Superior Av — 216 781-2944

Federated Of India Community  
Associations 12412 Cedar Rd — 216 791-3422

Federici's Pro Tree Serv  
31900 Osdon Rd — 440 585-5805

Federico General Tire  
71 State St Painesville Ohio — 440 946-9644

Federico Mary St Cccmchys  
7853 Johnnyake Ridge Rd Wiloughby — 440 946-6251

Federman Jerry J atty 250 Leander Bc — 216 781-0808

Federmann Reinhold  
3055 Brush Rd Richmond Ohio — 330 659-3794

FedEx — 800 463-3339

Fedji J M & Assoc 6785 W 130 St — 440 845-7600

Fedor Insurance Agency 7013 Penick Rd  
Fax 7013 Penick Rd — 440 845-2244

Fedor Manor apds 12400 Madison Av — 216 226-7575

Fedor Robert J atty 55 Public Sq — 216 696-4441

Fedorov Walter 2913 Wares Av — 440 886-4674

Fee & Associates Architects  
12429 Cedar Rd — 216 229-3000

Feedall Inc — Main Ofc  
38379 Petron Rd Wiloughby Ohio — 440 942-8100

Feeder Machinery Co 19045 Lakes Rd — 440 333-8441

Feel-Rite Health Food Shop  
13107 Shaker Sq — 216 561-6047

Feeling Drexel F atty 901 Lakeside Av — 216 586-3939

Feet Of Clay 2252 Lee Rd — 216 321-7687

Fegan Deborah W DVM 7774 Pearl Rd — 440 234-5831

Fegan David A atty 14701 Detroit Av — 216 221-8020

Fegan Gahring & Lamb Inc  
18099 Lorain Av — 216 941-0333

Fegen J Peter MD — 29101 Heath Campus Dr — 440 892-6600

Fegen J Peter MD 18099 Lorain Av — 216 941-0333

Day & Night Service — 216 941-0333

Felher Thomas L atty 25 W Prospect Av — 216 861-0707

Felher Abish Rabbi 3475 Shannon Rd — 216 932-2341

Feg Joseph 25800 Science Park Pl — 216 595-0618

Feg Joseph M ins — 25800 Science Park Dr — 216 292-5281

Feighan Elizabeth MD — Beachwood Office — 216 464-5353

3619 Park East Dr — 440 526-6630

500 E Remondar Rd — 440 526-6630

Garfield Hts Office — 12700 Mt Cracker Rd — 216 475-8844

Feighan John E MD — 21901 Lorain Rd — 440 331-7568

Feighan Joseph E atty — 1701 Eppinger Dr — 216 631-4740

**FEIGHAN MARY JO**  
Specializing in Residential  
Furnishings  
Appraisal & Liquidation Services  
Established-Skilled-Respected  
Since 1964

