

### **Money: the stages of understanding.**

Revolution is primarily a process of education. Sam Adams, one of our great political philosophers, understood that the great battles of human history are fought not by soldiers – but by teachers; not on deserts, mountains, or city streets – but in the minds of men. All revolutions begin with “an irate, tireless minority” who – by definition – do not submit to the prevailing opinions of society as a whole. It is only through their continual agitation, that small “brush fires” of truth are initially set. It is only by their courageous adherence to principle, that these brushfires are gradually fanned into a blaze of revolutionary sentiment. It is only under the weight of their willingness to defy the status quo, that the “arc of the moral universe” bends slowly, but surely, toward justice. Revolutionaries have faith in themselves because they have faith in something much greater – they know that truth does not become error, even if nobody sees it. New truth is *always* unseen at first, and new philosophies are always written by men who are – at first – ignored or misunderstood.

Why must it be so? Why doesn't the majority join quickly with a cause that will benefit them and their children far more than a system that makes them less free, and less human? It is because we were all born in what Plato called an intellectual “cave.” From childhood, we were taught that things – as they are – are things as they MUST be, ought to be, or have always been. And because there was no one there to tell us otherwise, many people have never questioned the reality we inherited, or dreamed of a new reality that we ourselves could create. To the inhabitants of the cave, the truth is nothing but the shadows – for they have never seen the light. So the process of awakening men must inevitably be an arduous one, for most of us are afraid to question the basic assumptions that establish our familiar and comfortable identity. Only as it becomes more and more clear that there is something wrong with the system, will men begin to lose faith in leaders who promise to solve our problems for us. As Jefferson said in the Declaration, “Mankind are more disposed to suffer, while Evils are sufferable, than to right themselves by abolishing the Forms to which they are accustomed.”

So it is today. After enduring a subtle and pervasive form of oppression for several generations, a majority of American citizens have lost a critical awareness of their position, and have come to accept their present plight as natural. The system of subjugation has faded into the background and become just a pale canvas on which the more shocking daily indignities of life now present themselves. The wars, the bailouts, the torture, the regulations – all these rungs on the ladder of creeping totalitarian control – merely punctuate and obscure a much more deeply ingrained injustice: one that most of us accept only because we take it for granted; one that has allowed our government and its accomplices to pay for the aforementioned and truly insufferable evils. I want you to know that times are changing: We are a tireless minority; we are no longer willing to suffer the insufferable; the brushfires are blazing; and we know that it is our duty to focus the force of the rising revolutionary sentiment onto its proper target. We know what must be eradicated – and it is **monopoly control of the money supply**. We know in what Form this evil is currently embodied, and therefore what we must abolish: The United States Federal Reserve System<sup>1</sup>. To put it concisely, we must End the Fed.

In order to gain support for our movement, we must educate our fellow citizens about money. We must meet them where they are and ignite a fire of curiosity, or at least give them a sense of how important the monetary issue truly is.

About eighteen months ago, I began educating myself. I had watched the first few presidential debates, and I noticed one man on the stage who spoke differently than the rest. Not only was he willing to break with all the other candidates of his party to take a principled stand against the Iraq war, but he also made an argument that opposition to war must be grounded in opposition to expansive government power in general<sup>ii</sup>. As the son of anti-war “liberals,” my curiosity was ignited; when he referred to euphemistic terms for torture as “Newspeak,” implying that a form of Orwellian fascism had already “happened here,” I was listening; and, when he talked about ideas with which I was less familiar – the role of government, the purpose of the Constitution, inflation, sound money, and foreign debt – I realized I had some reading to do. In the fall of 2007, when Dr. Paul began openly making a case for getting rid of the central bank of the United States, I realized that I had no idea what a central bank actually was, and I began to explore the story behind the Federal Reserve.

I realized recently that there were several stages of understanding through which I passed. I can only surmise that most of my fellow travelers inhabit one of these stages at the moment. We must use the recollection of our own path to help guide others down a path of their own.

- To begin with, I remember what it was like never to have questioned the government’s control of our money. I am ashamed to say that my tacit support for the system was due purely to my own intellectual laziness. I was also hindered by a general disinterest in economics which, to a humanitarian like me, seemed deplorably technical and not sufficiently concerned with the harsh reality of human suffering. I still believed that the role of government could be to help the unfortunate – and despite all the things I hated about U.S. foreign policy, I still could not imagine that our leaders would pay for the wars through a systematic theft from Americans of the hard-earned fruits of their labor. I had accepted money like cavemen accepted the sun disc – never looking directly at it, and feeling only that it had always been there. I never wondered: where did money come from? Who controls it? Has it always been made out of paper?
- In the 2<sup>nd</sup> stage, I became very aware of just how much I didn’t know, and felt – justifiably – very confused. I began asking more questions of the above sort, and since I was busy with my studies, I resorted to the internet for quick answers to some of my queries. I found several interesting movies that explained the workings of the Federal Reserve and brought to my attention the practice of “fractional reserve banking.” This is the process by which commercial banks create new money out of thin air. I had never heard of this concept, and was astonished and skeptical. The morality of money was beginning to creep into my consciousness. How could the legal right to counterfeit be denied from me, I thought, but not to a special class of privileged men? It just didn’t seem fair. And as I read more about the history of the Fed: about how it was founded on a private island by seven bankers who were addressing each other by fake names; or

how the gold backing of our money has been steadily siphoned away since the Fed was founded; or how Fort Knox hasn't been audited since the 50's; all these multifarious and evocative details made me feel almost like I might be the victim of a conspiracy.

