"'Since I entered politics, I have chiefly had men's views confided to me privately. Some of the biggest men in the United States, in the field of commerce and manufacture, are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it." ~ *Woodrow Wilson, former President of the United States.*
"Each and every time a bank makes a loan, new bank credit is created - new deposits - brand new money." ~ *Graham F. Towers, Governor, Bank of Canada, 1934-54.*
"The process by which banks create money is so simple that the mind is repelled." ~ *John Kenneth Galbraith, economist.*
"Permit me to issue and control the money of a nation, and I care not who makes its laws." ~ *Mayer Anselm Rothschild, banker.*

MONEY AS DEBT

Two great mysteries dominant our lives. Love and money. What is love is a question that has been endlessly explored in stories, songs, books, and television. But the same cannot be said about the question what is money. It is not surprising that monetary theory has not inspired any blockbuster movies. But it was not even mentioned in the schools most of us attended.

For most of us, the question of where money comes from brings to mind pictures of the Mint printing bills and stamping coins. Money, most of us believe, is created by the government. This is true, but only to a point. Those metal and paper symbols of value we usually think of as money are indeed produced by an agency of the federal government called the Mint. But the vast majority of money is not created by the Mint. It is created in huge amounts everyday by private corporations known as banks.

Most of us believe that banks lend out money that has been entrusted to them by depositors. Easy to picture, but not the truth. In fact, banks create the loan, not from the banks own earnings, not from the money deposited, but directly from the borrower's promise to repay. The borrower's signature on the loan papers is an obligation to pay the bank the amount of the loan plus interest, or lose the house, the car, or whatever asset was pledged as collateral. That's a big commitment from the borrower. What does the same signature require of the bank? The bank gets to conjure into existent the amount of the loan and just write it into the borrower's account. Sound far-fetched? Surely, that can't be true! But it is.

A Brief & Broadly Allegorical History of Banking

To demonstrate how this miracle of modern banking came about, consider this simple story, The Goldsmith's Tale.

Once upon various times, pretty much anything was used as money. It just had to be portable and enough people had to have faith that it could later be exchanged for things of real value, like food clothing and shelter. Shells, cocoa beans, pretty stones, and even feathers have been used as money. Gold and silver were, attracted, soft, and easy to work with so some cultures became expert with these metals. Goldsmiths made trade much easier by casting coins, standardised units of these metals whose weight and purity was certified.

To protect his gold, the Goldsmith needed a vault and soon fellow townsmen were knocking on his door wanting to rent space to safeguard their own coins and valuables. Before long the Goldsmith was renting every shelf in the vault and earning a small income from his vault rental business. Years went by and the Goldsmith made an astute observation. Depositors rarely came in to remove their actual, physical gold. And they never all came in at once. That was because the claim checks the Goldsmith had written as receipts for the gold were being traded in the marketplace as if they were the gold itself. This paper money was far more convenient than heavy coins and amounts could simply be written instead of laboriously counted one by one for each transaction.

Meanwhile, the Goldsmith had another business: he lent out his gold, charging interest. When his convenient claim check money come into acceptance, borrowers began asking for their loans in the form of these claim checks instead of the actual metal. As industry expanded, more and more people asked the Goldsmith for loans. This gave the Goldsmith an even better idea. He knew that very few of his depositors ever actually removed their gold. So the Goldsmith figured he could easily get away with writing claim checks against his depositor's gold, in addition to his own. As long as the loans would be repaid, his depositors would be none the wiser and no worse off. And the Goldsmith, now more banker than artisan, would make a far greater profit than he could by lending his own gold.