2865 Wynoka Ct — 440 892-0433

Feil Edward Productions  
4514 Prospect Av — 216 881-0040

Fein Robert A atty 1300 E 9 St — 216 621-8400

Fein Robert U atty Erennew Tower — 216 736-3320

Femberg Barbara G isw Cleveland — 216 556-1434

Femberg Paul H atty — 216 621-0200

Fengold Mark MD  
MetroHealth Medical Center — 216 778-4217

Feinstein Wendy West atty — 216 363-1400

Feinstein Alan PhD 2460 Fairmount Bl — 216 229-1333

Feitman Yaakov Rabbi  
4495 Church Bl — 216 691-1212

Fekter E 449 Hillcrest Dr — 216 531-8834

Felber Industrial Inc — 216 631-6262

Felber Industrial Warehouse  
4100 Payne Av — 216 431-2700

Felber Mark B atty — 216 363-3900

Felber Richard Designs Inc  
20600 Chagrin Bl — 216 491-0900

Felber T L 1901 Van Allen Bl — 216 561-8786

Feld Entertainment 22451 Lake Rd — 440 356-3116

Feld Joel H atty 1305 S O M Center Rd — 440 684-9000

Feldman Irwin J CPA 3601 S Green Rd — 216 464-0826

Feldman Irwin J CPA Inc — 216 464-0826

Feldman Bruce B 310 W Lakeside Av — 216 696-6969

Feldman Aaron E MD — 440 439-3411

Feldman T L 1901 Van Allen Bl — 216 561-8786

Feldman Bruce J MD 3301 Solos Rd — 440 349-2681

Feldman Bruce J MD 4325 York Rd — 440 886-2003

Feldman David B MD — 216 383-8500

Feldman David Borden MD — 35900 Euclid Av Wiloughby — 440 953-3000

Feldman Edward S MD — 3053 Nationwide Pkwy Brunswick Ohio — 330 273-1117

Feldman Filmore A DDS 6131 St Clair Av — 216 431-8574

Feldman Irwin M atty 200 Public Sq — 216 363-4469

Feldman James 2096 Surrey Rd — 216 229-4885

Feldman Marc M MD 14100 Cedar Rd — 216 381-4261

Feldman Marwan J atty — 216 781-6100

Feldman David B MD — 216 295-1005

**FELDMAN MECHANICAL INC**  
1320 Highland Rd — 330 487-3200

Feldman Mechanical  
320 S O M Center Rd — 440 684-0490

Feldman Michael atty 55 Public Sq — 216 523-1525

Feldman Michael J atty — 440 953-0362

Feldman Raymond V  
8370 Macedonia Corporate Park Rd — 330 487-3200

Felice A 5833 Brecksville Rd — 216 447-0476

Feliciano Jose C atty — 216 621-0200

Felix Wright Travel  
26845 Brookpark Rd Est — 440 925-9122

Felix Wright Travel 6901 Rockside Rd — 216 447-9122

Felix's Elec Sewer Cng Inc  
9548 Cummey Dr — 440 885-3009

Felker Kenneth physician 3619 Part East — 216 831-3575

Felker Kenneth physician 3619 Part East — 216 831-3575

Felkenbaum Mark atty Standard Bg — 216 771-0606

Felher William archt 5861 Lotusdale Dr — 440 884-5570

Felher Wm J & Felher T 27900 Chagrin Bl — 216 831-1112

Feltinger H Sandy ins 23200 Chagrin Bl — 216 765-7100

Fellows & Associates 13308 Euclid Av — 216 541-5539

Fellowship Baptist Church 3252 W 61 St — 216 281-4251

Fellowship Christian Church  
19101 Euclid Av — 216 481-4079

Fellowship Christian Church  
11310 Wake Park Av — 216 231-4618

Fellowship Christian Church Reading  
Enrichment Center 9911 Pleasant Av — 216 360-0923