- Now, I am not saying that there *isn't* a conspiracy here – in the 3<sup>rd</sup> stage, this sort of explanation seemed very plausible to me. And who knows? Maybe Paulson and Bernanke and Geithner and all their Wall Street pals really are deliberately engineering another great depression so that they can take over the world – all I'm saying is that there doesn't **HAVE** to be any conspiracy. All that would have been necessary for this socialist monetary system to evolve would be for the previous system to have a defect (even an easily repairable one), for that defect to cause problems, for the source of the problems to be misdiagnosed, and for the new system to perpetuate itself despite its own obvious flaws, simply because it provides benefits to those persons who hold the reigns of political and financial power.
- One of the other details about the Fed, of which many people are unaware, is its “independent” and therefore quasi-private nature. In fact, much of the anti-Fed literature out there objects to the Fed's existence on the very grounds that it IS private, and thus not answerable to the “people,” through their elected representatives. Many anti-Fed activists on the left even advocate that, to fix the problem of constant theft of our money and our children's money, we take control of the money supply away from greedy private bankers and put it back into the hands of the politicians, where it belongs! In the 4<sup>th</sup> stage, I was fixated on this detail of “private” ownership, and so the “nationalization” argument did have a certain appeal to me – especially because I was also overly focused on the “backing” of the fiat money: on the fact that the debt paper came into existence, technically, by means of a loan from the Federal Reserve to our government. For this reason, I even wrote that the government ought to just create money out of thin air and **spend** it into existence, as opposed to asking the Fed to create it out of thin air and “loan” it to them, in exchange for U.S. Treasuries that our government clearly does not intend ever to honor. Essentially, the government just prints money already. But, as it became clearer to me that BOTH bankers and politicians benefit from the money system they control, and since it is clear that the financial and political elite have extensive interconnections, I eventually realized that reform of the monetary system could not be merely an ostentatious switch of control from one group of bureaucrats to another. In order to prevent abuse of the power to counterfeit, this power must be denied to all. Control over money should belong to no man, nor to any government of men. A “public” monopoly is no better than a “private” monopoly – not in this case. Only by ending all attempts to regulate the money supply, and debunking the economic theory that underpins such foolish attempts, will the scourge of inflation (and its more flamboyant cousin, the business cycle) be abolished. Only in this way will capitalism be given the chance it deserves. We must return to a commodity money, and this time we must make sure that it is not administered by the government.

- And so I arrived at the 5<sup>th</sup> stage. In this stage I learned that the Fed is essentially a cartel like any other. The banking industry, at a certain point in its history, formed a non-competitive “cooperative.” Like any monopoly agreement within an industry, it could only be enforced through the strong arm of government regulation. So, the Fed was created, at the behest of bankers, who were just as powerful a special interest group in 1913 as they are today. The Federal Reserve System allowed the bankers to counterfeit money at higher rates than before, without the risk of failing due to bank runs; and it allowed the politicians to pay for socialist projects and imperial wars that the American people have traditionally opposed. Fiat money allowed the United States to become an empire. Like all empires, ours will come to an end with the destruction of our currency. I now see our government for what it is – a collection of men who are not qualified to run our lives, since no man could claim those qualifications; a crumbling edifice of what once was a great experiment in liberty; a tyranny similar to the one that men like Sam Adams urged their neighbors to oppose.

We must teach our neighbors about money. We must not feel ashamed at trying to help them. We must not feel self-conscious or impatient, for our task is certainly not as hard as it must have been for our ancestors. Harriet Tubman famously said that, though she had freed a thousand slaves, she could have freed a thousand more – if only they had realized they were slaves. We are the Harriet Tubmans of our day. With the help of God and our fellow men, we have broken free from the intellectual chains that bind **all** men born into a system designed to oppress them. It matters not whether this design is deliberate. Each of us takes our own road to awareness, and it is our duty to wake up those whom we have left behind in our struggle for freedom. If each of us frees a thousand, or a hundred, or ten, or even just one slave – they will surely free another. And when millions of slaves know the truth about our government, it won’t matter which of their unconstitutional laws we choose to ignore – they won’t be able to stop us. When the state cannot enforce its unjust edicts, then the revolution is accomplished.

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<sup>i</sup> An entity that claims to “provide the nation with a safe, flexible, and stable monetary and financial system.”

<sup>ii</sup> An argument similar to one outlined in the book that inspired Gandhi’s adherence to the principle of non-violence, Tolstoy’s “The Kingdom of God is Within You.”