For years, the Goldsmith secretly enjoyed a good income from the income earned on everybody else's deposits. Now a prominent lender, he grew steadily richer than his fellow townsmen. And he flaunted it. Suspicions grew that he was spending his depositors' money. His depositors got together and threatened the withdrawal of their gold if the Goldsmith didn't come clean about his new found wealth. Contrary to what one might expect, this did not turn out to be a disaster for the Goldsmith. Despite the duplicity inherent in his scheme, his idea did work: the depositors had not lost anything. Their gold was all still safe in the Goldsmith's vault. But rather than taking back their gold the depositors demanded that the Goldsmith, now their banker, cut them in by paying them a share of the interest. And that was the beginning of banking. The banker paid a low interest rate on the deposits of other people's money that he then loaned out at a higher interest, the difference covered the banks cost of operation and its profit. The logic of this system was simple and it seemed like a reasonable way to satisfy the demand for credit. However, this is not the way that banking works today.

Our Goldsmith-Banker was not content with the income remaining after sharing the interest earnings with his depositors. And the demand for credit was growing fast as Europeans spread out across the world. His loans were limited by the amount of gold his depositors had in his vault. That's when he got an even bolder idea. Since no one but himself knew exactly what was in this vault, he could lend out claim checks on gold that wasn't even there. As long as all the claim check holders did not come to the vault at the same time and demand real gold no one would find out. This new scheme worked very well and the banker became enormously wealthy on the interest paid on gold that did not exist.

The idea that the banker would just create money out of was too outrageous to believe. So for a long time the thought did not occur to people. But the power to invent money went to the banker's head as you can all imagine. In time, the magnitude of the banker's loan and his ostentatious wealth did trigger suspicions once again. Some borrowers started to demand real gold instead of paper representation. Rumours spread. Suddenly several wealthy depositors showed up to remove their gold. The game was up. A sea of claim check holders flooded the streets outside the closed doors of the bank. Alas, the banker did not have enough gold and silver to redeem all the paper he had put into their hand. This is called a run on the bank and it is what every banker dreads. This phenomenon of a run on the bank ruined individual banks and not surprisingly damaged public confidence in all bankers.

It would have been straightforward to outlaw the practice of creating money from nothing. But the large volumes of credit the bankers were offering had become essential to the success of European commercial expansion. So instead the practice was legalised and regulated. Bankers agreed to abide by limits on the amounts of fictional loan money that could be lent out. The limit would still be a number much larger than the actual amount of gold and silver in the vault. Quite often the ratio was nine fictional dollars to one actual dollar in gold. These regulations were enforced by surprise inspections. It was also arranged that in the event of a run, central banks would support local banks with emergency infusions of gold. Only if there were runs on a lot of banks simultaneously would the banker's credit bubble burst and the system come crashing down.

The Money System Today

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

The basic nature of money has changed. In the past the paper dollar was actually a receipt that could be redeemed for a fixed weight of gold or silver. In the present, a paper or digital dollar can only be redeemed for another paper or digital dollar. In the past, privately created bank credit existed only in the form of private bank notes, which people had the choice to refuse, just as we have the choice to refuse someone's private check today. In the present, privately created bank credit is legally convertible to government issued fiat currency, or the dollars, loonies, and pounds we habitually think of as money.

Fiat currency is money created by government fiat, or decree. Legal tender laws declare that citizens must accept this fiat money as payment for debt or else the courts will not enforce the obligation. So now the question is if governments and banks can both just create money than how much money exists? In the past, the total amount of money in existence was limited to the actual, physical quantity of whatever commodity was in use as money. For example, in order for new gold or silver money to be created more gold or silver had to be found and dug out of the ground. In the present, money is literally created as debt. New money is created whenever anyone takes a loan from the bank. As a result the total amount of money that can be created has only one real limit: the total level of debt.

Governments place an additional statutory limit on the creation of new money by enforcing rules known as fractional reserve requirements. Essentially arbitrary fractional reserve requirements vary from country to country and from time to time. In the past, it was common to require that banks have at least one dollar worth of real gold in the vault to back ten dollars of debt money created. Today reserve requirement ratios no longer apply to the ratio of new money to gold on deposit but merely to the ratio of new debt money to the ratio of existing debt money on deposit in the bank.