Fellowship Lutheran Church  
11111 Ashbury Av — 216 231-3939

Fellowship Missionary Baptist Church  
1754 E 55 St — 216 431-6447

Fellowship Missionary Baptist Church  
Human Development Center — 216 431-2834

Fellowship Of Christian Athletes  
Independence — 216 524-3501

Fellowship Of Christian Athletes  
91 Public Sq — 216 621-2010

Fellowship Of The Living Spirit  
3040 Ridge Rd — 440 944-7240

Felman Jeffrey A investment svc  
30000 Chagrin B — 216 464-4244

Felman Deborah MD — 440 891-5390

Felton Brush Inc — 440 886-0666

Felton Electric Inc 621 Hanford Dr — 440 442-1242

Felton Richard L Rev 2180 Mars Av — 216 226-3937

Felty & Associates 5004 Torington Av — 440 885-4480

Felty Kriss D atty 800 W St Clair Av — 216 621-0186

Felty-Tot Insurance Agency  
5851 Pearl Rd — 440 888-7854

Felver Michael E MD Cleveland Clinic — 216 445-6414

Feminine Health Concerns — 216 932-9592

Feminine Scene Boutique The — 440 248-4214

Feminine Touch-East Inc — 216 382-6622

Feminists For Life Of Ohio — 216 556-0284

Fen Machine Co  
Call McCreary Corp — 440 943-3636

Fence Connection 4121 Bailey Av — 216 939-8564

Fence Connection Cleveland — 216 221-5531

Fence Warehouse  
Wholesale Only 3445 W 86 St — 216 631-2116

FenceLine Construction  
38348 Airport Pkwy Wiloughby — 440 946-7952

Fencop Co Inc 20950 Center Ridge Rd — 440 331-6818

Fenderbosch Interiors — 216 579-0022

Fen — 216 579-0030

Fenek Dale C atty 1392 S O M Center Rd — 440 473-2277

Fenell Charles P DDS 4568 Mayfield Rd — 216 291-9473

**FENG LU-JEAN MD**  
Microvascular Plastic &  
Reconstructive Surgeon  
Mt Sinai Medical Center — 216 421-3760

Fenung Daniel K ins 4401 Rockside Rd — 216 447-9100

Fenun John H M atty — 216 621-0200

Fennell Roger Rev 483 E 108 St — 216 761-4813

Fenton A W Co 6565 Eastland Rd — 440 243-5900

Fenton Park J Rev 5384 Wilson Mills Rd — 440 442-8381

Fenton Systems  
3053 Nationwide Pkwy Brunswick Ohio — 330 273-1117

Fennell Inc Representative  
24050 Commerce Park Rd — 216 360-9800

Fenway Manor 1086 E 107 St — 216 421-5760

Feo Antonio F PhD & Associates Inc  
24500 Center Ridge Rd — 440 899-1300

Feria Dennis L atty 5684 Fernhurst Av — 440 888-8090

Feria Dennis L CPA 6684 Fernhurst Av — 440 842-8868

Feria Frank J ins 6000 Lombard Center — 216 520-1345

Ferallory Corp — Cleveland Division  
4650 Johnston Pkwy — 216 587-8000

Feran Insurance 13755 Vine St — 440 943-6329

Ferber Marc M 1422 Euclid Av — 216 781-4300

Ferbert Fence Co  
38301 Apollo Pkwy Wiloughby — 440 975-0112

Ferbert Updegraff 1335 Main Av — 216 621-7600

Ferderlo Ladislav MD  
7850 Brookside Rd — 440 235-3711

**FERDOLASTER SKI SHOP**  
5330 Mayfield Rd Chester Twp — 440 729-9472

Ferek Michael Barber Shop  
5339 Reet Av — 216 641-3380

Feren Fruit & Gift Basket Co  
2101 Superior Av — 216 621-1001

Ferenz Nicholas DDS 24300 Chagrin Bl — 216 360-9165

Ferfolia Funeral Homes Inc  
356 W Aurora Rd Sagamore Hills — 330 467-4500

Ferfolia Alice counselor  
356 W Aurora Rd Sagamore Hills — 330 467-3535

**FERFOLIA FUNERAL HOMES INC**  
don fe 19@mail.idt.net  
384 Lee Rd — 216 663-4222

Fergus Terrence 2311 W Star Ln — 440 871-8586

Fergus Terrence P CPA 1900 E 9 St — 216 875-8302

Ferguson B Lynn metallurgist  
761 E Erie Rd — 440 234-8477

Ferguson B Lynn metallurgist  
8409 Broadview Rd — 440 526-2723

Ferguson D Roy MD — 216 464-4433

Ferguson D Roy MD — 216 421-5784

Ferguson Kenneth Talent Agency  
4094 Lee Rd — 216 283-8144

**FERGUSON M K**  
See Morrison Knudsen Corporation-Engineers & Constructors

Ferguson Machine Co 19045 Lake Rd — 440 333-8441

Ferguson Mark atty 1300 E 9 St — 216 241-2838

Ferguson Rhonda S atty  
National City Center Bg — 216 621-0200

Ferguson Thos ins 33203 Euclid Av — 440 944-3339

Ferguson's Cut Glass Works  
4292 Pearl Rd — 216 459-2929

Ferry's Linens — 440 777-1185

Ferron Cutting & Styling  
33 E Bridge St — 440 243-4450

Fern Hill Communications  
4303 Wellington Av — 440 887-1660

Fernandez & Associates Inc — 440 944-5444

Fernandez Lyrille MT — 216 661-7735

Fernbach John S MD 24700 Lorain Rd — 440 777-5505

Fernbach John S MD 24700 Lorain Rd — 216 781-1446

Ferra Mach & Tool Co The  
