

THE FEDERAL RESERVE- HOW DID IT BEGIN?

In 1910, the seven wealthiest men in America met together on Jekyll Island, off the coast of Georgia. For nine days they laid plans for the structure and operation of a banking cartel (alliance) that would ensure they could control America's money supply and credit. The purpose of this union was to guarantee they would work together to destroy any competition and to use the police powers of the government to protect the cartel's operation. They called their alliance 'The Federal Reserve'.

A 'cartel' is a group of independent businessmen who form an alliance to coordinate production, pricing, marketing of something in such a way as to thwart competition, thereby increasing their own profits.

THE SEVEN MEN WHO STARTED THE FEDERAL RESERVE WERE BANKERS, WALL STREET BUSINESSMEN, AND POLITICIANS...

These are the men who started the Federal Reserve at that secret meeting on Jekyll Island:

[1] Nelson W. Aldrich, Senator from Rhode Island and Chairman of the National Monetary Commission, business associate of J.P. Morgan, father-in-law to John D. Rockefeller, Jr. (whose grandson is Jay Rockefeller, senator of West Virginia)

[2] Abraham Piatt Andrew, Assistant Secretary of the U.S. Treasury.

[3] Frank A. Vanderlip, President of the National City Bank of NY, the most powerful of the banks at that time, representing William Rockefeller

[4] Henry P. Davidson, senior partner of the J.P. Morgan Company

[5] Charles D. Norton, president of J.P. Morgan's First National Bank of NY

[6] Benjamin Strong, head of J.P. Morgan's Banker's Trust Company

[7] Paul M. Warburg, representing the Rothschild banking dynasty in England and France

THE PURPOSE OF THE ALLIANCE OF BANKERS WHO FORMED THE FEDERAL RESERVE...

The purpose of the union of these wealthy men was to guarantee centralized control over (to monopolize) the financial resources of the United States. Their plan was to concentrate the control of money and credit in the hands of just a few behind-the-scenes men, with a few lesser men working for them in front. (Today's front man is Ben Bernanke, serving his second term as Chairman of the Board of Governors of the Federal Reserve System . Herman Cain was the Federal Reserve Deputy Chairman, then Chairman, of the Kansas City branch from 1992-1996.)

At the same time, the wealthy men in Europe, the Rothschilds and the Warburg groups, were doing the same thing. They were setting up a banking union (cartel) that would centralize the money power in the hands of a few Europeans. (This shows it's not a coincidence that the economies of the United States and Europe are being brought down now in tandem.)

In 1912, A. Barton Hepburn of Chase National Bank said of the proposed Federal Reserve System, "If it works out as the sponsors of the law hope, it will make all incorporated banks together joint owners of a central dominating power." (That is, a *private* joint ownership of a central bank *to control the money supply for the United States.*)

Before this meeting on Jekyll Island the number of non-national banks were growing at a phenomenal rate, especially in the south and west, causing the NY bankers to suffer a steady decline in market share. By 1913, 71% of all banks were non-national, holding 57% of the deposits. These rich men who met at Jekyll Island were determined to reverse this trend.

WHY IS IT CALLED "THE FEDERAL RESERVE SYSTEM" WHEN IT'S NEITHER FEDERAL AND THERE ARE NO RESERVES?

When banks accept a customer's deposit, they give him a paper indicating the 'balance' in his account. This balance implies that the bank has *promised to pay* the customer his money whenever the customer asks for it. When a bank gives a loan to a customer, which is how the bank makes its money, that amount is usually withdrawn immediately to satisfy the loan. Herein rests the problem; When the banker lends more money than he has in the vault, he cannot make good on the *promises to the depositors to pay on demand*.

The over-lending practice is encouraged with the Federal Reserve System since the bankers are allowed to lend even more money than they have received in deposits, sometimes by a factor of 10-to-1, or even up to 300-to-1! This is called *'fractional reserve banking'*. For every \$1.00 the banker takes in as a deposit, he is allowed to lend out \$10.00 or more. If just a small percentage of depositors request their money at the same time, the scheme is exposed. When depositors ask for more money than is in the vault, the bank could be forced to close its doors.

Claiming that they wanted to avoid this from happening, the once-competitive bankers told the public they wanted to pool their reserves. Theoretically, this seems like a fine idea but the greed factor was not eliminated. Each banker feels more confident now to lend even more money, thinking that the pooled reserves will cushion them from disaster.

The Federal Reserve Act of 1913 gave these rich private bankers control over the reserves in the non-federal banks. In 1914, a year after the passage of the Federal Reserve Act, Senator Aldrich (one of the 7 at the Jekyll Island meeting) said, "Before the passage of this act, the New York bankers could only dominate the reserves of New York. Now we are able to dominate the bank reserves of the entire country."

As you have just learned, it's *private*, not 'federal' and because of the greed involved in their irresponsible over-lending practices, there are no 'reserves'. The name 'Federal Reserve' is to deceive and mislead the public. *And by coupling the Federal Reserve Banks with the US government by the passage of the Federal Reserve Act, the taxpayers could be responsible to bail out any banks that over extended themselves with bad banking practices.*

The *stated* objective of the Federal Reserve System was to stabilize the economy, which it has not done. The *behind-the-scenes* objective was to get the control of money and credit into the hands of the richest men who wanted to control the economies of the entire world. Mather Amschel Rothschild's famous quote exposes their motive, "Give me control of a nation's money supply and I care not who makes its laws."

What has happened to America since the Federal Reserve Banking Cartel has taken control of the U.S. economy in 1913?... The IRS was established (1913), WWI (1914), [See article on How Bankers Make Money From War], Bureau of Prohibition, BATF (1920), The Great Depression (1929), Gold Confiscation (1933), US declared to be in bankruptcy (1933), WWII (1944), Military Industrial Complex (exposed in 1961), the Korean War (1950), Viet Nam War (1964-1973), The dollar removed from the gold standard (1971), Persian Gulf War (1980), Deindustrialization of America using NAFTA and GATT treaties, (1994), Bosnian War (1995), The Gulf War (1996), the Middle East Wars (2002-present), Banker Bailout and Banker Bonuses (2008), War with Pakistan and Libya (2010-present), Record amount of debt, unemployment and foreclosures (2008-present).

Inflation has destroyed 94% of the dollar's purchasing power since the Federal Reserve Banking Cartel took over the control of our money supply in 1913.

We have now seen that the results of the Federal Reserve System is devastating for the American people. It's time to reverse the Federal Reserve Act of 1913 and return to sound money, institute safe lending practices, get control of inflation, and release the strangle-hold these rich bankers have on their competition.

For more info, read "The Creature from Jekyll Island" by G.E. Griffin or visit www.TheTinySpark.com