Today, a bank's reserves consist of two things. The amount of government issued cash or equivalent that the bank has deposited with the central bank plus the amount of already existing debt money that the bank has on deposit. To illustrate this in a simple way, let's imagine that a new bank has just started up and has no depositors yet. However, the bank's investors have made a reserve deposit of $1,111.12 of existing cash money at the central bank. Your required reserve ratio is nine to one.

Step one: the doors open and the bank welcomes its first loan customer. He needs ten thousand dollars to buy a car. At the nine to one reserve ratio the new bank's reserve at the central bank, also known as high powered money, allows it to legally conjure into existence nine times that amount or ten thousand dollars on the basis of the borrower's pledge of debt. This ten thousand dollars is not taken from anywhere. It is brand new money simply typed into the borrower's account as bank credit. The borrower then writes a check on that bank credit to buy the new car.

Step two: the seller then deposits this newly created ten thousand dollars at her bank. Unlike the high powered government money deposited at the central bank this newly created credit money cannot be multiplied by the reserve ratio. Instead it's divided by the reserve ratio. At a ratio of nine to one a new loan of $9,000 can be created on the basis of the ten thousand dollar deposit.

Step three: if that $9,000 is then deposited by a third party at the same bank that created it or at a different one it becomes the legal basis for a third issue of bank credit, this time for the amount of $8,100. Like one of those Russian dolls, where each layer contains a slightly smaller doll inside, each new deposit contains the potential for a slightly smaller loan in an infinitely decreasing series.

Now, if the loan money created is not deposited at the bank the process stops. That is the unpredictable part of the money creation mechanism. But more likely at every step the new money will be deposited at a bank and the reserve ratio process can repeat itself over and over until almost one hundred thousand dollars has been created within the banking system. All of this new money has been created entirely from debt and the whole process has been legally authorised by the initial reserve deposit of just $1,111.12, which is still sitting untouched at the central bank. What's more, under this ingenious system the books of each bank in the chain must show that the bank has ten percent more on deposit than it has out on loans. This gives the bank a very real incentive to seek deposits in order to be able to make loans supporting the general but misleading impression that loans come out of deposits.

Now unless all the successive loans are deposited at the same bank it cannot be said that any one bank got to multiply its initial high powered money reserve almost ninety times by issuing bank credit out of nothing. However, the banking system is a closed loop. Bank credit created at one bank becomes a deposit at another and vice-versa. In a theoretical world of perfectly equal exchanges the ultimate effect would be exactly the same as if the whole process took place within one bank. That is, the bank's initial central reserve of a little over eleven hundred dollars allowed it to ultimately collect interest on up to one hundred thousand dollars the bank never had.

If that sounds ridiculous, try this. In recent decades, as a result of steady lobbying by the banks, the requirements to make a deposit at the nation's central bank have all but disappeared in some countries and actual reserve ratios can be much higher than nine to one. For some types of accounts twenty to one or thirty to one reserve ratios are common. And even more recently, by using loan fees to raise the required reserve from the borrower, banks have now found a way to circumvent fractional reserve requirements entirely. So, while the rules are complex, the common sense reality is actually quite simple. Banks can create as much money as we can borrow.

"Everyone sub-consciously knows banks do not lend money. When you draw on your savings account, the bank doesn't tell you you can't do this because it has lent the money to somebody else." ~ *Mark Mansfield, economist and author.*

Despite the endlessly presented mint footage, government created money typically accounts for less than five percent of the money in circulation. More than 95% of all the money in existence today was created by someone signing a pledge of indebtedness to a bank. What's more, this bank credit money is being created and destroyed in huge amounts everyday. New loans are made and old ones are repaid.

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

Banks can only practice this money system with the active participation of government. First, governments pass legal tender laws to make us use the national fiat currency. Secondly, governments allow private bank credit to be paid out as government currency. Thirdly, government courts enforce debts. And lastly, governments pass regulations to protect the money system's functionality and credibility with the public while doing nothing to inform the public about where money really comes from.