4595 Manufacturing Rd — 216 267-2850

Ferragor Corp 11103 Memphis Av — 216 749-3661

Ferrante Tile And Marble  
1316 Hillside Av — 440 466-8466

Ferrante Winery & Restaurant  
5585 State Geneva Ohio — 216 292-3638

Ferranti's Hair By Design  
24800 Chagrin Bl — 216 587-4100

**FERRARA FUNERAL HOME**  
12200 Granger Rd — 216 587-4100

Ferrara's Imported Foods  
5750 Mayfield Rd — 440 442-3780

Ferrara's Pottery 5752 Mayfield Rd — 440 442-3780

Ferrari Auto Body  
1303 W 117 St — 216 226-8500

Ferrari Auto Body  
1303 W 117 St — 216 226-8500

Ferrari Car Btz 6517 Denison Av — 216 651-0890

Ferrari Car Btz 4537 W 130 St — 216 674-9060

Ferraro John F CPA 975 Euclid Av — 216 861-5800

Ferraro's Heating & Cooling — 440 944-7555

Ferrazza Carl M CLU ChFC  
6200 Rockside Rd — 216 642-7878

Ferrell And Company 3125 Berre Rd — 216 251-4511

Ferrer Bonifacio MD 14029 Puntas Av — 216 941-4400

Ferrets Dan & Associates  
6209 Starav Av — 216 651-0108

**FERRETTI PLUMBING & HEATING INC** — 440 842-3000

Ferriotti Electric — 216 932-1756

Ferriotti Curtis D optometrist — 440 237-6006

Ferriotti Jos P DDS 18660 E Bagley Rd — 440 234-2445

Ferri Rick Comm Realtor  
7464 Mentor Av — 440 946-8600

Ferri Steak House 8700 Detroit Av — 216 281-1437

Ferri Steak House-Gateway  
2120 E 4 St — 216 421-8887

Ferri Steve 614 W Superior Av — 216 575-9013

Ferri Timothy A ins 4022 Denison Av — 216 398-3995

Ferri Timothy A ins 4022 Denison Av — 216 398-3998

Ferriotto George A DDS  
21851 Center Ridge Rd — 440 331-0011



**FERRITTO SUSAN DDS**  
2002 E 9 St — 216 687-0040

Ferritto's Hair Styling & Barber Salon  
5351 Mayfield Rd — 440 442-6076

**FERRO CORPORATION** — World Headquarters — 216 641-8588

Corporate Research-Technical Center — 7500 E Pleasant Valley — 216 641-8588

Color Division — 4150 E 56th St — 216 641-8588

Electronic Glass 4150 E 56th St — 216 641-8588

Polymer Additives Division — 7050 Knix Rd — 216 641-8588

Powder Coatings Division — 4150 E 56th St — 216 641-8588

6101 W Snowbird Rd — 216 641-8588

Specialty Ceramics — 4150 E 56th St — 216 641-8588

Ferrosource Inc 33140 Aurora Rd — 440 349-1211

Ferrotherm Co — 4758 Warner Rd — 216 883-9315

Better yet take a trip to your nearest Federal Reserve Bank (Cleveland , Denver, San Francisco, New York etc.) and look at the corporate seal hanging in the lobby.

Most people do not understand the predicament that the Federal Reserve has placed them in. In 1933 the entire economy of this country was turned over to a ruthless bunch of the wealthiest, blue-blooded foreign families in the world, that have been directing our country on a very frightening journey. They have influence in every aspect of our lives in ways that are hard to believe.

Up until The Federal Reserve Act was passed in 1913 and put into effect in 1933, our money had substance (gold&silver) to back it. The constitution says in two places that the only legal money in this country is Gold and Silver coin, ;

that "no state shall make any Thing but gold and silver Coin a Tender in Payment of Debts." (**Article I Section 10, U.S. Constitution**)

The Bible even asserts this idea, where it says that Gold & Silver is the only " Good Money".

The Money we use is tied to the law it represents.

Gold and Silver Coin = Substance = Wealth=No Interest = Constitutional Law = Sovereign Jurisdiction = united States of America = American Citizen/National = Freeman (Freewoman).

Gold and Silver coin = united States of America = REPUBLIC

Green worthless Federal Reserve Notes = No Substance = Debt/Credit = Interest = International Commercial Law = Foreign Jurisdiction = District of Columbia = UNITED STATES = U.S. Citizen = Economic Slave. Green paper currency = Peonage/Slavery.= DEMOCRACY

A person that was born in America is an American Citizen/ National not a U.S. Citizen or citizen of the United States. A U.S. Citizen or citizen of the United States is an individual that has immigrated to America and was granted Citizenship as an Individual under Title 5 U.S.C. by the UNITED STATES, and becomes a Corporate citizen of the United States. Remember the Cooper case revealed US citizenship was based on contract.

Who are these people, that we have allowed to take control of our money and replace it with worthless paper (currency) and place us into servitude to them by using their interest laden debt based currency they created? I thought Congress was to control our money and it's value?

**“Very soon, Every American will be required to register their biological property (human body) in a national system designed to keep track of the people and that will operate under the ancient system of pledging. By such methodology, we can compel people to submit to our agenda which will effect our security as a charge back for our fiat paper currency (Federal Reserve Notes). Every American will be forced to register or suffer being able to earn a living (mark of the beast). They will be our chattel, and we will hold security interest over them forever, by operation of the law merchant under the scheme of secured transactions. Americans, by unknowingly or unwittingly delivered the bills of lading (birth certificates) to us will be rendered bankrupt and insolvent( exchanging your work energy for worthless debt instruments), forever to remain economic slaves through taxation, secured by their pledges, (social security FICA payments). After all, this is the only logical way to fund the government, by floating liens and debt to the registrants (registered voters) in the form of benefits and privileges. This will inevitably reap to us huge profits beyond our**

**wildest expectations and leave every American a contributor to this fraud which we will call "Social Insurance." With out realizing it, every American will unknowingly be our servant, however begrudgingly. The people will become helpless and without any hope for their redemption and we will employ the high office of the President of our dummy corporation(United States) to foment this plot against America.- Colonel Edward Mandel House, in meeting with President Woodrow Wilson 1920. (Emphasis ( ) added)**

Lets take a look at what is called "Fractionalized Banking " and how it will be the ruin of this great nation in a few short years. Maybe around the end of "06" or "08" if the New World Order keeps to its schedules. Read the book "Bankruptcy 1995" by Harry E. Figgie, Jr. ISBN # 0-316-28206-5 for in depth discussion and The grace Commission Report from the Reagan Days .

All of our money is printed by the Federal Reserve at a cost of about 2 cents per Bill, regardless of the denomination.

A one dollar Bill costs 2 cents to print , a 100 dollar Bill also costs 2 cents to print.

If we need a Loan we go to the Bank to get it and the Bank leads us to believe that it is going to lend us money out of the deposits it's customers have made in their savings accounts. Correct ? So we must first fill out an application to see if we can qualify for the loan. Do we have any credit or do we have any bad credit, etc.

In reality the bank does not loan us any money that is on deposit by it's depositors. Hogwash I said until I read "Modern Money Mechanics."

"**Modern Money Mechanics**", is a publication of the Federal Reserve Bank of Chicago, and says;

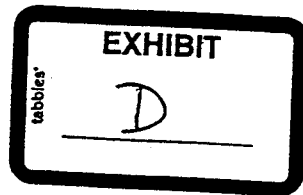
"This money is then loaned into circulation by our local banks, with the amounts of its loans determined by the reserves the bank has on hand, or a fraction thereof. "

On page 6 , the last paragraph describes how money is created by the Federal Reserve Banks, the process is referred to as " Multiple Expansion Process." It says;

“ If business is active, the banks with excess reserves probably will have opportunities to loan the \$9000.00. *Of course, they do not really pay out loans from money they receive as deposits.* If they did this, no additional money would be created. *What they do when they make loans is to accept promissory notes in exchange for credits to the borrowers' transaction accounts.* Loans (assets) and deposits (liabilities) *both rise* by \$9000.00 Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system."

(emphasis added)(see exhibit D Pg. 113&114)

The real Money/Value in the transaction came from your **Signature** on the Promissory Note you signed. The Bank then accepted for Value your Note and converted it into Check Book Currency, then into Federal Reserve Notes or a deposit to your checking account and called it a loan to you, with interest attached, when in reality you loaned the bank the money by granting them the use of your promissory note, without interest. The bank changed the risk and their cost in the transaction when they failed to divulge that their risk was limited to the reserves they are required to keep, in most cases around 10% of the value of the loan. On a \$10,000.00 note the banks risk would be around \$1,000.00, your note provided the other 90% of the value or \$9,000.00.



# *Modern Money Mechanics*

**A Workbook on Bank Reserves and Deposit Expansion**

# Bank Deposits—How They Expand or Contract

Let us assume that expansion in the money stock is desired by the Federal Reserve to achieve its policy objectives. One way the central bank can initiate such an expansion is through purchases of securities in the open market. Payment for the securities adds to bank reserves. Such purchases (and sales) are called "open market operations."