The simple truth is that when we sign on the dotted line for a so-called loan or mortgage our sign pledge of payment backed by the assets we pledge to forfeit should we fail to pay is the only thing of real value involved in the transaction. To anyone who believes we will honour our pledge that loan agreement or mortgage is now a portable, exchangeable, and saleable piece of paper. It's an IOU. It represents value and is therefore a form of money. This money the borrower exchanges for the bank's so-called loan. Now, a loan in the real world means that the lender must have something to lend. If you need a hammer my loaning you a promise to provide a hammer I don't have won't be of much help. But in the artificial world of money, a bank's promise to pay money it doesn't have is allowed to be passed off as money. And we accept it as such.

"Thus our national circulating medium is now at the mercy of loan transactions of banks, which lend, not money, but promises to supply money they do not possess." ~ *Irving Fisher, economist and author.*

Once the borrower signs the pledge of debt, the bank then balances the transaction, by creating with a few key strokes on a computer, a matching debt of the bank to the borrower. From the borrower's point of view this becomes loan money in his or her account. And because the government allows this debt of the bank to the borrower to be converted to government fiat currency everyone has to accept it as money. Again, the basic truth is very simple. Without the document the borrower signed the banker would have nothing to lend.

Have you ever wondered how everyone, governments, corporations, small businesses, and families can all be in debt at the same time and for such astronomical amounts? Have you ever question how there could be that much money out their to lend? Now you know - there isn't! Banks do not lend money; they simply create it from debt. And as debt is potentially unlimited so is the supply of money. And as it turns out the opposite situation is also true.

Isn't it astounding that despite the incredible wealth of resources, innovation, productivity that surrounds us almost all of us, from governments, to companies, to individuals are heavily in debt to bankers? If only people would stop and think, how can that be? How can it be that the people who actually produce all the real wealth in the world are in debt to those who merely lend out the money that represents the wealth? Even more amazing is that once we realize that money really is debt we realize that if there is no debt there is no money.

"That is what our money system is. If there were no debts in our money system, there wouldn't be any money." ~ *Marrine S. Eccles, Chairman and Governor of the Federal Reserve Board.*

If this is news to you, you are not alone. Most people imagine that if most debts were paid off the state of the economy would improve. It is certainly true on an individual level. Just as we have more money to spend when our loan payments are finished we think that if everyone were out of debt there would be more money to spend in general. But the truth is the exact opposite: there would be no money at all. There it is - we are totally dependent on continually renewed bank credit for their to be any money in existence. No loans mean no money, which is what happened during the great depression. The money supply shrank drastically, as there was a 27% reduction in the supply of loans from 1929-33.

"This is a staggering thought. We are completely dependent on the Commercial Banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic money, we are prosperous; if not, we starve. We are, absolutely, without a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible, but there it is." ~ *Robert H. Hemphill, Credit Manager, Federal Reserve Bank, Atlanta, Georgia.*

Perpetual Debt

That's not all, banks create only the amount of the principal. They don't create the money to pay the interest. Where is that suppose to come from? The only place that borrowers can go to obtain the money to pay the interest is the general economy's overall money supply. But almost all that overall money supply has been created exactly the same way as bank credit that has to be paid back with more than what was created. So everywhere there are other borrowers in the same situation. Frantically trying to obtain the money they need to pay back both principal and interest from a total money pool which contains only principal. It is clearly impossible for everyone to pay back the principal plus interest because the interest money doesn't exist.

The big problem here is that for long term loans such as mortgages and government debt the total interest far exceeds the principal. So unless a lot of extra money is created to pay the interest it means a very high proportion of foreclosure and a non functioning economy. To maintain a functioning society the rate of foreclosure needs to be low and so to accomplish this more and more new debt money has to be created to satisfy today's demand for money to service the previous debt. But of course this just makes the total debt bigger and that means more interest must be repaid resulting in an ever escalating and inescapable spiral of mounting indebtedness.