How do open market purchases add to bank reserves and deposits? Suppose the Federal Reserve System, through its trading desk at the Federal Reserve Bank of New York, buys \$10,000 of Treasury bills from a dealer in U.S. government securities.<sup>3</sup> In today's world of computerized financial transactions, the Federal Reserve Bank pays for the securities with an "electronic" check drawn on itself.<sup>4</sup> Via its "Fedwire" transfer network, the Federal Reserve notifies the dealer's designated bank (Bank A) that payment for the securities should be credited to (deposited in) the dealer's account at Bank A. At the same time, Bank A's reserve account at the Federal Reserve is credited for the amount of the securities purchase. The Federal Reserve System has added \$10,000 of securities to its assets, which it has paid for, in effect, by creating a liability on itself in the form of bank reserve balances. These reserves on Bank A's books are matched by \$10,000 of the dealer's deposits that did not exist before. See illustration 1.

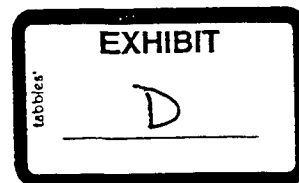
## How the Multiple Expansion Process Works

If the process ended here, there would be no "multiple" expansion, i.e., deposits and bank reserves would have changed by the same amount. However, banks are required to maintain reserves equal to only a fraction of their deposits. Reserves in excess of this amount may be used to increase earning assets — loans and investments. Unused or excess reserves earn no interest. Under current regulations, the reserve requirement against most transaction accounts is 10 percent.<sup>5</sup> Assuming, for simplicity, a uniform 10 percent reserve requirement against all transaction deposits, and further assuming that all banks attempt to remain fully invested, we can now trace the process of expansion in deposits which can take place on the basis of the *additional* reserves provided by the Federal Reserve System's purchase of U.S. government securities.

The expansion process may or may not begin with Bank A, depending on what the dealer does with the money received from the sale of securities. If the dealer immediately writes checks for \$10,000 and all of them are deposited in other banks, Bank A loses both deposits and reserves and shows no net change as a result of the System's open market purchase. However, other banks have received them. Most likely, a part of the initial deposit will remain with Bank A, and a part will be shifted to other banks as the dealer's checks clear.

It does not really matter where this money is at any given time. The important fact is that *these deposits do not disappear*. They are in some deposit accounts at all times. All banks together have \$10,000 of deposits and reserves that they did not have before. However, they are not required to keep \$10,000 of reserves against the \$10,000 of deposits. All they need to retain, under a 10 percent reserve requirement, is \$1,000. The remaining \$9,000 is "excess reserves." This amount can be loaned or invested. See illustration 2.

If business is active, the banks with excess reserves probably will have opportunities to loan the \$9,000. Of course, they do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrowers' transaction accounts. Loans (assets) and deposits (liabilities) both rise by \$9,000. Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system. See illustration 3.



<sup>3</sup>Dollar amounts used in the various illustrations do not necessarily bear any resemblance to actual transactions. For example, open market operations typically are conducted with many dealers and in amounts totaling several billion dollars.

<sup>4</sup>Indeed, many transactions today are accomplished through an electronic transfer of funds between accounts rather than through issuance of a paper check. Apart from the timing of posting, the accounting entries are the same whether a transfer is made with a paper check or electronically. The term "check," therefore, is used for both types of transfers.

<sup>5</sup>For each bank, the reserve requirement is 3 percent on a specified base amount of transaction accounts and 10 percent on the amount above this base. Initially, the Monetary Control Act set this base amount — called the "low reserve tranche" — at \$25 million, and provided for it to change annually in line with the growth in transaction deposits nationally. The low reserve tranche was \$41.1 million in 1991 and \$42.2 million in 1992. The Garn-St Germain Act of 1982 further modified these requirements by exempting the first \$2 million of reservable liabilities from reserve requirements. Like the low reserve tranche, the exempt level is adjusted each year to reflect growth in reservable liabilities. The exempt level was \$3.4 million in 1991 and \$3.6 million in 1992.



Oh, of course you understand that all these "loans" carry usury known to you as interest, in this case around 10 % interest, compounded. That's right, we pay compound interest on money created out of thin air by the stroke of a computer key. We pay interest on the supposed loan from the bank and we pay additional interest on the total accumulation of money in circulation, known as the National Debt.

How would you like to have a corporation that could print all the money for two cents, regardless of the face amount, and then turn around and loan it out at 8% to 10 % compound interest of its Face Value? Then create additional credit at the stroke of a computer key with more interest on the credit? (Credit cards) The Bible calls this Usury and condemns it. In fact the entire assets of the country are collateralized against the debt owed to the Federal Reserve Bank, called the National Debt, it now adds up to around \$17 Trillion ( 4.5 Trillion on budget, the balance off budget) and this debt raises by a Billion Dollars each Day. And it has never been reduced by the amount of Gold & Silver Coin that the American people were forced to turn over to the crooks at the beginning of this tragedy.

What's more interesting is that you could never pay off the debt even if you confiscated all of the paper money in print. The National debt is based on the amount of money the Federal Reserve has printed and put into circulation. Example if there was \$1000.00 dollars in print and an interest of 10% is assessed against it or \$100.00 in interest for a total due of \$1100.00, but there has only been \$1000.00 printed where do you get the other \$100.00 to pay the interest due, it was never printed, only assessed. ?

In the **Congressional Record of March 9, 1933**, congressman Patman is quoted as saying about the Federal Reserve Act;

" The money will be worth 100 cents on the dollar because it is **backed by the credit of the nation. It will represent a mortgage on all the homes and other property of all the people in the nation.**"  
(Emphasis added)

Read that again ! Even if you have paid off your mortgage, your house is still being held as collateral against the national debt, which is virtually impossible to pay off.

Today the federal Reserve Notes are worth about 10 cents on the dollar. The Congressman forgot to mention the effects of inflation that the Federal Reserve can create by the stroke of a computer key.

Even if you have paid off your house it is still collateral for the bonds the government issues to the Federal Reserve in exchange for the Federal Reserve Notes put into circulation, thus you have to pay property taxes (rent) on the house you think you own. Get the picture; neither we nor our government has any control over the money.

**Thomas Jefferson, the father of the constitution warned us about this situation saying,;**

**" If the American people ever allow private banks to control their currency, first by inflation then by deflation, the banks and corporations that grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered."**

How many homeless do we have in America today, compared to 5 yrs. ago, 10 yrs ago?

I do not think that it could have been said as well today. Every debt in this country is discharged to the Federal Reserve by the use of colorable War Script currency, in that it is not legally money at all.

The **Constitution in Article 1, section 8** says that Congress" has the power to coin money, regulate the value thereof."

I assure you that at that time in history they did not "Coin Money" out of paper. It was gold and silver.

Further in **Article 1, section 10 ;**

"No state shall... Coin money: emit bills of credit, make anything but *gold and silver coin* a tender in payment of debts." (Emphasis added).

Which brings up the question, if the state of say Ohio accepts paper in payment of debt in lieu of Gold and Silver coin, is it the Constitutional, the State Ohio, or the Corporation the STATE of OHIO?

In **The Coinage Act of April 2, 1792**, Congress defines the dollar as consisting of 371.25 grains of pure silver. How does a piece of paper that only weighs a few grams, and says that it is a Federal Reserve Note on it's face, fit that description ? A Note is a promise to pay, an account payable, a debt.

Further, these Federal Reserve Notes are no longer backed by one of those dollars described in the Coinage Act, as many of you have been misled to believe. Fort Knox is little more than a National Monument for all practical purposes, as the gold held there is only the gold confiscated from the people in 1933, melted into bullion and placed in Fort Knox to further deceive the people. All of the silver and gold deposits made by the American people in the 1800 and 1900's went to the blue blood's in Europe.

Under our former monetary system anyone who had gold or silver bullion, how ever retained, whether by mining or other, could take the bullion to the U.S. Mint and have it coined into money. This new money was then spent into circulation by the owner in exchange for goods or services, thereby forming a debt free economy.

Today under the Federal Reserve System, there is no way to get currency into circulation without borrowing it from a bank. The very medium used is a NOTE, an I owe you, for a dollar, Not a Dollar. A NOTE is defined as : “ a bill of account, a paper promising payment.”