It is only the time lag between money's creation as new loans and its repayment that keeps the overall shortage of money from catching up and bankrupting the entire system. However, as the banks insatiable credit monster gets bigger and bigger the need to create more and more debt money to feed it becomes increasingly urgent. Why are interest rates so low? Why do we get unsolicited credit cards in the mail? Why is the U.S. government spending faster than ever? Could it be to stave off collapse of the entire monetary system? A rational person has to ask can this really go on forever. Isn't a collapse inevitable?

"One thing to realize about our fractional reserve banking system is that, like a child's game of musical chairs, as long as the music is playing, there are no losers." ~ *Andrew Gause, monetary historian.*

Money facilitates production and trade. As the money supply increases money just becomes increasingly worthless unless the volume of production and trade in the real world grows by the same amount. Add to this the realization that when we here that the economy is growing at 3% per year it sounds like a constant rate. But its not. This year's 3% represents more real goods and services than last years 3% because it is 3% of the new total. Instead of a straight line as is naturally visualised from the words, it is really an exponential curve getting steeper and steeper.

"The greatest shortcoming of the human race is our inability to understand the exponential function." ~ *Albert A. Bartlett, physicist (http://www.youtube.com/watch?v=F-QA2rkpBSY&feature=related).*

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

"Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist." ~ *Kenneth Boulding, economist.*

What can we do about this downright scary situation? For one thing we need a very different concept of money. Its time more people ask themselves and their governments four simple questions. Around the world governments borrow money at interest from private banks. Government debt is a major component of the total debt and servicing that debt takes a big chunk of our taxes.

Now we know that banks simply create the money they lend and the government has given them permission to do this. So the first question is: Why do governments choose to borrow money from private banks at interest when government could create all the interest free money it needs itself? And the second big question is: why create money as debt at all? Why not create money that circulates permanently and doesn't have to be perpetually re-borrowed at interest in order to exist. The third question: how can a money system dependent on perpetually accelerating growth be used to build a sustainable economy? Isn't it logical that perpetually accelerating growth and sustainability are incompatible? And finally: what is it about our current system that makes it totally dependent on perpetual growth? What specifically needs to change to allow the creation of a sustainable economy?

Usury

At one time charging any interest on a loan was called usury. It was subject to severe penalties including death. Every major religion forbade usury. Most of the arguments made against the practice were moral. It was held that money's only legitimate purpose was to facilitate the exchange of goods and services. Any form of making money simply by having money was regarded as the act of a parasite or of a thief. However, as the credit means of commerce increased the moral arguments eventually gave way to the arguments that lending involves risk and loss of opportunity to the lender and therefore attempting to make a profit from lending is justified.

Today these notions seem quaint. Today the notion of making money from money is held as an ideal to strive for (i.e. loans, mortgages, bonds, stock market trading, currency speculation, real estate flipping, etc). Why work when you can get your money to work for you? However, in trying to envision a sustainable future it is very clear that the charging of interest is both a moral and a practical problem. Imagine a society and an economy that can endure for centuries because instead of plundering its capital stores of energy it restricts itself to present day income. No more wood is harvested than grows in the same period. All energy is renewable (i.e. solar, wind, tidal, hyrdo, biomass, geothermal, etc). This society lives within the limits of its non renewable resources by reusing and recycling everything and the population just replaces itself.

Such a society could never function using a money system utterly dependent on perpetually accelerating growth. A stable economy would need a money supply at least capable of remaining stable without collapsing. Let's say we fix the total volume of this stable money supply to a given amount. Let's also imagine that money lenders must actually have existing money to lend (i.e. no creating money as debt). If some people within this money supply begin systematically lending money supply at interest their share of the money supply will grow. If they continually re-loan at interest all the money that get's paid back, what's the inevitable result? Whether it's gold, fiat, or debt money it doesn’t matter. The money lenders will end up with all the money. And after the foreclosures and bankruptcies are all filed they will get all the real property too.

Only if the proceeds of lending at interest were evenly distributed amongst the population would this central problem be solved. Heavy taxation of bank profits might accomplish this goal. But then why would banks want to be in business. If we are ever able to free ourselves of the current situation we could imagine banking run as a non-profit service to society dispersing its interest earnings as a universal citizen dividend for lending without charging interest at all.

"I have never yet had anyone who could, through the use of logic and reason, justify the Federal Government borrowing the use of its own money...I believe the time will come when people will demand that this be changed. I believe the time will come in this country when they will actually blame you and me and everyone else connected with the Congress for sitting idly by and permitting such an idiotic system to continue." *~ Wright Patman, Democratic Congressman 1928-1976, Chairman, Committee on Banking & Currency 1963-1975.*

Changing the System

If it is the fundamental nature of the system that causes the problem tinkering with the system cannot ever solve those problems. The system itself must be replaced. Many monetary critics call for a return to gold based money claiming that gold has a long history of reliability. They ignore the many scams that can be played with gold: shaving coins, debasing the metals, cornering the all of which were practiced in ancient Rome and contributed to its fall.

Some advocate silver as being more abundant than gold and therefore more difficult to corner. Many question the need to bring back precious metals at all since commodity money distorts the value of the commodity, is easily stolen, and the supply cannot be controlled beneficially. It is a certainty that paper, digital, plastic, or more likely bio-metric ID money would be the real medium of trade with the same potential for creating unlimited debt money we have now. Beyond that if gold again became the sole legal basis of money those who had no gold would suddenly have no money.

Other monetary reform advocates have concluded that greed and dishonesty are the main problems and that there may be better ways to create an honest and equitable money system than returning to silver or gold. Inventive minds have proposed a variety of alternate ways to create money. Many private barter systems create money as debt much as banks do, but it is done openly and without charging interest (i.e. Local Exchange Trading System - LETS). An example is a barter system in which debt is expressed as pledges of hours of work. All work being valued equally at a dollar figure that then allows hours to be equated with a dollar price of goods. This kind of money system can be set up by anyone who and devise a way to do the accounting and find willing and trustworthy participants. Setting up a local barter money system even if it were little used now would be prudent emergency planning for any community.

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

Now that we have seen that money is just an idea (i.e. symbolic, commodity, receipt for commodity, bogus receipt, fiat (gov't cash), debt (bank credit), debt (pledge)) and in reality money can be whatever we make it here's one very simple alternative monetary concept to consider. This model is based on systems that have worked in the past in England and America. Systems that were undermined and destroyed by the goldsmith bankers and their fractional reserve system. To create an economy based on permanent interest free money, money could simply be created and spent into the economy by the government, preferably on long lasting infrastructure that facilitates the economy, such as roads, railroads, bridges, harbours, and public markets. This money would not be created in debt but would be created as value that value being in the form of whatever it was spent on. If this new money facilitated a proportional increase in trade requiring its use it would cause no inflation whatsoever.

If government spending did cause inflation there would be two courses of action available. Inflation is equivalent in effect to a flat tax on money. Whether the money goes down in value by 20% or the government takes 20% of the money away from us the effect on our buying power is the same. Viewed this way inflation in the place of taxation might be politically acceptable if well spent and kept within limits. Or, government could choose to counter inflation by collecting tax money that it then takes out of use, thus reducing the money supply and restoring its value.

To control deflation which is the phenomenon of falling wages and prices the government would simply spend more money into existence. With no competing private debt money creation, governments would have more effective control of the nation's money supply. The public would know who to blame if things went wrong. Governments would rise and fall on their ability to preserve the value of money. Governments would operate primarily on tax money as it does now but tax money would go much further as none of it would be required to provide interest to private bankers. There could be no national debt if the federal government simply created the money it needed. Our perpetual collective servitude to the banks through interest payments on government debt would be impossible.

"Money is a new form of slavery, and distinguishable from the old simply by the fact that it is impersonal, there is no human relation between master and slave." ~ *Leo Tolstoy.*

The Invisible Power

"None are more enslaved than those who falsely believe they are free." ~ *Goethe.*

What we have been taught to believe is democracy and freedom has become in reality an ingenious and invisible form of economic dictatorship. As long as our entire society remains utterly dependent on bank credit for its supply of money, bankers will be in the position to make the decisions on whom or what industry gets the money they need and who doesn't.