So under our current system the bank prints up our Currency (Fiat Money) in the form of a note and we have to borrow their NOTE (FRN, a promise to pay) an obligation of the United States, from the Bank and then they charge us interest on the use of their Note that was exchanged for our promissory note, but the bank only provided 10% of the value. So we are paying interest on a promise to pay on a supposed loan that we generated 90% of the value. That means that we have not paid for anything in this country since the Federal Reserve started printing our money and created the current debt based system. If you have paid for everything that you have with Federal Reserve Notes you never paid for it at all.

What you unknowingly did is defray the payment to the Federal Reserve a PRIVATE CORPORATION, and they in turn promise to pay in the future and are currently charging us all, the whole country, interest on all of the NOTES that they have in circulation or hoarded in their vaults, and they hold a Mortgage on all of the assets of the country. Scares me.

“The Fed should be repealed, and the Fed Banks having violated their charters, should be liquidated immediately. Faithless government officials who have violated their oaths of office should be impeached and brought to trial.”

“Mr. Chairman, the United States is bankrupt: It has been bankrupted by the corrupt and dishonest Fed. The man who deceives the people is a traitor to these United States.”- **Congressman Louis B. McFadden 1933**, assassinated on third attempt 1935.

The paper currency is supposed to be backed by the silver and gold on deposit with the banks.

In a U.S. Supreme Court case called **Clearfield Trust Co. v. United States, 318 U. S. 363 (1943)**, better known as the Clearfield Doctrine. The decision of the court was that:

“Governments descend to the level of a mere corporation, and takes on the characteristics of a mere private citizen.... where private corporate commercial paper (Federal Reserve Notes) and securities (checks) is concerned. ....For purposes of suit, such corporations and individuals are regarded as entities entirely separate from government.”

In a second case in the Supreme Court , **United States v. Burr, 309 U.S. 242** the Court stated in part;

"When governments enter the world of commerce, they are subject to the same burdens as any private firm or corporation."

If a government court or agency accepts federal reserve notes in payment for a fine or other obligation, is it a government agency or a corporation, posing as a government agency?

It's a corporation, it's a business, just like Home Depot or Wendys or Lowes it is not government. It's De Facto government.

"This is a government of the people, by the people and for the people no longer. It is a government of corporations, by corporations, and for corporations."- **President Rutherford B. Hayes.**

"Banking was conceived in iniquity and born in sin. Bankers own the earth; take it away from them but leave them with 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 great fortunes like mine will disappear, and they ought to disappear, for then the world would be a happier and better world to live in. But if you want to be slaves of bankers and pay the cost of your own slavery, then let the bankers control money and control credit." - **Lord Stamp, a Director of the Bank of England, 1940**

“I have two great enemies, the southern army in front of me and the financial institutions in the rear. Of the two, the one in my rear is the greatest foe. The Government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the Government and the buying power of consumers. Money will cease to be master and become the servant of humanity. Democracy will rise superior to the money power.” - **Abraham Lincoln.**

“Banks have done more injury to the religion, morality, tranquility, prosperity and even wealth of the nation than they can have done or ever will do good.” -**President John Adams 1819**

“The Courts must be called to our aid, debts must be collected, bonds and mortgages foreclosed as rapidly as possible”

“When through the process of law, the common people have lost their homes, they will be more traceable and easily governed through the influence of the strong arm of the government applied to a central power of imperial wealth under the control of the leading financiers. People without homes will not quarrel with their leaders.”

### **Bankers Manifesto of 1892**

“I sincerely believe that banking institutions are more dangerous to our liberties than standing armies.”-**President Thomas Jefferson.**

“The money power prays upon the nation in times of peace and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy . I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. Corporations have been enthroned, an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its REIGN by working upon the prejudices of the people until the wealth is aggregated in a few hands and the Republic is destroyed.”- **President Abraham Lincoln, after the National Banking Act of 1863 passed.**

“ 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 antagonism. By thus dividing the voters we can get them to expend their energies infighting over questions of no importance to us, except as teachers to lead the common herd. Thus by discrete actions we can secure all that has been so generously planned and successfully accomplished.”- **The Bankers’ Magazine, USA, 1892.**

“The issue which has swept down the centuries, and which will have to be fought sooner or later, is the People versus the Banks.” - **Lord Acton in 1875.**

“As the situation stands at present, the banker is in a unique position. He is probably the only known instance of the possibility of lending something without parting with anything; and making a profit on the transaction, obtaining in the first instance his commodity free.”- **C.H. Douglas in a speech in Newcastle, 1923.**