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking was conceived in iniquity and born in sin. Bankers own the Earth. Take it away from them, but leave them the power to create money, and with the flick of the pen they will create enough money to buy it back again...Take this great power away from them and all great fortunes like mine will disappear, and they ought to disappear, for then this world would be a better and happier place to live in. But if you want to continue to be slaves of the banks and pay the cost of your own slavery, then let bankers continue to create money and control credit." ~ *Sir Josiah Stamp, Director, Bank of England 1928-1941 (reputed to be the 2nd richest man in England at the time).*

"The inability of the Colonists to get power to issue their own money permanently out of the hands of George III and the international bankers was the PRIME reason for the revolutionary war." ~ *Benjamin Franklin.*

Few people are aware today the history of the United States since the Revolution in 1776 has been in large part the story of an epic struggle (i.e. depressions, inflations, bank panics, war, infiltration, media ownership, mass deception, assassination, "education") to get free and stay free of control by the European international banks. This struggle was finally lost in 1913 when President Woodrow Wilson signed into effect the Federal Reserve Act putting the international banking cartel in charge of creating America's money.

"I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated Governments in the civilized world, no longer a Government by free opinion, no longer a Government by conviction and the vote of the majority, but a Government by the opinion and duress of a small group of dominant men." ~ *Woodrow Wilson, President of the United States 1913-1921.*

The power of this system is deeply ingrained and so is the educational and media silence on the subject. Years ago, Canadian Deputy Prime Minister, Paul Hellyer, surveyed scores of non-economists both highly educated professionals and common sense people on the street and found that not one of them had an accurate understanding of how money is created. In fact it's probably safe to say that most people, including the front line employees of banks have never given the matter a moment's thought. Have you?

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

The modern money as debt system was born a little over three hundred years ago when the first Bank of England was set up in 1694 with a Royal Charter for fractional lending of gold receipts at a modest ratio of two to one. That modest ratio was just the proverbial foot in the door. The system is now world wide and creates virtually unlimited amounts of money out of thin air and has almost everyone on the planet chained to a perpetually growing debt that can never be paid off. Could it have all happened by accident? Or is it a conspiracy? Obviously something very big is at stake here.

"Whoever controls the volume of money in our country is absolute master of all industry and commerce...and when you realize that the entire system is very easily controlled, one way or another, by a few powerful men at the top, you will not have to be told how periods of inflation and depression originate." ~ *James A. Garfield, assassinated President of the United States.*

"The Government should create, issue, and circulate all the currency and credits needed to satisfy the spending power of the Government and the buying power of consumers. By the adoption of these principles, the taxpayers will be saved immense sums of interest. The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government's greatest creative opportunity." ~ *Abraham Lincoln, assassinated President of the United States.*

"Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of sovereignty of Parliament and of democracy is idle and futile...Once a nation parts with control of its credit, it matters not who makes the nation's laws...Usury once in control will wreck any nation." ~ *William Lyon Mackenzie King, former Prime Minister of Canada (who nationalized the Bank of Canada).*

"We are grateful to the Washington Post, the New York Times, Time magazine and other great publications whose directors have attended our meetings and respected the promises of discretion for almost forty years. It would have been impossible for us to develop our plan for the world if we had been subject to the bright lights of publicity during those years. But, the world is now more sophisticated and prepared to march towards a world-government. The supranational sovereignty of an intellectual elite and world bankers is surely preferable to the National auto-determination practiced in past centuries." ~ *David Rockefeller in an address to Trilateral Commission meeting, 1991.*

"Only the small secrets need to be protected. The big ones are kept secret by public incredulity." ~ *Marshall McLuhan, media 'guru'.*

“Money as Debt" was created & produced as a video documentary by Paul Grignon. "Money as Debt" owes its origin to the work of many dedicated educators and advocates of monetary reform. It is intended as a general introduction to the conceptual basis of money. To learn more, visit: moneyasdebt.net.